Editorial

Dear Readers,

This issue of Socioweb represents a new departure, as it is the first English language edition. For this reason, I would very much like to take this opportunity as editor to welcome you to the beginning of a new era in the life of this web magazine. You might reasonably ask: why should a Czech language sociology magazine targeted at a general audience within the Czech Republic now wish to have an English language edition? There are three interrelated answers to this sensible question.

First, creating an international edition of Socioweb represents a “coming of age” and demonstrates the growing power and confidence of Czech social science. Second, as contemporary social science is international in scope and nature, there is considerable merit to placing bringing Czech sociology onto the global stage and ensuring that this country plays a full and equal role in shaping opinion among citizens and decision makers. Third, many of the key themes and debates in the social sciences are by definition international, one only need think of hot topics such as ‘globalisation’, ‘global climate change’, and the ‘war on terror’ to see that discussion and debate of these issues should be undertaken on an international stage.

For these three reasons, use of the internet and the English language represent the most effective means of disseminating the ideas of Czech writers on contemporary society. It is my hope that Socioweb will act as a useful window revealing to the world not only the key debates and ideas circulating within Czech society, but also act as conduit for all citizens regardless of geographic location to make contributions on issues of concern and interest in the Czech Republic. In order to “set the ball rolling” this first English language edition of Socioweb will have both a Czech and international flavour. I trust and hope that you will find something of interest in the articles contained in this issue.

The leitmotif of this issue of Socioweb is making choices. In each of the articles covering what at first sight appear to be unrelated topics we have the underlying theme of making decisions. What is the best family policy? Is it in a woman’s best interest to stay at home and mind children, or pursue a career? How should the EU deal with Russia’s unreliability in energy supplies? Should the state continue to fund political parties, even if it discriminates against smaller parties? Does the choice to participate in politics make you happy? Is the choice to embrace globalisation at national and international levels make individuals happier and more satisfied with their lives? These are just some of the key questions addressed in this issue.

An obvious question to ask at the outset is, why is the study of human decision-making and choice so important? The articles presented in the following pages demonstrate by their very diversity the pervasive nature of choice in all aspects of human life. Each contribution in this issue endeavours to pinpoint the logic underlying choices, despite the wide variation in context. More generally, one may argue that the theme of ‘choice’ represents one of a handful of fundamental ideas that unites all of the social sciences.

In our first article, Eva Soukupová explores how Czech politics and society is perceived and interpreted by non-Czechs. In undertaking this task this author uses Steven Saxonberg’s analysis of the Czech Republic Before the New Millennium (2003) as a case study. This article looks at what policy choices were made by Czech decision makers during the first decade of the transitions process. This overview of the political context sets the stage for exploring why the women’s movement in the Czech Republic has been hampered by the legacies of the past. In short, this work demonstrates the importance of history (or path dependency) in making choices.

Thereafter, Jana Chaloupková switches our focus from the strategies of political elites to the kinds of choices faced in all families – how can women combine career aspirations and family commitments? In this contribution there is an exploration of how a theory of preferences can aid understanding and contribute to public policy formulation through prediction. Two key insights stem from this piece. Firstly, women are not all the same they have different preferences and hence make systematically different choices. Secondly, more enlightened policymaking will not necessarily result in lower gender based inequalities.

Our third article shifts the level of analysis upwards to national and European level, and addresses the important question of how to ensure that the lights and heating in Europe will not go out in future winters? Rasmus Relotius explores two thorny and pressing issues: is it possible to trust Russia for uninterrupted energy supplies, and should European countries embrace nuclear power to ensure energy security and reduce climate change effects. The dilemma of choosing between the bear and the atom will undoubtedly be an issue that vexes both citizens and their leaders in the coming months and years.
In the penultimate article, our attention is re-focused toward the choices that groups are compelled to make. In this article, Lukáš Linek and Jan Outlý provide a fascinating study of how state funding of political parties influences their decision to campaign in elections. In theory, state financing of parties is designed to foster maximum choice for voters and hence contribute to political stability. In reality, the system of public funding of parties appears to favour the status quo and discourage small parties with no parliamentary representation from participating in elections. As a result, the choice to “buy democracy” may end up undermining it.

The final contribution is perhaps the most general of all pieces in this issue in that it looks at what choices make humans happy and how happiness varies across the globe. Here Pat Lyons explores how various types of choices influence a person’s sense of happiness. Three key topics are examined – wealth, politics and globalisation. The evidence presented demonstrates that while there are undoubtedly differences between people living in Asia and Europe, there is also much that makes all humans happy across the globe.

I would like to conclude this introduction with an expression of gratitude and thanks to all of the contributors to this issue. It has been a pleasure for me as editor to facilitate in the presentation of the ideas and research contained in this path breaking issue of Socioweb. Všem mnohokrát děkuji.

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Czech Politics and Society: The View from Within and Afar

Key words: post-communism, party politics, government, policy, family, gender

There is an inherent tension in outsiders writing about societies where they did not grow up. One the one hand, they are often criticised for not fully understanding the subtleties and nuances of the foreign society they write about and consequently misunderstand and misinterpret the evidence presented. On the other hand, such author’s relative distance allows them to see features of a society that are blindly accepted by natives as being “normal.” Only rarely are external commentators applauded for doing both tasks well. From an English language perspective there are relatively few recent books that have attempted to explain in a broad and comprehensive manner how Czech society has changed during the post-communist transition process.

From the Czech perspective, Jiří Večerník’s and Petr Matejů’s (1999) edited volume ‘Ten Years of Rebuilding Capitalism: Czech Society after 1989’ represents the only overview of the evolution of Czech society available in English. It should be noted that this book is a translation of an original text in Czech. From an outsiders perspective Steven Saxonberg’s The Czech Republic Before the New Millennium represents one of a handful of books exploring social and political developments in the Czech Republic during the nineties. In this article, the focus will be on the approach and insights offered in Saxonberg’s work.

The book is divided into two parts: the first one examines the Czech political system and political leadership, and the second part discusses the Czech government’s approach to gender issues. A topic interconnecting both themes is the “Klaus phenomenon” where the author depicts both the persona and political actions of Václav Klaus. The central questions addressed in this book are: (a) the role and limits of formal political institutions, (b) the importance of social psychological elements and the lack of influence which ideology has on party politics, and (c) voting patterns during the transitional period.

This book tries to answer these three questions by taking a number of approaches. While some social scientists might disagree with this research methodology, the author believes that methodological pluralism is appropriate because there is no single social science paradigm that can explain everything. Saxonberg argues that his specific style makes the book useful for both students and casual readers. Diversity of approaches stems from the variety of issues discussed. Although the dominant methodology used is that of a political scientist, the author does not hesitate to draw insights from other disciplines. In some chapters, Saxonberg adopts a rather journalistic style, while in other chapters he pursues a more theory-based form of political analysis. When talking about the “Klaus phenomenon” the author takes a social-psychological approach, while for family policy he develops a unique welfare state typology.

Saxonberg supports his conclusions using a wide range of sources, and employing both qualitative and quantitative methods. The primary sources used range from newspaper articles and citations to expert-oriented working papers, survey reports (IVVM, ISSP, etc.) and scientific publications. In order to gain accurate, first-hand information about political events during Klaus’s tenure as prime minister, the author conducted more than two-dozen interviews with various journalists and politicians from across the entire political spectrum. Though the collection of the material used is impressive, it must be noted that not all the information presented is accurate. While a misspelled name is a relatively innocent mistake, a table containing inaccurate data is rather worrying.

Transition from communism

The early part of Saxonberg’s book is basically an introduction to recent Czech history and is written in a rather journalistic style. The author’s
Hegel’s theory of society. He contends that the terms, Saxonberg makes an innovative use of developments in gender discourse. In theoretical parliaments, family support measures, and issues. The author not only compares political dealing with trends in family policy and gender throughout the book, especially in the chapters does not necessarily result in popularity. Klaus and Václav Havel that political charisma he helped found) resulting in the emergence of “man show” even caused a split in ODS (a party that brought Klaus down). It was his arrogance, lack of ethical vision, and missed an opportunity to become a true leader. It was his arrogance, lack of ethical vision, and promotion of market actors, the author says, that brought Klaus down.

Gender and family policy
From a sociological perspective, it is the discussion on the gendering of Czech family policy that is one of the most interesting parts of Saxonberg’s book. Here the author examines current welfare state typologies and on the basis of a critical analysis from the gender stance, and then proceeds to develop his own alternative typology. The typology he proposes for the Central Europe countries defines “what is” rather than “what is not”, and is based on the well know welfare state type typology developed by Gosta Esping-Andersen.

Saxonberg presents the reader with four ideal types of welfare state characterised by the level of 1) accessibility of childcare institutions, 2) universality of child benefits and 3) prevalence of parental leave taken by men. The four types of welfare state Saxonberg proposes are as follows: ‘Gender Equity’ (scores high in all three dimensions), ‘Liberal’ (scores low in day-care and maternal leave; benefits are means-tested), ‘Conservative’ (scores low in paternal leave and moderate in other categories), and ‘State-Socialist’ (provides day-care, but benefits are low and paternal leave is used minimally). The prevailing wisdom is that all of the post-communist countries should fall into the ‘State Socialist’ type. Yet, the author shows that such a conclusion is not correct and proves his case by testing three hypotheses.

First, he tests the hypothesis that the type of welfare regime depends on the political party in power. Through an examination of the structures of post-communist governments, Saxonberg quickly reveals that such a viewpoint is not supported by the evidence, because governments often acted contrary to their ideological stand-points. Moreover, none of the other hypotheses satisfactorily explains the
emergence of welfare regimes in Central Europe. Equally interesting is the finding that the political heritage of the inter-war years does not explain why today the percentage of women in top levels of politics is so small.

The unexpected outcomes of political culture, female mobilization and party influence are clearly and concisely summarized in numerous tables. Later, the author puts forward a hypothesis that stresses the enduring nature of the communist legacy. It is argued that since the emancipation and feminist movement are associated with the communist past, post-communist governments incline toward an anti-feminist or male-breadwinner model. In Central Europe though, the incentives for women to leave the labour market have only marginal effects. Women continue to work and have fewer children. Saxonberg believes that this phenomenon is related to the economy, and will disappear once the economic situation in Central Europe countries improves.

The latter part of The Czech Republic Before the New Millennium continues on the theme of gender and takes a closer look at the gendered nature of parliamentary representation. Here the author uses various international statistics to support his main argument. The main thesis proposed is that under the post-communist transition process the situation with regard to female representation worsened, as did the nature and extent of female-friendly social policy making. In short, within the Czech Republic in 2000, women were still discriminated against both at home and at the workplace despite the prevalence of equality statutes within the legal framework. Many of the adverse factors like the “communist legacy” appear to limit the ways in which contemporary feminists could come to power in Eastern Europe.

Saxonberg shows that the political culture of Central and Eastern Europe plays a greater role in determining the level of female representation than does the choice of electoral system. Further statistical analyses reveal that geographical location, the existence of majoritarian elections, and the size of an electoral district are also highly significant factors in explaining variation in female candidate selection across the Czech Republic. Towards the end of this chapter after a detailed inspection of parties’ nominating processes, Saxonberg concludes that the key obstacle to equal female representation relates to candidate selection processes within parties, citizen’s beliefs and voting behaviour.

Later in the book there is an exploration of the important issue of Czech women being more conservative than men. Saxonberg reveals that although women are more likely than the men to vote for rightist parties, they are not necessarily more liberal on economic issues than men. Owing to unique voting patterns in the Czech Republic, women’s social democratic beliefs and values do not always translate into votes for left-leaning parties. Despite the fact that women are more socialist in their thinking than men, women nonetheless appear to be more right wing. Moreover, women tended in the nineties not to support extremist parties such as the Communists and Republicans. In addition, they were more likely to vote for “middle parties” rather than the Social Democrats who by the late nineties had acquired a rather populist image.

Where do we go from here ...

The final part of the book is devoted to the future of the women’s movement in the Czech Republic. Here the author gives voice to several feminist authors. Based on their opinions, he suggests ways of overcoming obstacles stemming from a misinterpretation of the past. To fight the three main myths (i.e. a harmonious past, Czech exceptionalism, and a communist era legacy), Saxonberg advises that feminists should reframe their discourse and carefully choose the words and issues they communicate to their fellow citizens.

Moreover, one of the achievements of this book is its demonstration that formal institutions are important for the transition of Central Europe countries to market economies. However, these institutions have as yet less influence than is the case in consolidated Western democracies. Personal relations among politicians rather than political orientation largely drive politics in post-communist transition countries.

The author’s “outsider” position enabled him to “de-mysticize” several assumptions that Czechs often make about themselves, and their society. Moreover, he shows that family policy in the whole Central European region is affected much more by the communist past than the political orientation of the governments in power, the influence of the women’s movement, or the inter-war political heritage. Finally, the book also considers from the Czech perspective issues of gender pluralism and gender representation, gender recognition and the framing of the gender or feminist movement’s policy goals for the future.

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Note:
Steven Saxonberg is an associate professor of political science at the University of Uppsala, Sweden. His second book 'The Czech Republic Before the New Millennium' marks a continuation of his earlier published work, which examined the end of communism in Central European. At present Prof. Saxonberg is a visiting scholar at the Department of Political Sociology, Institute of Sociology, Prague.

References:
A central question in all modern societies is the balance between work and leisure. In the past, this was less of a concern because of economic pressures. However, within advanced industrial and post-industrial economies this has become of increasing concern. Fred Hirsch in his influential book The Social Limits to Growth (1977) argued that individuals assessment of work and leisure were “positions.” Individuals set value on all things in terms of their relative abundance, consequently those who have high position and social status consumed goods that are defined as being exclusive. For example, owning a red Ferrari is fun not only because one can drive at great speed, but also because few other people can afford to own a Ferrari.

However, the downside of such a system of social norms is that there is a greater incentive to work increasingly harder and longer in order to be able to buy such desirable products. According to some economists such as Robert Frank (1999) and (Lord) Richard Layard (2005) this leads to rivalry where people compete destructively to earn more and hence buy more. As a result, the quality of life for workers and their families declines, although they are all better off financially and materially. Such a perspective is hardly new, as Emile Durkheim and Adam Smith both argued that the pursuit of private economic goals, if it is not to be destructive for society, requires some form of social morality.

Wanna stay at home and be a ’soccer mom’?

For women, this dilemma between work and play takes on a particularly importance because of its impact on families and more particularly the rearing of children – the next generation of workers. One of the most influential books examining this fundamental question is Catherine Hakim’s Work-lifestyle choices in the 21st Century: Preference Theory. This sociologist from the London School of Economics puts forward a preference theory that seeks to explain variation among women with regard to their work and family arrangements.

Using an empirically based cross-cultural theory of how women choose between paid work and unpaid family work, Hakim attempts to predict the future development of women’s employment patterns. The central argument of this book is that personal preferences are becoming an increasingly important determinant of women’s behaviour, and that the relative weight of economic and social factors on work and lifestyle choices has declined in modern affluent societies. This argument derives from the author’s use of (revealed) preference theory – an approach developed by Noble prize winning economist Paul Samuelson to explain consumer choice.

Hakim’s preference theory of work and lifestyle choice is based on four key empirical observations: (i) the emergence of five sources of social change, (ii) the fact that women tend not to have homogeneous preferences with regard to the balance between work and the family, (iii) the presence of greater heterogeneity in work-lifestyle preferences between women and men, (iv) public policy has a different impact on different subgroups of women depending on their work and lifestyle choice. Each of these key empirical observations forms the foundational tenets for this book’s preference theory. These ‘social facts’ emphasised by Catherine Hakim may be briefly outlined in the following manner.

Where it all started

First, Hakim argues that there have been five social changes that have led to a new era where the options available to women in current advanced societies have expanded.

1) The ‘contraceptive revolution’ of the 1960s gave women control over their fertility, thereby enabling voluntary childlessness if desired

2) The ‘equal opportunities revolution’ opened up women’s equal access to the labour market

3) An expansion of white-collar work that is attractive for women

4) An increase in job opportunities for secondary earners (mainly part-time jobs) for whom a career is not a priority

5) An increase in the importance of preferences, choices and lifestyle options in affluent societies

Hakim argues that the changes that have been occurring in Western Europe, North America and other modern societies from the 1960s have given women a real choice between a life centred on the family, and/or on paid work. As the timing and pace of these changes has varied between countries, the occurrence of this new era of choice for women has depended on national context. In the USA and Britain, which Hakim uses as case studies, this new era of choice for women emerged in the last decades of the 20th century.

Second, a core feature of Hakim’s theory is that women have different preferences in relation to family and work. She identifies three work-lifestyles preference groups:
- Home-centred women who give priority to children and family life and prefer not to work
- Work-centred women who have a strong commitment to their employment, or other competitive activities
- Adaptive women, the most numerous group of women, who seek to combine jobs and family life in order to have ‘the best of both worlds’

The third tenet of Hakim’s (2000) preference theory posits that the diversity of women’s preferences and priorities creates conflicting interests between different groups of women. This disadvantages women in comparison to men because the latter are more homogenous in their preferences. Fourth, the heterogeneity of women’s work and lifestyle preferences results in a variable response by different subgroups of women to public policy measures.

Structure of the argument
At the beginning of Work-lifestyle choices in the 21st Century there is an introduction to the preference theory of work and lifestyle choice, and a presentation of the weaknesses of previous theorizing about women’s employment decisions. Preference theory is developed specifically to explain women’s behaviour and choices. As such, it contrasts with previous male-centred theorizing on the labour market in sociology and economics. Furthermore, Hakim challenges those approaches that treat women as a single homogenous group. The four key tenets of preference theory (as outlined above) are developed in subsequent chapters. This is followed by a comprehensive description of the social changes, which have created new opportunities for women in contemporary societies.

Thereafter, there is a detailed overview of previous research into sex-role attitudes, work orientations, employment patterns, and incomes. The evidence presented reveals an increasing polarization of women’s preferences and behaviour. Hakim insists that most women do not seek to have a career-centred lifestyle, but rather some combination of employment and family. Moreover, many women still consider themselves as secondary earners in the household having primary responsibility for homemaking, while men are considered to be the main breadwinners. However, some women prefer to centre their life on the family, while others prioritise their career or other activities in their life. The consequent polarization of women’s employment patterns is associated with a simultaneous divergence of household incomes between dual and single-earner households.

Later in the book the author presents evidence from two studies of women born at the end of 1960s, who are thus members of the cohort that became adults after the contraceptive and equal opportunities revolutions. These two studies show that women’s plans for employment as stated in their teenage years are a significant predictor of their subsequent employment and fertility patterns. In addition, this research demonstrates that work-lifestyle preferences are stable across the life course.

Insight: not all women are the same
Catherine Hakim discusses at some length the heterogeneity evident in women’s preferences in the trade-off between paid employment and work in the home. The author puts forward three ideal-types of work-lifestyle preferences among women. The evidence presented illustrates that these divergent lifestyle preferences are found at all levels of education, and in all social classes. In this respect, the author briefly discusses the role of social constraints and contextual influences. She does not deny their existence, but maintains that their importance is declining rapidly and their influence on women’s careers is now outweighed by the growing importance of personal values and preferences. It seems that the “adaptive women” work-lifestyle preference group are the most sensitive to the structure of opportunities in comparison to all others – who it seems, have a more consistent commitment to their preferred lifestyle.

Later, Hakim turns her attention to an exploration of the educational structure of married couples. She finds that in spite of rising education equality between men and women, there is still an important group of women who continue to “marry up”, i.e. to more highly educated men. She notes that some women connect their life plans with marriage and family, rather than solely with a career. Hakim points out that educational institutions function also as a marriage market, and that educational attainment is a source of both cultural and economic capital. The author also argues that the educational equality of spouses is associated with more egalitarian conjugal roles, and this may perhaps be more important than the earnings equality present between husbands and wives.

Preferences, people and choices
In the final stages of her book, Hakim considers the implications of her preference theory for public policy making, and its potential impact on family life and women’s employment patterns. The three ideal types of work-lifestyle preference groups evident among contemporary women in the United States and Britain differ significantly in their responsiveness to fiscal and social policies. Moreover, such divergent preferences put the members of these ideal-type groups in conflict with each other. According to Hakim, the adoption of preference theory should improve public policy research. In this respect, one key implication of this book is that public policy should in the future be more diverse; in order to take into account the different needs and desires of women instead of trying to establish a “one-size-fits-all” approach.
In a true scientific spirit, the author also considers the work-lifestyle preferences among men. These merit consideration because they are more homogenous than that those evident among women. Why such a gender difference? The answer it seems is that the preferences of men are dominated by priorities associated with paid employment. However, there is a twist. Men who have unconventional preferences such as wishing to be the primary homemaker tend to face many more constraints in making choices than women.

**So what does it all mean ...**

Hakim’s book offers four main insights. According to the author, a preference theory of work-lifestyle choices highlights the diversity of women choices and pays less attention to the structural and institutional constraints that hinder the attainment of desired outcomes stemming from such choices. First, the preference theory of work-lifestyle predicts that in any culture that reaches a standard of living evident in advanced industrial economies such as the United States and Britain, there will be heterogeneity in women's preferences for participation in the labour force and work in the home. One key consequence of women making different choices is that this will lead to a polarised labour market with lots of women at bottom rungs of the career ladder and a handful of others occupying the highest echelons.

Second, this is not the only controversial implication of this theory. The preference theory of women’s work-lifestyle choices also challenges competing theoretical perspectives that argue family structures will progressively converge toward one egalitarian family model that will be characterised by symmetrical conjugal roles. On the contrary, Hakim’s contends that there will in fact be a steady polarization of women’s employment patterns and earnings. More specifically, it is predicted that there will be a growing divergence between the work-lifestyle choices between childless career-oriented women, and the “adaptive women” ideal-types who have decided to have children and a more limited career.

Third, men will hold on to their dominance in the labour market and politics, because only a minority of women will want to prioritise their jobs in the same way as men. Fourth, the theory expounded in this book highlights the need for a more flexible approach to public policy making in order to meet the legitimately different preferences of women who wish to devote their energies in paid employment as part of a long-term career, and other women who opt for both a (constrained) career and doing unpaid work in the home centred on taking care of children.

References:

**Taming the Bear, or harnessing the Atom? The Future of European Energy Policy**

*Key words: energy, nuclear, security, Russia, politics, EU*

At present the Czech Republic is self-sufficient in terms of energy production, and in fact exports one quarter of its electricity output each year. Sixty per cent of total electricity generation in 2005 came from coal-powered plants and most of the remainder came from nuclear plants (30% per cent). However, if we examine energy import dependence more directly we find that in 2005 that energy supplies from Russia constituted 71% of total consumption (see, EurActiv 2006). Given recent problems with the reliability of energy supplies from Russia, and the inherent limitations of using coal for ecological and other reasons, the Czech Republic faces a dilemma common to all countries in Europe: should the dependency on potentially unreliable sources of energy mainly in Russia be reduced by increasing the use of nuclear based power?

Even if the nuclear option is chosen for security and ecological reasons there is still the thorny problem of where to obtain supplies of nuclear fuel. Ironically, one of the largest sources of nuclear fuel is Russia (Vošta and Abrhám 2007). However, the Czech Republic is the twelfth largest producer of uranium in the world. Significantly, the Czech government decided in May 2007 to extend indefinitely uranium mining at the country’s largest mine at Dolní Rozinka, northwest of Brno. This is because uranium prices have increased nine-fold in recent times, and this mine may provide the Czech Republic with the nuclear fuel it needs in the future.

In this article, the focus will be on the dilemma faced by all European governments. How is it possible to balance the costs and benefits of trying to “tame the (Russian) bear,” or investing more heavily in developing a safe and secure system of nuclear power? At present it is clear that without some policy change the European Union’s dependency on energy imports from external sources is likely to rise from 50%
today to around 70% in the next 20-30 years. Thus, it is fundamentally important to know if the EU can rely on its supplier countries. If not, the EU has to rethink its Energy strategy. Besides the goals of increasing efficiency and promoting renewable energy, which have already been addressed by the Union and its member states, this also includes contemplating a revival in nuclear energy production.

The litmus test

Russia is by far the EU’s largest supplier of energy, accounting for 32% of European oil imports and 46% of gas imports, according to the European Union’s statistical office Eurostat. As oil and gas – also referred to as hydrocarbons – are the major sources of imported energy, Russia’s importance for Europe cannot be denied. So Europe’s future energy policy choices are highly dependent on Russia’s reliability as an energy partner.

Several events in recent years raise serious doubts about Russian reliability. The most prominent of them was the Russian-Ukrainian gas incident in January 2006. It did not take long before politicians and the media started to blame the Russian government for acting arbitrarily, picking one country and forcing it to pay a 40% higher gas price than that negotiated shortly before. Such cynicism stems from two main concerns. Firstly, the Ukrainian President elected in 2004, Viktor Yushchenko, was known to be a pro-European politician, undesired by the Kremlin; and secondly, the next Ukrainian parliamentary elections were due to be held short after the incident, in March 2006.

Thus people feared that, a decade and a half after the collapse of the Soviet Union, Russia might try to regain its influence in the region. Unsurprisingly, Vladimir Putin as Russian President became the main target of international criticisms. This raises two questions: First, what are the Kremlin’s objectives regarding external energy policy? Second, which instruments do Putin and the Russian government, respectively, have at their disposal within the field of energy policy?

Who is in the driving seat?

EU Energy Commissioner Andris Piebalgs argued in an interview with the International Herald Tribune in April 2007 that, “the problem is not Russia, the problem is that Gazprom is a monopoly supplier.” Reading this statement, one might easily believe that the Kremlin is not the most important player, but it is simply Russia’s largest energy company Gazprom, which uses its position in the international energy market to maximize profits. This would not pose a real threat to Europe, since no other region is actually able – or willing – to pay a price for Russian hydrocarbons, which is higher than the price paid by European states.

A closer look at the current state of the Russian energy sector reveals that the situation is more complicated. Gazprom is not only the country’s largest gas producer, and thus a de facto monopolist within the Russian gas sector, but is also state-led. The same status also applies to Transneft, the state-controlled monopolist that owns the Russian oil pipelines – the longest in the world. While most of the oil and gas sectors have been in the hands of the Russian state since the communist times, the oil production sector had been liberalised to a great extent during the 1990’s. But since 2004, the Putin administration has tried to regain control over the oil sector as well as over the small remaining privatised part of the gas sector – and it seems to be quite successful in achieving this objective.

But this still leaves the question of what the Russian government’s aims are concerning energy policy – and especially external energy policy. Again one may argue that Russian energy policy is simply based on economic criteria. This then would again mean that Europe’s fears about Russia’s reliability are highly exaggerated. Russia has great incentives to sell its energy to Europe, because of the extremely favourable prices most European states pay.

However, there are several reasons for thinking that Russian energy policy is not solely driven by economic considerations. Firstly, Russia’s state-led companies have been – and still are – less efficient and competitive than private ones. In international comparison only Mexico’s state-led monopolist Petroleos Mexicanos (Pemex) does worse. Secondly, the Kremlin created a highly unfavourable climate for investment in the energy sector. Hence, investment in assets – pipelines, production capacities, etc. – is rare. This is because private businessmen do not trust the Kremlin policy. Since the imprisonment of Yukos-founder Mikhail Khodorkovsky they have become aware of their vulnerability when it comes to differences with the political bosses in Moscow.

Thirdly, foreign direct investment (FDI) in the energy sector is restricted by Moscow’s policy. Finally, the state-led companies themselves do not put their own capital into new projects. One problem is that without the necessary investments the state-led companies’ efficiency will be even worse in the future, another that the energy sector will not be able to develop new oil and gas fields. At the end of the day Russia thus might not be capable of increasing energy supplies to meet increasing international and domestic demand. These four reasons demonstrate that it is only prudent for Europeans to rethink their long-term energy security strategy. If Russia will not be able to meet Europe’s increasing demands then other sources of energy will be required.

Energy, power and politics

While this problem might only occur in the long run, Europeans are more afraid that Russia might turn off the tap on energy supplies
tomorrow. Clearly, some recent events have contributed to such concerns: The above-mentioned gas incident with Ukraine in 2006 showed not only that Russia is willing to put pressure or countries which are at the crossroads between West and East – but it also shows that Russia does not care about the immediate consequences for its European ‘partners’.

A similar situation also arose at the end of 2006, when Russia threatened to ‘solve’ its dispute with Belarus by cutting off gas deliveries to the country. Furthermore, Russia’s reluctance to ratify the Energy Charter, which would set a clear framework for transit and conflict-resolution rules, causes suspicion among European officials. Indeed, the Russian-Ukrainian gas conflict could easily have been solved under the supervision of the secretariat of the Energy Charter Treaty. The main obstacle for Russia’s ratification of this treaty is its competition rules, which state that all parties to the treaty must reduce restrictions to competition and implement laws against monopolies and cartels. Since Putin’s energy policy is currently moving in the opposite direction, it is unlikely that Russia will ratify the treaty in the near future.

Does all of this imply bad times for Europeans, and good times for Russia’s energy-driven economy and foreign policy? The simple is no. Regardless of her political aims, Russia needs to export its energy to Europe in order to get its economy on track. The energy relations between Europe and Russia are thus interdependent. Europe needs Russia as its main supplier, whereas Russia is dependent on Europe as its main customer.

**Negotiating with, rather than baiting the bear**

While some Russian officials have tried to create fears among Europeans by pointing out that Russia might well sell its oil and gas to other regions – most prominently of them probably India and China – this is not only economically unreasonable, because these countries are actually not able to the European price, moreover it is simply not possible in the short-run for technical reasons. The bulk of Russia’s pipelines currently lead to Europe. Increasing export to other regions – and thus reducing dependency on Europe – would require the establishment of new transport routes.

This would take time and imply huge investments, especially in the case of China and India, since their geographic proximity would require the establishment of pipelines either through geographically complicated territory like the Himalayas, or through politically unstable regions, for example Kashmir. Russian oil and gas executives know this, and unsurprisingly no deals in this direction have materialised so far. Hence, Europe does not have to fear a Russian withdrawal. While Russia cannot afford a complete withdrawal from Europe, because of the economic costs which would result from that, it may use its energy power to threaten single countries in Eastern Europe which are highly dependent on Russian supplies. For this reason, the European Commission has proposed a common framework for a Coherent External Energy Policy (CEEP).

In this way, Europe could integrate its energy policy in the new post-Partnership and Cooperation Agreement with Russia, which will be negotiated in the second half of 2007. But energy policy still lies in the hands of the member states and it is unlikely that the CEEP will be established soon. The main obstacle to a coherent external energy stems from the member states’ unequal dependency rates and different sources of energy. While the majority of the new member states are highly dependent on Russian energy due to an infrastructure established during the Soviet era, most of the old member states rely on Norway and North Africa for their imports.

The key problem in not having a CEEP is that Russia will be able to put pressure on those EU member states that are highly dependent on Russian energy supplies. This may result in competition between them and, in the worse case scenario large splits within the EU. Hence, there remain some steps to be taken by the EU and its member states to ensure that Russia is not in a position to exploit its status as a major energy producer.

**Mistrusting both the bear and the atom**

If Russia is not perceived as being reliable, why does Europe not import more energy from other countries? There are several countries that actually possess vast resources of oil and gas. However, considering the huge amount of Russian energy supply, it is impossible to substitute it with supply from other countries in the short-run. Moreover, those countries which could increase their energy exports to the EU are either not politically stable enough to ensure the huge investments needed to establish the necessary infrastructure, or have to rely on Russian transport routes to distribute their energy to Europe. The majority of the Middle Eastern countries – e.g. Iran and Iraq – belong to the first group, while the second group mainly consists of energy rich states from the former Soviet Bloc – Kazakhstan and Turkmenistan.

In short Europe has to rethink its energy security strategy. A common approach towards external suppliers would be highly favourable for the EU and its member states, yet it is not likely that such a framework will be established soon. Europe thus has to find a domestic solution in order to decrease dependency on external suppliers. While several options have been addressed by the EU member states so far, including an increase in energy efficiency and the promotion of renewable energy sources, the use of nuclear energy remains a highly controversial issue among European states. In the end, however, nuclear power represents the only large-scale energy resource that is capable of ensuring a sufficient energy supply at reasonable prices.
However, it may be more prudent to forego a risk-averse strategy and lower the probability of even greater energy related problems in the future. One need only think here of: (a) an acceleration in climate change through continued use of solid fuels and hydrocarbons; (b) becoming economically uncompetitive through use of subsidised energy; or (c) losing secure energy supplies by relying on Russia or other more instable regions.

Unfortunately there is one key problem with the nuclear option: the nuclear energy issue polarises public debate. Often the risks associated with its use are either highly exaggerated, or completely denied. The recent controversy in Germany concerning accidents at the Brunsbüttel and Krümmel nuclear plants and the plunge in opinion poll support for retaining nuclear power after 2021 highlights the difficulties of energy policy change (The Economist 2007). One does not have to agree that nuclear energy is the only viable option to ensure energy security for Europe, but there should be at least an intelligent discussion about its advantages and disadvantages.

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Is it Possible to Buy Political Stability?
Key words: party, finance, politics, stability, elections, representation, law

Why is the Czech political system one of the most stable of all the post-communist states? One influential argument highlights the strategic use of social policies; vulnerable sections in Czech society who were likely to engage in political protests during the process of transition were essentially “bought off” with social welfare, unemployment and early-retirement payments (Vanhuyssee 2006; note also Matějů and Večerník 1999). Ironically, given Prime-Minister Václav Klaus’s Thatcherite rhetoric in the nineties it was successive Civic Democrat (ODS) governments who pushed these interventionist social policies most vigorously. However, social policies are not the only instrument capable of yielding political stability.

Other more political explanations include: the structure of party competition, which is strongly ideological in nature stemming in part from class divisions within Czech society. In addition, one might also mention the stability created by the Czech electoral system and in particular such features as the five per cent electoral threshold that effectively weeds out extremist parties. An informative recent overview of these factors in a comparative context is given in Šarádin and Bradová (2007).

Within this article consideration will be made of a much less well-known strategy for “buying” political stability: the state financing of political parties. The core argument explored here is that state sponsorship of major political parties...
creates a financial disadvantage for newcomers and potential challengers to the status quo. As a result, small radical or extremist parties get squeezed out and can’t compete because they are unable to compete effectively with their better-financed and larger competitors. In order to understand the basis for this admittedly controversial argument, it is necessary to explore the arcane rules of how state financing of political parties works.

**Giving money to parties ... how is it done?**

The legislation on party funding has undergone considerable changes since 1990. The development of legislation can be divided into three phases. The first phase entailed the initial passing of laws addressing the activities of parties and the organization of elections in the immediate aftermath of the Velvet Revolution. It was at this time that state subsidies for votes were first instituted. The second phase (1994-2000) saw the establishment of the basic features of the current party finance model. The period since 2001 represents a third phase, and is noteworthy for introducing a significantly greater level of regulation of party funding than existed in previous phases. This expansion of state subsidies has resulted in a transformation of the structure of party funding. Until 2000, parties received around the half of their income from non-governmental sources (in non-election years). However since 2001, all the main parties receive most of their funds from the state. How did this happen?

The legislation on political parties was adopted by the federal parliament at the end of January 1990 and contained only basic rules governing party registration. Later legislation passed in October 1991 resulted in very few important changes, but did prohibit parties receiving gifts from the state and state bodies, and introduced a system of annual financial reports. A later amendment in 1994 broadened the extent of state subsidies, and defined new categories of permissible types of party income including donations, public funding, membership fees, and income from parties’ activities. Since 1994, the structure of sources of party financing has remained largely unchanged.

While the legal structure of party financing has been stable since 1994 the trend in support for parties by the state has been one of continual increases. At the start in 1990, public funding of parties began with reimbursements of electoral costs. In 1994, this system of reimbursement of electoral costs was replaced with a new system of public funding. This new system of subsidies was from the outset more generous to established parties. In simple terms, Czech political parties are given money by the state in two main ways: (a) funding for regular party activities and a bonus for each seat a party holds in parliament, and (b) reimbursement for election costs.

State funding for regular party activities is provided during the entire election term to parties who received at least three percent of the vote in the last general election. Between 1994 and 2001 any party that obtained three percent of the vote was entitled to three million CZK per year (this amounted to $104,000 in 1994). For each additional 0.1 percent of the vote, their funding increased by 100,000 CZK ($3,500 in 1994 dollars), and above five percent this subsidy amounted to five million CZK ($174,000 in 1994). Since 2001, the subsidy for such activities has doubled. The law does not regulate how parties spend their money, nor does it stipulate deadlines when all monies must be spent.

The subsidy for winning a parliamentary seat was set at half a million crowns in 1994, and remained at this level until 2001 (in 1994 it equalled $17,400). However, only parties entitled to this subsidy, and consequently independent senators are disadvantaged and must cover many expenses from their own resources. Since 2001, the amount of the state funding per parliamentarian has been set at 900,000 CZK (in 2001, this amounted to $23,700).

In late 2000, the first Regional Assembly elections were held in the Czech Republic. In these fourteen sets of elections political parties had the opportunity to claim money from the state. In fact, at present each of the 675 assembly members entitled to a party 250,000 CZK (in 2001 this was equivalent to $6,600) in funding. This is quite obviously an important source of income for any political party.

**How much is your vote worth?**

**Answer: 10, 15, 30, 90 and 100 CZK**

The reimbursement of election costs has been a feature of the public funding of parties since 1990. Initially, any party attaining more than two percent of the popular vote in an election was entitled to receive 10 CZK (approximately 30¢ US cents) for each vote. This payment applied to all legislative elections, i.e. the two houses of the Federal Assembly, and Czech National Council. The big winner in the 1990 elections, Civic Forum, was given more than one hundred million CZK, or $3 million US dollars as a one-off payment. In 1992, this electoral reimbursement was increased to 15 CZK per vote.

Federal elections reimbursements were paid out as one-off payments. However, payments for votes received in other elections such as those to the Czech National Council were paid annually (i.e. twenty-five percent of the total sum). However, with the ‘Velvet Divorce’ and the creation of the Czech Republic public financing of parties began a process of change. In 1994, the annual payment to parties was reformed. Instead of paying parties for how many votes they received, they were paid instead for how many seats in parliament they won. A year later, a new law on parliamentary elections re-introduced a one-off payment...
following the elections to the (lower) Chamber of Deputies.

At the time this law was introduced in 1995, the subsidy paid to parties attaining three percent of the popular vote, and amounted to 90 CZK per vote (a little over $3). As a result of two Constitutional Court rulings in 1999 and 2001 ensuing from complaints lodged by smaller parties, the national threshold for electoral reimbursements was cut in half to one and a half percent of the total votes cast. As a result since 2002, each vote in elections to the Chamber of Deputies is worth 100 CZK ($4) to a party.

In 2003, the system of electoral reimbursements was expanded to include elections to the European Parliament. In these elections, it is necessary to receive one percent of the popular vote in order to be eligible for state funding and a party can receive 30 CZK (approximately $1) for each vote received. Smaller parties often criticize the fact that electoral reimbursements are paid retrospectively on the basis of electoral success. They argue with some justification that they are at a relative disadvantage to the larger parties with greater state funding in not having the financial muscle to invest huge sums in an election campaign in advance of receiving monies from the state. This limitation of course further reduces their chances of success and greater state funding. As a result, the current system of party funding pays for much of the campaign costs of the large parties who have an incentive to out-shine their smaller and weaker competitors with ever more sophisticated and expensive campaigns.

**The money pie has just gotten bigger and bigger, or has it?**

The main trend in giving public money to parties has been one of continuous growth. As a result, the importance of private donations has declined and is now mainly concentrated to election years. In short, as the state cash cow has grown all other sources of party finance have begun to wither away. A number of simple statistics puts this development into perspective. During the nineties Czech political parties received about half of their incomes from the public purse. In election years (1992 and 1996), they got even more with electoral reimbursements. Since 2001, political parties have gotten between two-thirds (65 per cent) and four-fifths (80 per cent) of their income from the state. How did this situation arise?

The main reason for this upsurge in public payments to parties was the introduction of public funding to parties in regional elections. This situation was expanded once again with the first European Parliament elections in June 2004. However, we have to be careful in our calculations. The large increase in absolute sums paid to parties between 1996 and 2006 was largely offset by the impact of inflation, which amounted to fifty per cent during this decade. So the real payments received by parties has not grown to the degree suggested by the absolute numbers.

While the parties are not really getting ever increasing amounts of money from the state, they have nonetheless becoming increasingly dependent on public monies and are vulnerable to financial and organizational collapse should they suffer a severe electoral setback. It is not unreasonable to think that a party could be only election defeat away from oblivion because of their over-dependence on the public purse. For this reason, extensive state funding of parties may have the unintended consequence of increasing political instability rather than attenuating it.

**Where have all the private moneybags gone?**

It is undoubtedly true that state funding of parties has driven some of the private financing of political parties from the scene. However, care must be taken not to attribute too much blame on public funding of parties for this trend. It is important to keep in mind other factors. The relative decline in private contributions to parties coincides with the end of the privatisation of state enterprises in the late nineties, and more specifically with scandals surrounding the funding of the Civic Democrats (ODS) in 1997. A tightening of rules for donations after 2000 combined with fears among private donors of facing legal sanctions and loss or reputation led to a decline in the size of donations. However, since 2004 there has been a huge resurgence in private donations to parties even in non-election years. So it seems that the private moneybags have returned.

Of course most political parties across the globe have a membership base. And these members are a potential source of revenue through annual fees. Within the Czech Republic the available evidence demonstrates that this source of revenue for parties has been of minor importance since the nineties. More specifically, before 2001 party membership fees accounted for approximately one eight (13 per cent) of a party’s income on average. This figure was significantly higher for the two oldest parties, i.e. the Communist Party (KSČM) and the Christian Democrats (KDU-ČSL). After 2001, the importance of party membership fees declined to about a twentieth (6 per cent) of the average party’s total revenue.

In short, all of this evidence demonstrates a rather unsettling trend: parties have become lethargic in organising their own moneymaking activities, and may ironically have lost some of their independence through their dependence on the public purse. This begs the question, are political parties like a stereotypical drug junkie – only concerned with getting their next ‘hit’ of money – or is it possible to identify political and legal principles underpinning state funding of parties?
**Principles, payments and prejudice**

An examination of the rules governing the state subsidies entitlements and payments reveals that they are prejudiced in favour of established parliamentary parties. This is legitimised by politicians primarily through explicit reference to the concept of political "representation" – a term employed by regulatory authorities. However, the Constitutional Court in its decisions does not base state funding of parties on the principle of 'political representation', but on what might be called 'procedural justice.'

Under constitutional law any party's entitlement for state subsidies is derived from two key criteria. The first criterion is 'electoral success' and the second is the 'type of election.' For the Constitutional Court there should be a directly proportional relationship between votes, seats and electoral reimbursements, i.e. more votes yields more seats and should be rewarded with more money. Quite obviously treating all parties fairly on the basis of procedural justice contradicts the principle of political representation used by legislators. In theory, party payments exist for the purpose of ensuring competitive election campaigns. Public money is meant to motivate electoral participation by parties. It is not in theory meant to reward their electoral prowess.

In practice, the results driven rule undercuts having competitive election campaigns where voters are offered the maximum amount of party choice. Smaller unsuccessful parties are penalised and effectively barred from competition by the threat of financial ruin. In contrast, the big beasts in the party jungle receive full reimbursement for all costs. This logic sets in motion a dynamic process across a series of elections where the larger successful parties get financially fat and prosper, while their weaker competitors starve and die either through bankruptcy or loss of visibility with ineffective campaign performances. Thus, this economy of scale logic has a double whammy because larger parties who compete in regional and European elections have the potential to supplement their incomes even further, assuming of course they can mobilise their loyal voters.

It is also important to highlight that rules for electoral reimbursement are not applied fairly across all election types. There is in fact, a hierarchy of elections where not all contests are the same. It seems some aspects of Czech democracy are more valuable than others. For example, elections to the (lower) Chamber of Deputies and the European Parliament are worthy of electoral reimbursement. In contrast, party's roles in regional and local elections are seen in financial terms to be less important and are therefore not funded. Another example is the rules for disbursing money to parties on the basis of seats won in an election – this only happens in national and regional elections. On the basis of this specific criterion, winning a seat in a European election is not so important.

One could be cynical and suggest that the key reason why there are payments for seats in regional elections (rather than say European elections) is determined by the large number of seats on offer (675 vs. 24) and hence the greater potential for parties to make money. However, if we are less conspiracy theory oriented a more balanced evaluation of the evidence reveals that there is no coherent logic behind the division of payments among different types of elections. In fact, there is a strong case to be made that the legislation of party financing in the Czech Republic has essentially been created in an ad hoc manner, where politicians in a myopic fashion chose those rules which they thought would benefit their own parliamentary parties most. Such motivations are especially evident in the manoeuvrings surrounding the Party Finance Reform Act (2000). Of course, it might be argued that the big loser in all of this is both the smaller parties and the principle of ensuring political stability through the provision of sufficient electoral choice in all types of elections. Is such a sceptical conclusion warranted?

**Establishment money, cosy cartels, and political earthquakes**

Public bankrolling of political parties has influenced the system of democracy in the Czech Republic through three main channels: (a) establishment money, (b) cosy cartels, and (c) political earthquakes. Let us now briefly look at each factor in turn to see how the state funding of parties has affected the development of Czech democracy.

*Establishment money:* The first effect requires taking into account the differing histories of Czech political parties. The Communist Party (KSCM) and the Christian Democrats (KDU-ČSL) had their immediate roots in the communist period. In 1990, both had parties had well-developed organizational structures, owned several properties and had a large membership base that contributed to about half of the party's income before state subsidies were introduced. In contrast, the Social Democrats (ČSSD) because of its inter-war (and short post-second world war) history and had strong contacts with the social democratic parties in Austria and Germany. As a result, the Czech Social Democrats obtained important financial support from its sister parties abroad in the early 1990s. The Civic Democrats (ODS) were different in that they inherited significant financial and human resources from the Civic Forum (OF), which in turn had received a majority of its revenue from American foundations and the state after the 1990 elections.

In summary, each of the four main parties had significant financial resources at the start of party competition in 1990 that undoubtedly helped them become established and successful during the post-communist transition period. However, it should be noted that financial resources in itself was not enough as one party,
the Czechoslovak Socialist Party who had considerable assets in 1990, but nonetheless failed to make an electoral breakthrough and effectively disappeared.

Cosy cartels: The second effect has the stabilisation of the party system through rewarding electorally successful parties after elections. This has had the effect of supporting the political status quo. The rules on election deposits where losers not only forfeit their campaign expenses, is also likely to have had a similar impact. We are not arguing that there is no level playing field, but the evidence points to a strong bias towards established parties in the way state subsidies are provided, and ironically this bias might help to foster party system stability. Moreover, the ineffective disclosure and reporting procedures during the 1990s were most advantageous for the parties in the power.

Ineffective regulation of party donations and an absence of effective controls in the massive privatisation of state property in the Czech Republic created incentives for improper lobbying through party coffers. Party finance reforms in 1994 in 2000 did improve matters and assuage popular fears that parties were colluding with business interests in the divvying up of state assets. Overall, the effect of having well endowed parties in the driving seat of public policy making strengthened the role of established parties vis-à-vis newcomers.

Earthquakes: There has already been allusion to the fact that political parties who are the target of over-zealous business interests are in danger of succumbing to the temptations of corruption. Unsurprisingly, the Czech Republic has had its share of political earthquakes stemming from party finance scandals. Unsurprisingly, creating a political system that gives incentives for parties to “chase after money” has some undesirable effects. In a situation, where politics becomes awash with money there is always the danger that illegality will lead to political instability as parties implode in the face of corruption charges.

An example of this effect occurred in 1997 when the two governing parties, the Civic Democrats (ODS) and Civic Democratic Alliance (CDA) were torn apart by financial scandals. They not only suffered the humiliation of being ousted from government, but saw the emergence of a splinter party (Union of Freedom, US), the electoral annihilation of CDA in 2002, and a halving of ODS support in opinion polls during 1997/8 and combined with absence from government for eight years. At one point, it was speculated that ODS would be replaced by US as the main centre-right party.

In conclusion, it is worth keeping in mind one important fact. Between 1992 and 2006 only two small parties, the Union of Freedom (US) and the Green Party (SZ), have successfully managed to enter parliament. This gives an indication of the degree to which the four main parties (ODS, ČSSD, KSCM and KDU-ČSL) have been effective in blocking any significant change to the status quo. While this has had the benefit of creating political stability, it has also had the effect of restricting the menu of political choice on offer to the public as parties self-select themselves to fight in elections on the basis of their war chests. It is certainly true that conservatism on the part of voters and electoral system effects have played their part, however, the pervasive role of public funding of parties has undoubtedly contributed to this incongruity at the heart of Czech democracy.

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Can Politics (and Globalisation for that matter) Make You Happy?
Key words: happiness, satisfaction, politics, wealth, globalisation

Does politics matter for a person’s sense of personal happiness or satisfaction with life? It is obvious in times of war in places such as Afghanistan and Iraq that political instability can have detrimental effects on individual’s well being. However, beyond the presence of human conflict is it reasonable to think that political considerations have an impact on individual’s perceptions of satisfaction with life? Given the wide-ranging nature of political states across the globe there is no theory that gives a clear answer to this big question. In short, whether citizens’ sense of happiness and political attitudes are related is an empirical question.
Of course, one might argue that such questions are not meaningful. This is because the public and private spheres of a person's life are essentially separate. However, much of political and especially democratic theory is based on the idea that politics does indeed fundamentally shape citizens' level of happiness with life. Moreover, almost all western political philosophies have as their central goal the maximisation of citizens' satisfaction with life. The key implication here is that different types of political system will be associated with different levels of human happiness. In the past, things were different. Among the great civilisations of antiquity, such as the Greeks, the idea that government should promote happiness did not exist (McMahon 2006). It appears that the link between individual happiness and government is a thoroughly modern notion.

Early empirical research on the link between politics and satisfaction with life argued that there was no strong relationship. In the United States during the 1960s, events such as the Cuban Missile Crisis or the Vietnam War did not have a discernible impact on satisfaction with life. More generally, Easterlin (1974) argued that differences in life satisfaction cross-nationally are not associated with politics. More recently, Radcliff (2001: 939) found using World Values Survey (WVS) data from industrial democracies that the relationship between life satisfaction and politics is primarily associated with political outcomes "that insulate citizens against the worst forms of market dependence."

Building on such work, recent research has demonstrated that in the case of Switzerland greater levels of access to political participation, regardless of outcomes are associated with higher levels of satisfaction with life. In fact, it has been estimated that having local referendums has the same effect on happiness as doubling income (Stutzer and Frey 2006). In short, government accountability matters for human happiness.

Extending this line of research to the international stage one recent study using WVS data from seventy-five countries across the globe found that satisfaction with life is associated with measures often defined as indicators of good governance. Moreover, political factors at the national level would appear to be centrally important as they play a more important role in shaping life satisfaction than international differences in income (Helliwell 2003). Recent work has gone so far as to argue "... the effects of good government remain as the single most important variable explaining international differences in life satisfaction, while international differences in per capita incomes are frequently insignificant" (Helliwell and Huang 2005: 355).

The life satisfaction approach within the social sciences

Within the social sciences happiness or satisfaction with life is most often measured through mass surveys. These questions tend to be very simple. One example is: "All things considered, how satisfied are you with your life as a whole these days?" and the respondent is expected to reply "very satisfied", "very dissatisfied", etc. The data resulting from this type of survey question is seen to provide a measure of an individual's "subjective utility" (Layard 2006).

This is a technical concept for which there is an enormous body of theoretical and empirical work within economics. At the risk of oversimplifying this subtle idea, one may say that subjective utility essentially refers to a person's current level of happiness. Utility or happiness is the net result of subtracting all bad feelings from all good ones. This conceptualisation of human happiness stems from theories associated with Jeremy Bentham (1748-1832) and the utilitarian school within philosophy, which argue that life is driven by the pursuit of pleasure and the avoidance of pain.

Within empirical social research, explanations of satisfaction with life (or human happiness) generally take the form of simple individual level equations of the following form: $S_\text{i} = \alpha + \beta_1 x_\text{i} + \varepsilon_\text{i}$, where $S$ is the level of satisfaction with life reported by respondent $i$ at time $t$ in a mass survey, and $x$ is a vector of explanatory variables typically attitudinal and socio-demographic in nature. Measurement error and unobserved variables are captured by the error term ($\varepsilon$). Of course one might reasonably argue that such a simple model based on subjective measures of well-being are less than satisfactory for at least three reasons.

Firstly, subjective data is likely to be less reliable and valid than behavioural data. Secondly, methodological problems stemming from excluding important factors (omitted variable bias) and adopting questionable causal inferences undermine the life satisfaction approach. Thirdly, life satisfaction measures are likely to suffer from 'response bias' effects where in some countries, respondents may adopt a standard positive or negative response that is determined by local cultural norms, but does not reflect genuine attitudes. For example, in Japan respondents are well known to adopt a negative sceptical tone in responses when interviewed by unfamiliar interviewers yielding a specific type of response bias denoted as scepticism and pessimism.

With regard to the first criticism recent research has shown that subjective and objective measures of life satisfaction are strongly correlated with other variables of interest. For example, in country-level analyses using satisfaction with life and suicide rates as dependent variables both are equally well explained using similar explanatory variables. Such evidence suggests that subjective measures are not necessarily worse measures than their objective counterparts.

Turning to the second criticism, the fact that higher levels of trust and social capital are associated with lower levels of suicide and greater satisfaction with life gives us confidence
that models of life satisfaction are not susceptible to reverse causation effects. This is because no such reverse causation is possible with suicide measures, i.e. higher rates of suicide cannot reduce by definition interpersonal trust and social capital. One possible source of omitted variable bias is that satisfaction with life and politics is fundamentally determined by individual level traits, which might have a genetic origin. While it is true that including individual personality differences into analyses of life satisfaction do improve the explanatory power of models, however, they do not attenuate the impact of variables identified in previous research (Helliwell and Huang 2005).

Thirdly, the fact that subjective life satisfaction and objective suicide measures exhibit similar patterns in statistical models implies that respondents do not interpret life satisfaction questions on the basis of national context. If differences in personality or national mood were important then life satisfaction and suicide models could not be consistently similar. Therefore, differences in life satisfaction across the globe are not mere methodological artefacts ensuing from differences in national context.

The Easterlin paradox and globalisation

One of the central puzzles in the scientific study of happiness with life is that within countries richer people are generally happier than their poorer contemporaries. However, cross-country analyses show little relationship between level of happiness and level of wealth (Easterlin 1974, 1995; Clark et al. 2007). Moreover, it seems that a strong positive relationship between income and satisfaction with life exists for a specific range of income (i.e. below US$15-20,000). Moving beyond straightforward comparisons of wealth and happiness within and between countries, there are two other important components to what has become known more popularly as the ‘Easterlin paradox.’

First, there is the cross-time component. Research on this topic over the last five decades reveals that in Japan, Europe (except Denmark and Italy) and the United States that there has been no significant increase in subjective well-being over time. It seems that despite enormous economic improvements where per capita real income increased rapidly, subjective reports of human happiness have remained constant (Frey and Stutzer 2002). Secondly, there is a generational component to the Easterlin paradox. Although higher income is associated with higher levels of happiness, nonetheless levels of human happiness remain remarkably constant throughout the life-cycle, where changing levels of income through adulthood and old age appear to have little effects on subjective satisfaction with life (Deaton 2007).

One key lesson that emerges from the study of the Easterlin Paradox is the central importance that expectations play in understanding who is happy and who is not. At the individual level income and happiness are positively correlated, however, at the aggregate (country) level there is little association between per capita income and mean happiness. This aggregation effect would seem to be strongly determined by changing levels of expectations among citizens. A rising economic increase increases all citizens’ level of income, but unfilled expectations remain constant thus resulting in an effective discounting of national economic success in subjective happiness measures. The implication here is that this pattern should be universally evident regardless of absolute level of national per capita income and there is some evidence that this is indeed the case in some countries and regions e.g. Romania, Russia, and Latin America.

One key consequence of the Easterlin paradox is that factors other than wealth must play a significant role in shaping perceived happiness. Many researchers have suspected that the prevailing political culture is also likely to be important. Specifically, levels of civil liberties, political freedoms, and level of political representation may also be crucial in contributing toward citizens’ sense of happiness.

A second implication, relates to our understanding of the link between overall satisfaction with life and attitudes toward globalisation. For citizens who are “winners” in the globalisation process their sense of satisfaction with life may plateau at a specific point because increased expectations are not being met. In contrast, for citizens who are “losers” in the globalisation process they may become increasingly frustrated and dissatisfied as they see others make huge gains. Why is money not everything? One explanation from evolutionary psychology argues that people would prefer to get less themselves than see a rival get ahead. In short, individuals strive for relative rather than absolute prosperity.

With globalisation citizens may have expectations based on incomes and standards of living derived from international comparisons, but realise that their ability to take advantage of increasing economic activity is stifled by national economic, political and social constraints. In this respect, research from the field of behavioural economics demonstrates that individuals are likely to feel more strongly about losses ensuing from globalisation, rather than gains. In practice, this implies that loss of culture in the face of globalisation may be a stronger motivation than economic gains, especially after a specific mean level of national income has been attained.

Comparison of satisfaction with life and politics across Asia and Europe

Having looked at what might explain differences in human happiness, it is now time to see which citizens are the most satisfied with life and politics, and which citizens are least happy? Here we will use a unique survey that facilitates comparing Asia and Europe. The evidence presented in Figure 1 reveals that in late 2000 the happiest citizens came from Sweden, Singapore and the UK. In contrast, the least
happy were those from South Korea, Indonesia and Japan.

In general, there is no strict divide in levels of life satisfaction between Asia and Europe, but a considerable degree of overlap between countries in both regions. In overall terms, Europeans have a higher mean level of satisfaction with life. However, mean satisfaction with politics is similar in all countries examined.

Figure 1 also demonstrates that satisfaction with life is always greater than satisfaction with politics, with Indonesia and China being exceptions where both satisfaction ratings are similar. One common aspect of the research on satisfaction with life is the importance of income where higher levels are associated with greater life satisfaction. In thinking about this link it is important to consider the impact of different time horizons. One might reasonably argue that satisfaction with politics relates to the current political situation, while satisfaction with life is shaped by long run experiences under political institutions. The data presented in Figure 1 reveals that this relationship seems to exist in many countries examined, but there are a number of cases to general trend (South Korea, Japan, Taiwan and Spain). Such evidence demonstrates that country specific factors can have important effects in mediating factors that help explain life satisfaction.

However, some care is required when dealing with satisfaction questions in international surveys. As noted earlier, in some countries, respondents may adopt a standard positive or negative response that is determined by local cultural norms, but does not reflect genuine attitudes.

If we now examine some international survey data we find as expected that satisfaction with life and politics are correlated with one another (Spearman rho=.46, p=.053) across all the countries examined. However, Figure 2 demonstrates that the positive association between satisfaction with life and politics is primarily a pattern evident in Asia (rho=.85, p=.004) and not in Europe (rho=.24, p=.527).

Moreover, this figure reveals that there are some important unique country cases (or outliers), i.e. Singapore and Malaysia who both have very high levels of satisfaction with life and politics, while Japan and South Korea who have rather low levels of satisfaction. Because of these four cases there is considerably more variation in the Asian, rather than the European

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**Figure 1.** Net levels of satisfaction with life and politics, and level of income across Asia and Europe in late 2000

Note the survey items used are “All things considered, how satisfied are you with politics in your society today?” [ASES, q411]. “All things considered, how satisfied are you with your life as a whole these days?” [ASES, q502] Response options for both questions were given as a five-point scale ‘1’ very satisfied to ‘5’ very dissatisfied. The net satisfaction estimates are based on the net or balance of answers given on five point scales. This was calculated as follows, \[\{(\text{point 1} + \text{point 2}) - (\text{point 4} + \text{point 5})\} \times (1 - (\text{point 3} + \text{Don't know} / 100))\]. This procedure ensures that the net figure receives a lower weight if the share of respondents who gave middle (point 3) responses or replied “don’t know” was large. Data for GDP per capita is taken from http://www.cOUNTRYWATCH.com/.
data. Italy is also a distinctive case because it exhibits a much lower level of satisfaction with politics than one would expect from measured levels of satisfaction with life.

Figure 2 also reveals that within Europe there is strong agreement among all citizens (excepting Italy) concerning satisfaction with politics. One might attribute such homogeneity to the similarity of political systems and membership of systems of multilevel governance such as the European Union.

Life, politics and globalisation

Within the extensive research on individual's satisfaction or happiness with life (almost 400 published research articles since 2000, i.e. one scientific publication a week) a large number of factors have been examined. Here we will focus our attention on a number of criteria that reflect primarily on the link between satisfaction with life and politics. For this reason, many of the variables examined relate to features of the economy (i.e. income inequality, income and unemployment), governance (i.e. government effectiveness, political and civil liberties, etc.) and diversity within society (i.e. ethnicity).

Moreover, we will also examine if the correlates of satisfaction and politics are similar and if these relationships differ at the national level between Asia and Europe. As we expect that there might be significant differences between Asia and Europe, but we have no strong theoretical expectations about the relationships, it is prudent to undertake a simple correlation analysis to explore the data. The results of this analysis are presented in Table 1. In this table, we observe a number of important patterns.

Most obviously, the patterns evident in Asia and Europe are different. Looking first at satisfaction with life it seems that variables associated with satisfaction with politics and happiness do not exhibit universal patterns. This is particularly evident in the case of income inequality, which has a positive relationship with life satisfaction in Europe and a negative one in Asia, while per capita level of income appears to be only important in Europe.
Such results may be an indicator that income inequality may not always be interpreted in the same manner by citizens where it can be viewed either as a sign of opportunity and upward mobility, or injustice. Recent research by Ipsos, an international polling agency, demonstrates that the link between happiness and optimism is not simple. For example, the Chinese are least happy in 2007 but most optimistic about the future. Conversely, European’s are among the happiest but are among the least optimistic.

This could be one explanation of the different signs for the correlations in Asia ($r = +.64$, $p = .06$) and Europe ($r = -.69$, $p = .04$). The non-significant relationship between income (per capita GDP) for Asia may reflect the fact that those on relatively high and low incomes may be worried and hence unhappy because of unfilled expectations, or feelings of vulnerability relating to falling back into poverty.

Importantly, almost all of the political and globalisation factors examined are significantly correlated with net level of life satisfaction in Europe, but not in Asia. This implies that satisfaction with life in Asia is not strongly influenced by politics, or globalisation. What we may be observing in Asia is the presence of countervailing trends where increases in income stemming from globalisation are undercut by other factors. For example, increasing flows of information that reveal the richness of citizens’ lives in other parts of a national economy or other parts of globe thus leads to a change in reference norms, and a sense of frustration despite strong absolute gains in income. Moreover, different segments of society (e.g. young and older cohorts) are differentially placed to take advantage of the opportunities of globalisation.

If we now turn our attention to satisfaction with politics a different picture emerges. Within
Europe only government effectiveness seems to be important. In contrast, in Asia income inequality, political voice and accountability along with political and civil liberties are significant correlates of being satisfaction with politics. It is interesting to note that higher levels of ethnic heterogeneity in Asia are associated with greater levels of satisfaction with politics suggesting that divided societies have a stronger appreciation of the obstacles faced by public policy makers. Moreover, measures of globalisation and satisfaction with politics in both Asia and Europe exhibit few significant links at the aggregate (cross-national) level. In general, the key message to be taken from Table 1 is that citizen's satisfaction with life and politics rest on different bases in Asia and Europe.

**So what’s the bottom line on being happy?**

The choice to be happy or sad would seem to depend on a myriad of reasons that defy any generalised form of explanation. Nonetheless, the social sciences have made remarkable progress in exploring what factors underpin individual’s choices to say that they are happy in mass surveys. It is now known that money matters, but it is not everything. Political institutions do make people happy in promoting greater levels of freedom, accountability and representation.

It has also been shown in this article that the effects of globalisation are associated with greater happiness in Europe rather than Asia. This is a little surprising given anti-globalisation rallies surrounding G8 summits such as Genoa in July 2001 and popular protests in France (2005), where there was a strong anti-liberal economic theme suggestive of higher levels of anxiety in Europe. Such incongruity highlights that many of the links between happiness, wealth and optimism remain something of a puzzle and provide fertile ground for further research.

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**References:**


The Economist 2006. ‘Economics discovers its feelings: Not quite as dismal as it was,’ *The Economist*, December 19, pp. 33-35.


**Notes:**

1 Recent research published in the journal *Nature Neuroscience* (August 2007) shows that some people are better at remembering emotionally charged events than others. This difference has a genetic origin arising from how memories are stored in the first place. Curiously, this research found that the proportion of the population with the gene associated with better memory retention was much higher in Switzerland (30%) than Rwanda (12%). Genetic effects such as this may go some way toward explaining why life satisfaction in some countries with recent turbulent histories seem to be happier than we would otherwise expect.
2 Within the social sciences there are numerous examples of this phenomenon, where associations between factors at one level of analysis (e.g. among individuals) are not observed at a different level analysis (e.g. at a country level). This results in serious problems for making valid causal inferences, and is known as the “ecological inference problem.”

Appendix:

Figure 1: The survey items used are “All things considered, how satisfied are you with politics in your society today?” [Asia Europe Survey (ASES), 2000, q411]. “All things considered, how satisfied are you with your life as a whole these days?” [ASES, q502] Response options for both questions were given as a five-point scale ‘1’ very satisfied to ‘5’ very dissatisfied. The net satisfaction estimates are based on the net or balance of answers given on five point scales. This was calculated as follows; {((point 1 + point 2) - (point 4 + point 5)) * (1 - (point 3 + Don’t know / 100))}. This procedure ensures that the net figure receives a lower weight if the share of respondents who gave middle (point 3) responses or replied “don’t know” was large. Data for GDP per capita is taken from http://www.countrywatch.com/.

Figure 2: The estimates shown in this figure are based on interpolated median scores. The five-point scale ranges have been reduced to aid interpretation. The full (quadratic) regression line for Asian countries indicates a strong (non-linear) relationship between satisfaction with life and politics (R square =.81) whereas the dotted line for Europe suggests little or no relationship (R square =.05). Legend: Japan (JPN), South Korean (SK), China (CHN), Taiwan (TWN), Singapore (SGP), Malaysia (MLY), Indonesia (IND), Thailand (THA), Philippines (PHI), United Kingdom (UK), Ireland (IRL), France (FRA), Germany (GER), Sweden (SW), Italy (IT), Spain (SPA), Portugal (PO), Greece (GR).

Table 1: Note all data refers in the main to estimates for 2000. (a) data estimates same for all European countries and hence are collinear. Sources: satisfaction with life (Asia Europe Survey); happiness database (Veenhoven 2006); socio-economic measures (United Nations); political factors (World Bank, Government Matters IV database, Kaufmann, Kraay and Mastruzzi 2005; and Freedom House indices, Alesina et al. 2003); globalisation (KOF indices of globalisation, Dreher 2006).

Postscript:

What have we learned about how humans make choices?

A famous statistician over a half-century ago wrote that the only choice a person must make is how to live their life (Savage 1954: 83). In deciding what constitutes living the good life, a person is also making a choice about how to make decisions. In fact, a little consideration reveals that a great deal of human activity ranging from religion and philosophy to the natural and social sciences is dedicated to understanding this process. In each of these areas the questions posed are often strikingly similar: What is a good choice? What are effective forms of decision-making? How does context determine choice?

In this special issue of Socioweb we have examined informally using case studies some facets of decision making from the point of view of individuals, groups, governments, societies and the international community. In briefly summarising what we have learned about choice in the foregoing pages use will be made of the concept of accountability.

A common feature of all choices made in social life regardless of their content and context is the expectation that decisions will have to be justified to others. Each decision maker is accountable for the choices they make. Such accountability, as social theorists such as Max Weber (1978) and James Coleman (1990) have argued, is the “glue” that holds everything from households to multinational states together.

The main impact of accountability on making choices is to introduce constraint. Because all decisions have consequences each time a choice is made consideration of both the likelihood of success and the interpretation that will be made by others occurs. It is this aspect of decision-making that forges links between the individual and institutions, and thus creates the building blocks of society. In exploring this linkage, American political psychologist Philip E. Tetlock (1992) elaborated a Social Contingency Model of accountability, which has four main components. Use will be made of these features to highlight the common themes and lessons from the five articles in this issue of Socioweb.

Universality: In each of our articles the theme that making choices always involves accountability was implicit. For example, in Chaloupková’s piece we saw that the heterogeneity in women’s preferences toward pursuing a career highlights the dilemma faced by mothers in reconciling their own expectations with those of family and society. Later, in Linek and Outlý’s contribution on party finances we observed that choices about how to provide public funding to parties create accountability not only to parties, but also to voters and the long-term stability of the Czech political system.

Approval motive: All choices are motivated toward securing the approbation of others. In Soukupová’s article there was discussion of how attitudes toward gender equality are more strongly determined by the prevailing cultural myths than institutions such as the electoral system. In contrast, in the final piece by Lyons we saw that citizen’s approval for the choices made by politicians varies considerably between Asia and Europe. In the short, evaluations of good and bad choices stem from who approves.

Competition among motives: Of course a central theme of all articles was the conflicting motives underpinning all choices. This was
particularly salient in Relotius's discussion of the dilemma between embracing Russian energy or nuclear power. In this case, concerns about political stability, energy security, the environment and public preferences were all noted to be important factors.

_Coping with competing motives:_ Since all choices involve trade-offs a key question is what factors determine where one motive trumps all others. Here the criterion of accountability is the key. We saw in Soukupová’s and Linek and Outlý’s analyses that a key motive in the political choices made in the 1990s were stability and preservation of the status quo. Of course, accountability in terms of more effective political representation suffered. In contrast, Chaloupková in her work highlighted that competing motives based on heterogeneous preference structures results in both inter and intra-gender differences in career paths. Similarly, Lyons demonstrated that differing motivations operate across entire societies, and this has important implications for who is held accountable for the effects of the globalisation process.

In conclusion, these four features of decision-making demonstrate that the study of how and why humans make specific kinds of choices do follow general patterns. The necessarily informal means of introducing the pervasive nature of decision-making used in this issue will I trust and hope act as an appetiser to discover more on this fascinating topic in the many works published across all the disciplines of the social sciences and humanities.

References:


