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Featuring a Special Contribution from Marilyn B. Young

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The *Journal of Politics & International Affairs* at New York University is a student-run publication comprised of original student research on relevant, thought-provoking topics in the global landscape. Student submissions are evaluated on their critical analysis as well as their ability to stimulate scholarly discourse. Editors select respected academics, prominent public figures, and thought leaders to headline each issue with an article of their choosing. The rest of the articles are written and edited exclusively by NYU students. The *Journal* provides a forum for students, believing their contributions to be not only legitimate, but also crucial to the intellectual growth of students at New York University and of students nationwide.

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Manuscripts submitted to the Journal of Politics & International Affairs are handled by two editors-in-chief and nine editors located at New York University. Papers are submitted via e-mail and selected over several rounds of readings by the entire staff. Final selections are made by the editors-in-chief. Papers are edited for clarity, readability, and grammar in multiple rounds, during which at least three editors review each piece. Papers are assigned on the basis of fields of interest and expertise of the editors, in addition to a variety of other considerations such as equalization of the workload and the nature of the work necessary.

'I Was Thinking, as I Often Do These Days, of War': the U.S. in the 21st Century

MARILYN B. YOUNG

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"…the postwar period quickly assumed the appearance and generated the atmosphere of a new pre-war period." Delmore Schwartz, Partisan Review, 1951[1]

A soldier pleading to be allowed to stay in Afghanistan: "You can't send me home. This is my home." "Kandahar is your home?" "No – war. War's my home. War is simple, I know what to do. War makes complete sense to me." Doonesbury, 14 May 2011[2]

I take the title of my talk from a poem by C.K. Williams, "The Hearth," written after listening to the news on a cold winter evening in February 2003. He writes that he has been thinking "as I often do these days, of war" and "wondering how those who have power over us/can effect such things and by what/cynical reasoning pardon themselves." The poem spells it out: war is "radar, rockets, shrapnel,/cities razed, soil poisoned/for thousands of generations; … suffering so vast/it nullifies everything else."[3]

I find that I have spent most of my life as a teacher and scholar thinking and writing about war. I moved from war to war, from the War of 1898 and US participation in the Boxer Expedition and the Chinese civil war, to the Vietnam War, back to the Korean War, then further back to World War II and forward to the wars of the 20th and early 21st centuries. Initially, I wrote about all these as if war and peace were discrete: pre-war, war, peace or post-war. Over time, this progression of wars has looked to

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1 Delmore Schwartz, "Comment," Partisan Review, Jan-Feb 1951, 18:1, p.13
2 Available at: http://www.gocomics.com/doonesbury/2011/05/14/
3 C.K. Williams, "The Hearth," Collected Poems (New York, 2006), p.614

me less like a progression than a continuation: as if between one war and the next, the country was on hold. The shadow of war, as Mike Sherry called it 15 years ago, seems not to be a shadow but entirely substantial: the substance of American history.

The subject of American wars is not new, and in recent years it has become a constant subject. But I think it is a good thing in an historian of American foreign policy to be preoccupied with war. I think our continuous task must be to make war visible, vivid, an inescapable part of the country's self-consciousness, as inescapable a subject of study as it is a reality.

The constancy of war and its as constant erasure is linked intimately to the pursuit and maintenance of an American empire similarly erased. Like Tolstoy's unhappy families, nations are each imperial in their own way and each way has its own euphemism. The euphemisms change over time, as does the nature of the empire : in the 19th century, expansion was the preferred description, up to and including expanding across the Pacific.[4] In the mid to late 20th century, it was the establishment of a liberal capitalist world order that, Dean Acheson explained, would "help people who believe the way we do, to continue to live the way they want to live." In both the 20th century and this one, the projection of American power was equated, by all administrations, many pundits and some historians, with the fundamental and universal values of freedom and democracy. This is to say that in all three centuries the pursuit of empire was usually accompanied by a denial that the US was or could be an empire, its policies imperialist. Or, if recognized, then, as John Lewis Gaddis put it, the empire Americans built was "a new kind of empire – a democratic empire – for the simple reason that they were, by habit and history, democratic in their politics."[5]

Walter Lippmann complained of an American propensity to deny the existence of its empire, in a 1927 essay entitled "Empire: the days of our nonage are over." He observed that "all the world thinks of the United States as an empire, except the people of the United States." He believed the "reluctance [was] genuine," that there was no hypocrisy "in the pained protest which rises whenever a Latin American or a European speaks of us as imperialistic." But other countries paid attention to what the US said and did. "We on the other hand think of what we feel. And the result is that we go on creating what mankind calls an empire while we continue to believe quite sincerely that it is not an empire because it does not feel to us the way we imagine an empire ought to feel."[6]

Not feeling like an empire, the US fought imperial wars nonetheless. The War of 1898, as it became a war of occupation and colonization was at first vigorously opposed and then remembered as an aberration; as not the beginning of an American overseas empire, but a one-off. This misremembering attained one impressive peak when George W. Bush spoke to the Filipino Congress in October, 2003 and declared America "proud of its part in the great story of the Filipino people. Together our soldiers liberated the Philippines from colonial rule," erasing the years of counterinsurgency warfare. Never feeling like an empire, the US could fight a series of wars in Central America and the Caribbean that led Major General Smedley Butler to declare himself a "racketeer, a gangster for capitalism," and to call war

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4 See my Rhetoric of Empire (Cambridge, MA., 1968).
5 John Lewis Gaddis, We Now Know: Rethinking Cold War History (Oxford, 1998), p.289.
6 Walter Lippmann, "Empire: the days of our nonage are over," in Men of Destiny; quoted in David Ryan and Victory Pungong, editors, "By Way of Introduction: The United States, Decolonization and the World System," in The United States and Decolonization: Power and Freedom (Basingstoke, 2000), pp. 18-19.

itself a "racket" conducted "for the benefit of the very few at the expense of the masses," and understood by only a "small inside group."[7]

The wars of the American empire did not end in Manila on July 4, 1902 but have continued to the present. This afternoon I want to speak about some of these wars: the hot wars of the Cold War, Korea and Vietnam, the homeopathic small wars that followed Vietnam, and the current state of permanent war. I will speak mainly of the process through which public opinion has been persuaded to take war rather than peace as the normal state of affairs.

The disproportional American use of force was also taken as natural. In Korea, 635,000 tons of bombs and 32,557 tons of napalm were dropped and some 2 to 3 million Koreans died. The US was not bombed; there were 33,000 plus combat dead. Some commentators in the liberal press did take note of the discrepancy, but the general public, was indifferent.

Vietnam was different and protests against the ferocity of the air war grew over the years. But after Vietnam, massive bombing returned, without undue public comment, and today, though the bombers are often drones rather than B52s, the air war is barely visible. (Note: the drone program is divided between the military and the CIA. The latter regularly denies all knowledge of their use and, unlike Harrison Salisbury during the Vietnam War, reporters are rarely in a position to witness their impact.)[8]

World War II, the war politicians and patriots have enshrined as ideal, a war fought for unimpugnable reasons by the "greatest generation," ended not just decisively but triumphantly in public euphoria. "To resume one's own life!" William Barrett, philosopher and Partisan Review editor recalled. "It seemed a small and humdrum thing to be asking for, and yet most of us believed it would not be the same old life again. Hitler and the Nazis were gone, the whole face of the world seemed changed, and a long period of peace and promise must surely lie ahead."[9] George C. Marshall remembered it the same way and some years later complained about the way people had "rush[ed] back to their civilian jobs and [left] the tanks to rot in the Pacific and military strength that was built up fade away."[10]

He needn't have worried. Within months of V-J Day, America's Soviet ally was being portrayed as America's rival. At Washington dinner parties, observers as different as Secretary of Commerce Henry Wallace and the British novelist E.M. Forster were taken aback by the bloody-minded comments of their companions. After a Washington dinner party early in 1946 during which the high-powered guests had alternately called for "kick[ing] the Russians in the balls" and encircling the Soviet Union with military bases, Wallace worried in this diary that "only one logical action" could follow such a world view "and that is to provoke a war with Russia as soon as possible."[11]   Forster remembered a similar event a year later: "I

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7 Smedley Butler, War is a Racket: the Profit Motive Behind Warfare (written in 1935; republished in a World Classics edition in 2010; no city given), p.7.

8 The drone program is divided between the military and the CIA and it is difficult to get cumulative statistics on the among of tonnage dropped. Unlike Harrison Salisbury during the Vietnam War, reporters are rarely in a position to witness their impact.

9 William Barrett, The Truants (New York, 1982), p.20

10 Oral history interview of Frank Pace, Jr. by Jerry N. Hess, February 26, 1972; available online from the Harry S. Truman Library and Museum (http://www.trumanlibrary.org/oralhist/pacefj4.htm; accessed 6/28/11).

11 Quoted in John C. Culver and John Hyde, American Dreamer: The Life and Times of Henry a. Wallace (New York, 2000), 410.

shall never forget a dinner party…at which one of the guests, a journalist, urged that atomic bombs should be dropped upon the Soviet Union without notice… They were cultivated men, but as soon as the idea of Russia occurred to them, their faces became blood red; they ceased to be human. No one seemed appalled by the display but myself, no one was surprised and our hostess congratulated herself afterwards on the success of her party."[12]

You are all familiar with the drumbeat of the next few years, the alarums and excursions of the early Cold War from Greece to Berlin to the Communist victory in China, all culminating unexpectedly in a hot war in Korea. Accompanying these distant conflicts was the danger awaiting us at home, the possibility nuclear annihilation, and the warnings that America was at risk: the struggle between freedom and democracy had not ended in 1945 but transformed itself. Only the opponents were different: Russians instead of Germans, Chinese rather than Japanese.

The headlines warned that nuclear war was entirely possible, magazine articles described how quick and deadly it could be. Educational films circulated to high schools and community groups worked to accustom their audience to the immanence of an annihilating war they were nevertheless virtually certain to survive.

Other films were dedicated to changing what their producers saw as an American "cultural pattern" that led "boys and girls" to "abhor violence and value peace and "'getting along with others'" above all else. Coronet films, with the support of the National Education Association, the US Office of Education, and the Department of Defense, produced fourteen short films entitled "Are You Ready for Service?" which were intended to persuade the young to join in the "great struggle of our times. The struggle between freedom and tyranny…." Every high school boy "should be starting to form himself into the mold of the soldier, adjusting himself both physically and emotionally to conform to the demands of military service."[13]

Hollywood did its share by preparing movie-goers of the early post-war period for wars to come. The 1943 movie, "North Star," an epic in praise of Soviet resistance to the German invasion (script by Lillian Hellman, score by Ira Gershwin and Aaron Copeland, starring John Huston, Anne Baxter, Dana Andrews and Eric von Stroheim) played in my local Brooklyn movie theatre in the late 1940s as "Armored Attack." In its post-war incarnation it had been re-cut and was now introduced by clips of a May Day military parade in Moscow with a voice-over warning the audience that the Russian partisans of the past had been replaced by goose-stepping Soviet troops. A stream of movies were produced that could

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12 E.M. Forster, Two Cheers for Democracy (New York, 1951), 335.

13 The films were directly connected to current Congressional debates over Universal Military Training and Selective Service and aroused considerable protest from a variety of peace groups. The Vice President of the Coronet Films assured Secretary of Defense Robert Lovett that the protesters were small and powerless, but the Defense Department answered every letter, insisting they had offered only "technical support" to the filmmakers. By 1952, with Selective Service in place, the controversy had died down. Larry Suid, Film and Propaganda in America: A Documentary History (New York, 1990), vol. 4. See documents 43-68 which include: announcements about the series; correspondence between J.M. Abraham, Vice-President of Coronet and Lt. Col. Clair E. Towne, head of the Department of Defense Motion Picture Section Pictorial Branch; letters of protest from various quarters, etc. The fourth film in the series, "Are You Ready for Service," Number 4, can be viewed online at Prelinger Archives (http:/www.archive.org/details/prelinger). For more on war films in general see his Sailing on the Silver Screen: Hollywood and the U.S. Navy (Annapolis, Maryland,1996) and Guts and Glory: Great American War Movies (Reading,Massachussets, 1978).

double as advertisements for the various branches of the military in their competition for Congressional appropriations: frogmen, submarines, aircraft carriers, close air support units, the service academies ("West Point Story" in 1950, "Air Cadet" in 1951), the Coast Guard, the Marines (several times). In 1949, eight World War II movies were released and all did well at the box office. The appeal of World War II, the film historian Thomas Doherty has written "wasn't merely the attraction of adventure romance or high melodrama, but the consolation of closure and serenity of moral certainty. For Hollywood and American culture the Second World War would always be a safe berth."[14]

At the same time, and it is important to stress this, a number of post-war movies ("Best Years of Our Lives," in 1946, "Crossfire," in '47, "All my Sons," in '48, among them) were somber, even angry meditations on the willful ignorance, indifference, inequality, prejudice and greed of the home front during the war, and the difficulties facing returning veterans. Americans learning to acquiesce in the domestication of war could not be asked to deny their still fresh knowledge of war. When he was called to serve his country in 1950, the journalist Mike Royko recalled thinking: "What is this? I didn't know anyone who was in Korea who understood what the hell we were doing there. … We were over there fighting the Chinese, you know? Christ, I'd been raised to think the Chinese were among the world's most heroic people and our great friends…. I was still mad at the Japs."[15]

It was one thing to continue to fight World War II on the big screen virtually; it was another thing to mobilize the population for an actual war in Korea, a war no one seemed able even to name. Richard Rovere's "Letter from Washington" column in the New Yorker called it a "perplexing and diplomatically important question." "All week long here," he wrote on the 27th of July 1950, "in Congressional hearings on legislation growing out of our involvement in Korea, administration witnesses and congressmen have been arguing over whether the present state of affairs should be officially described as a war, a national emergency, or a limited emergency, or by some new title." Rovere reported that Congressmen felt the question mattered because "unless we get an accurate designation for whatever it is that is happening, we shall never be able to tell when it has come to an end, if it ever does." Most newspapers referred to it as a "police action," probably unaware of the imperial ring. But the Marines were not so unaware. On the retreat from the Chosin reservoir in November 1950, they sang a parody of the British Indian Army song, "Bless 'em all," "Fuck 'em all, fuck 'em all/ The Commies, the UN and all/ …we're saying goodbye to them all/ We're Harry's police force on call/So put back your pack on/The next stop is Saigon/Cheer up my lads, fuck 'em all!"[16]

To mobilize the population, Truman had to convince people that the use of force was vital to the national interest, as vital as World War II had been. He could hardly explain the Korean War in Acheson's terms as Bruce Cumings has recently summed them up: the establishment of a "'great crescent" from Tokyo to Alexandria, linking Japan with Korea, Taiwan, Southeast Asia, and ultimately the oil of the

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14 Thomas Doherty, Projections of War: Hollywood, American Culture and World War II (NY, 1993), p.271.

15 "The Good War," in Studs Terkel, An Oral History of World War Two (N.Y., 1984), p.137

16 Richard Rovere, "Letter from Washington," New Yorker (dated June 27, 1950; appeared in the August 5, 1950 issue), p.48; quoted in James R. Kerin, "The Korean War and American Memory," (University of Pennsylvania dissertation, submitted, January 1, 1994 and available from ProQuest: http://respository.upenn.edu/dissertations AAI9503784. Allan Millett, in his history of the Marine Corps, Semper Fidelis has a slightly different version. Millet's rhymes, so I'm fairly sure he's got the refrain right; but he uses 'bless them all' rather than 'fuck em all' and I'm equally sure the latter is correct.

Persian Gulf.'"[17] At the same time, people had to be deflected from demanding the sort of satisfying total victory achieved in 1945, as that way lay the danger of a war that would indeed end all wars. But the Korean War, was a hard sell, and the public never bought it wholeheartedly.

However, insofar as the Korean War could be assimilated to the template of World War II it was briefly acceptable. The Korean civil war underway since 1946 and the role of the US in that civil war were either ignored or randomly reported as instances of communist subversion. More familiar, as North Korean tanks rolled over the 38th parallel on 25 June, 1950 – 61 years ago almost to the day – was blitzkrieg, the dangers of appeasement, the advance of totalitarianism. The North Korean army even goose-stepped. As long as the war remained in rapid movement – with arrows sweeping first one way, then the other across the peninsula – the public paid anxious attention. But as the fighting settled into a war of attrition with the opening of peace talks in July, 1951, the Korean war became background noise in America, never wholly silent but only occasionally audible. By October, 1951, US News and World Report had already given the Korean War the name it has borne ever since; "The 'Forgotten War.'" The journal reported that week alone claimed 2,200 American casualties; yet it was "almost forgotten at home, with no end in sight."[18] In 1952, Samuel Lubell concluded that the first preference of popular opinion was "a peaceful settlement" but that if peace was impossible "then all-out war was their next best choice."[19]

The Korean war did not so much end as stop. An editorial in the Wall St. Journal observed that "it ha[d] been a strange war. It came with sudden stealth in an unsuspected place. Now it seems to end in a whimper. In the strange quiet that follows the silenced guns, none of us feel great transport; we have too often been brought to hope only to meet disillusion. Rather, we feel a numbness. Tomorrow we may have to pick up our arms again--if not in Korea, then elsewhere." The one thing that had been gained was that "neither we nor our enemies can any longer doubt our resolution. That is the victory of the truce of Panmunjon."[20] (A sentiment echoed with some irony in Lewis Milestone's 1959 film Pork Chop Hill: The desperate fight to wrest a hill devoid of strategic meaning from the enemy who, it is noted, "aren't just Orientals – they're Communists!", has only one purpose: to answer the question – "are we as willing to spend our lives for nothing" as they are?)[21]

So the Korean War, after three furious years of fighting, ended in stalemate and a sense of futility. The cease-fire terms agreed to in 1953 could probably have been secured four months after the fighting started, when US/UN forces drove North Korean forces across the 38th parallel. In the aftermath, there was no investigation of how the war had been fought, nor why. Attention focused briefly on the number of prisoners accused of collaborating with the enemy and in particular on the twenty-one who chose to remain among the Communists rather than return home. Public dissatisfaction with the war was clear and clearly expressed in the definitive defeat of the Democratic Party in 1952. Succeeding administrations would remember this political price, and the admonition against fighting the Chinese in a land war in Asia,

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17 Quoted in Bruce Cumings, The Korean War: A History (New York, 2010), p.209.
18 Cited in my essay, "Hard Sell: The Korean War" in Kenneth Osgood and Andrew K. Frank, editors, Selling War in a Media Age: the Presidency and Public Opinion in the American Century (Gainesville, Florida, 2010), pp.130-131. Lubell's account of public opinion appeared first in the Saturday Evening Post, 7 June 1952, pp. 19-21, 48-54. It was recapitulated in his 1956 book, Revolt of the Moderates (New York, 1956).
19 Cited in "Hard Sell," pp. 131-132.

21 Milestone is perhaps best known for his 1930 "All Quiet on the Western Front."

but otherwise Korea seemed to hold few other lessons for the future.[22] There was no Korea Syndrome.

Yet in retrospect, the Korean War was a sort of primer for the condition of permanent war I am trying to anatomize today. In its brief span, Korea had demonstrated the multiple forms of war the US would fight for the rest of the twentieth century and into the twenty-first: the arming and training of a foreign military; the internationalization of civil war; bombing on a massive scale; conventional 'big unit' warfare; resolution short of victory and even, in its early days, counterinsurgency, to which I will return.[23]

During the Eisenhower administration warfare was confined to the occasional war scare (the Taiwan Straits), sabotage (China, Cuba), the precautionary dispatch of Marines (14,000 to Lebanon for a peaceful five month stay) and full-scale covert operations (Guatemala, Iran) but none involved the dispatch of American troops. The basso continuo of potential nuclear annihilation was sustained by a policy of massive retaliation, maintaining the nation as a whole in a state of near-war. On leaving office, Eisenhower warned against the military-industrial complex that his two administrations had helped build; his successor's inaugural address invited the country to a new era of endless struggle.

The preferred form of the struggle introduced by the Kennedy administration was counterinsurgency. . The phoenix-like rise, fall and again rising of counterinsurgency is the profile of permanent war, bringing the "suffering so vast/it nullifies everything else" that troubles C.K. Williams' night-time thoughts.

Counterinsurgency is the logic of any struggle between a central authority – legitimately or illegitimately constituted -- and an armed resistance movement, between formally organized armies and guerrillas. In short, counterinsurgency is standard colonial policing, with larger wars breaking out when the policing fails.

Less than two months after his inauguration, in his special message to Congress on the defense budget, Kennedy announced a new clear and present danger, and matched it with a new approach to national security. The Free World was threatened "not only by nuclear attack, but also by being slowly nibbled away at the periphery, regardless of our strategic power, by forces of subversion, infiltration, indirect or non-overt aggression, internal revolution, diplomatic blackmail, guerrilla warfare or a series of limited wars." The new approach was a logical response. The US must now be ready "to deal with any size force, including small externally supported bands of men; and we must help train local forces to be equally effective."[24] In the words of Deputy Special Assistant to the President Walt W. Rostow, guerrilla warfare "was a systematic attempt by the communists to impose a serious disease on those societies attempting the transition to modernization."[25] The threat this posed to national security was posited, not argued.

To figure out how best to develop a counterinsurgency/unconventional war capacity (he

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22 There were many specific lessons: a new Uniform Military Code of Conduct, designed to stiffen the spine of future prisoners-of-war was issued and everyone agreed that China should never be provoked into participating in a new war in Asia. And there was one very misguided notion: that Eisenhower's threat to use nuclear weapons is what had brought China to yield at the negotiating table.

23 See Cumings, The Korean War, chapters one and six in particular

24 Quoted in Michael McClintock, Instruments of Statecraft: U.S. Guerrilla Warfare, Counter-insurgency, and Counter-terrorism, 1940-1990 (New York, 1992), p. 164. For the full text, see http://www.presidency.ucsb.edu/ws index.php?pid=8554.

25 W. W. Rostow, "Guerrilla Warfare in the Underdeveloped Areas," Department of State Bulletin, vol. 45, No. 1154 (August 7, 1961), pp. 233-38.

did not always discriminate between the two), Kennedy created a task force – the "Special Group (Counterinsurgency)," whose job was to coordinate an integrated program. It was, in Maxwell Taylor's words, "a sort of Joint Chiefs of Staff for the control of all agencies involved in counterinsurgency," and included Robert Kennedy, who reported directly to the White House after each weekly meeting. The mission of the Special Group (CI) was to "recommend actions to obtain recognition…that subversive insurgency ('wars of liberation') is a new and dangerous form of politico-military conflict for which the US must prepare with the same seriousness of purpose as for the conventional warfare of the past."[26]

Since "new and dangerous" forms of "politico-military conflict" were unlikely to stop appearing, this was a prescription for perpetual military engagement abroad. In effect, the policy set the US against any movement for social change that involved the use of force; not on the wrong side of history but, astonishingly, against history itself. Six years later, Thomas Hughes, Director of Intelligence and Research at the State Department observed wryly of this first year of the Kennedy administration: "We were…all younger then – armed with the zeal of adventure, the discovery of a new doctrine, and ready opportunities for testing it. Not unlike the 24-year old Winston Churchill, writing to his mother in 1898, we thought, 'It is a pushing age, and we must shove with the best.'" Since 1961, Hughes said, there had been "dozens of books, hundreds of contracts, thousands of lectures" and if you wished to "to participate in an effective dialogue inside either the university or the government," you had to speak the language of counterinsurgency. He described "Watch Committee radars" scanning the globe, "hoping to discern early warning data on pre-insurgency. Let an actual insurgency start to stir and Counter-insurgency committees will compete to claim it, task forces will move smartly to take possession of it…." He warned that counterinsurgency "comes close to proclaiming the desirability of drying up all politically significant violent protest" except for right-wing coups.[27]

Kennedy's romance with unconventional and counterinsurgency warfare has been well-described, including his personal supervision of the outfitting of the expanded Special Forces units at Fort Bragg's Special Warfare Center. Simultaneously, the Navy created the SEALS, the air force an Air Commando Group and a Marine general, Victor Krulak, was named the Joint Chiefs' Specail Assistant for Counterinsurgency and Special Activities.

By August 1962, counterinsurgency had moved from tactic to doctrine. The "purpose and scope" of Overseas Internal Defense Policy, NSAM 182, were capacious. The opening paragraph declared that the "most pressing U.S. national security problem now, and for the foreseeable future, is the continuing threat presented by communist inspired, supported, or directed insurgency," as well as "other types of subversion and insurgency in all countries of the free world, primarily those that are underdeveloped, whether they are pro-Western, or basically neutral."[28] This was a global brief in which even a pro-Western or neutral movement for change could invite the attention of US counterinsurgency efforts. A staff member, Charles Maechling, remarked years later that this "the most interventionist statement of American policy ever promulgated." US counterinsurgency doctrine was not restricted to the US but was

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26 McClintock, Instruments of Statecraft (New York, 1992), p. 166

27 Thomas L. Hughes, "The Odyssey of Counter-insurgency," Remarks at the Foreign Service Institute, July 3, 1967 (Unpublished; xerox in the possession of the author.)

28 McClintock, Instruments of Statecraft, pp.170-173. The full text is available online at http://drworley.org NSPcommon/OIDP/OIDP.pdf.

exported to a number of allies, especially in Latin America. Colombia, the only Latin American country to have joined the US effort in Korea, was a major recipient of US funds and training and its subsequent history of counterinsurgency and paramilitary violence owes much to the US, as has also been the case in Nicaragua, Argentina, Guatemala, El Salvador as well as Indonesia.[29]

When counterinsurgency failed in Vietnam, the war became one of attrition, applying the Maoist aphorism that counterinsurgency had also embraced: the guerrillas are fish swimming in the ocean of the people; therefore dry up the ocean. When this war of attrition failed to win the war, counterinsurgency returned in the form of the "accelerated pacification" that characterized the final days of the Vietnam War: a determined effort to destroy the National Liberation Front "infrastructure" in the villages and small unit operations using massive fire power. When the combination of counterinsurgency and the "hard hand of war" were no more successful, the Nixon administration brought US involvement there to a close.

I have gone into some detail on Kennedy-era counterinsurgency because it has remained a powerful model. However, at the time, its failure in Vietnam inspired resistance to counterinsurgency as a model of war, not least at the highest level of the military. Congress passed the "War Powers Act" in an attempt to constrain the war-making power of the executive and the general repudiation of the use of armed force abroad was so fierce it was given a name: the "Vietnam syndrome," suggesting that the country had developed an allergic reaction to war.

Senior American military officials were determined to avoid any repetition of their experience in Vietnam. (General David Petraeus, in a 1987 article for the journal Parameters, dubbed these officials the Never Again Club, on the model of those officers who insisted after the Korean War that the US should never again fight a limited land war in Asia.[30] Secretary of Defense Robert Gates voiced a similar sentiment recently, adding to the list of places to be avoided, the Middle East and Africa.)[31] This group, which included Colin Powell, moved to fashion an army whose capacity for counterinsurgency operations would be severely limited and whose war-fighting capacity would be directed where they felt it belonged: against major military powers such as the Soviet Union. Their approach to war, ultimately known as the Powell/Weinberger Doctrine (after Reagan's Secretary of Defense) was composed of several simple premises: the US would never again go to war unless the military had the enthusiastic backing of the American people, a clear and explicit goal, an equally clear exit strategy and the ability to apply massive force to the problem. The self-limiting conditions imposed by the Doctrine presumably made counterinsurgency warfare, as in Vietnam, impossible. It also imposed strict limits on the use of the military.

Counterinsurgency was dropped from the service academies' curriculum and replaced by courses that imagined war more on the model of World War II. Eventually, Desert Storm fulfilled the new requirements. It was fought against a tyrant who had invaded a peaceful neighboring country, at the head

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29 Charles Maechling, Jr., "Camelot, Robert Kennedy, and Counter-insurgency – a Memoir," Virginia Quarterly Review (Summer 1999) pp. 438-458. (available online at: Maechling put it this way: "We reoriented the [Latin American] military away from continental defense to a counter-insurgency mission backed by a river of American equipment with no human rights strings attached" creating "more efficient instruments of repression than existed before."
30 David H. Petraeus, "Korea, the Never-Again Club, and Indochina". Parameters,17(4), pp. 59-70
31 Thom Shanker, "Warning Against Wars Like Iraq and Afghanistan," New York Times, February 25, 2011 (online at http://www.nytimes.com/2011/02/26/world/26gates.html)

of an international coalition, and in support of a UN resolution. Desert Storm was in every particular not Vietnam: this was a war that ended before the public could either lose interest or oppose it, as clean as press control could make it (no pictures of Iraqi dead buried in sand trenches, but only of oil-soaked birds, said to be the victims of Saddam Hussein's irresponsible tactics), few American casualties and a victory parade.

Perhaps most important, Desert Storm was fought by a volunteer, professional army. Policy makers could not be indifferent to public opinion, but they need no longer run the risk of the widespread protest a conscript army threatened. This army, combined with increasing numbers of mercenaries, offered the possibility of politically cost-free warfare.

However, counterinsurgency did not disappear entirely. Renamed "low intensity conflict," it was pursued, though without US combat troops, in El Salvador and Nicaragua, among other countries in the Hemisphere. Still, despite its reputed successes in these countries, it never came to dominate military doctrine as its advocates had hoped. David Fitzgerald, in his history of US counterinsurgency concluded that "the Army at the close of the Cold War still overwhelmingly focused on its conventional role, and the counterinsurgency mission remained sidelined, its brief resurgence in the guise of Low Intensity Conflict notwithstanding."[32]

After September 11, 2001, the first long war, the Cold War, mutated without pause into a second long war, the War against Terror. There is a distinction between the two wars that is important to my argument: the first long war, the Cold War, could come to an end since it was said to be against an ideology embodied in a geopolitical pole of power, the Soviet Union. The second long war, the War against Terror, since its objective is the elimination of a tactic, can never come to an end. The Cold War as it was conducted, required a major arsenal whose deployment was visible on the ground and in the air, and a system of conscription engaging the whole population. The second, the War against Terror, relies on a professional army enhanced by mercenaries, high tech weaponry, counterinsurgency tactics and an invisible air war. This combination makes war an abstraction: "armed social work," as one counterinsurgency expert put it, on the one hand, "hunter-killer" teams on the other. [33]

Counterinsurgency is a war for all seasons. Its principles have no time limit, no clear goal, no exit strategy. They are all tactical: clear, hold and build; use less rather than more force; be sensitive to the local culture; support only legitimate governments; be population-centric; employ non-kinetic means whenever as possible. These means are said to have worked in Iraq. It is believed that they will work in Afghanistan. Judging by the past, if counterinsurgency doesn't work in Afghanistan, it will be interpreted as having worked; or it will be said not to have been pursued long or hard enough.

This is how it worked in Iraq: According to Wikileaks, some 15,000 more civilians were killed by US and allied forces than were reported at the time; suspected insurgents were often killed after they surrendered (a lawyer reassured a helicopter pilot that "you cannot surrender to an aircraft."); the US knew and refused to investigate the large number of the suspects turned over to Iraqi authorities who were raped, tortured, and sometimes murdered. The public was relatively well-informed on the sectarian

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32 David Fitzgerald, Learning to Forget?The US Army and CounterinsurgencyDoctrine and Practice from Vietnam to Iraq (Dissertation submitted to the National University of Ireland, Cork, Ireland, June 2010), p.149.
33 David Kilcullen, Twenty-Eight Articles: Fundamentals of Company-level Counterinsurgency, (first published in Military Review, May 2006 but since much reproduced and available online from http://smallwarsjournal.com documents/28articles.pdf; my citation is to the online version) p. 8

warfare that turned Iraqi cities into killing fields. But few people knew the extent to which US-trained death squads, modeled on operations in El Salvador, participated in this sectarian violence.[34]   It was perhaps because so much of the violence of the war in Iraq was hidden, that the revelations about Abu Ghraib had such force.

The press, the military and the president, all credited the return of counterinsurgency, guided by a new field manual and implemented by General Petraeus with the help of additional troops (constituting not an escalation but a surge) with bringing the level of violence in Iraq down to manageable levels. A Status of Forces agreement with an elected Iraqi government was negotiated and the US was said to have finally achieved success, if not victory in Iraq. The next test for counterinsurgency was in Afghanistan.

General Petraeus and Secretary of Defense Gates now report steady progress. As they did in Vietnam, reporters and junior officers tell a different story. In February 2011 C.J. Chivers wrote an angry column about the withdrawal of US forces from the Pech Valley.[35] It opens on a contradiction: "After years of fighting for control of a prominent valley in the rugged mountains of eastern Afghanistan, the US military has begun to pull back most of its forces from ground it once insisted was central to the campaign against the Taliban and Al Qaeda." The major in charge of this area of Afghanistan insists that the move wasn't an abandonment of the area (in which over 100 American soldiers and uncounted others have died) but rather a "realigning to provide better security for the Afghan people." A less senior officer put this differently: "What we figured out is that people in the Pech really aren't anti-US or anti-anything; they just want to be left alone. Our presence is what's destabilizing this area." Neither the reporter nor the officer went on to generalize from this observation. In theory, the Afghan National Army will remain in the Pech to protect those who cooperated with the Americans and are thus now at risk of Taliban retaliation. No one believes the Afghan Army capable of protecting them.

In southern Afghanistan this spring, villages were destroyed to save them, a tactic whose likelihood of success was questioned by a headline in the New York Times: "Winning Hearts While Flattening Vineyards is Rather Tricky."[36] At the same time, the number of drone attacks and Special Forces "hunter-killer" teams has steadily increased. According to David Ignatius in the Washington Post, Petraeus was experimenting with a new mix of counter-terrorism and counterinsurgency, or in Petraeus's own enhanced term, "comprehensive counterinsurgency."[37]

Over the past two years the war has become less and less visible. The number of "hunter-killer teams" teams operating in Afghanistan has increased exponentially along with drone attacks. The Wall Street Journal reported in May 2011, that these "hunter-killer" teams, operating with maximum secrecy, had conducted thousands of raids over the past year, killing 3,200 insurgents and capturing well over

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34 See my "Counterinsurgency Now and Forever," in Iraq and the Lessons of Vietnam: Or How Not to Learn from History, edited with Lloyd Gardner (New York, 2007). For Wikileaks see Nick Davies, Jonathan Steele and David Leigh, "Iraq war logs: secret files show who US ignored torture," Guardian October 22, 2010 (http://www.guardian co.uk/world/2010/oct/22/iraq-war-logs-military-leaks)

35 C.J. Chivers, et al, "U.S. Pulling Back in Afghan Valley It Called Vital to War," New York Times, February 24, 2011 (http://www.nytimes.com/2011/02/25/world/asia/25afghanistan.html?_r=1)

36 Carlotta Gall and Ruhullah Khapal Wak, "Winning Hearts While Flattening Vineyards is Rather Tricky," New York Times, March 11, 2011 (http://www.nytimes.com/2011/03/12/world/asia/12panjwai.html)

37 David Ignatius, "Petraeus Rewrites the Playbook in Afghanistan," Washington Post, October 19, 2010 (http://www.washingtonpost.com/wp-dyn/content/article/2010/10/18/AR2010101803596.html)

twice that number.[38] World-wide, Special Operations forces operate in 75 countries, a deployment the Obama administration justifies on the basis of the 2001 Congressional mandate to "use all necessary and appropriate force against those nations, organizations, or persons [the President] determines planned, authorized, committed or aided" the attacks. A senior legal advisor to the Bush administration observed that "many of those targeted…had nothing to do with the 2001 attacks."

The fate of Greg Mortenson's Three Cups of Tea, may be a counterinsurgency parable. The book, a lyrical account of Mortenson's winning hearts and minds in remote and violent areas of Afghanistan by drinking tea with tribal elders and building schools, was widely distributed to US troops. General Petraeus, Admiral Mike Mullen and General Stanley McChrystal all embraced Mortenson and he made the rounds of bases in Afghanistan lecturing on "the nuances of tribal warfare." Two enthusiasts, Lieutenant Colonel Gaydon and Capt. Pan, wrote that their excellent relations with one district governor, was, "like Greg Mortenson's best seller…forged over chai…." But then Mortenson's description of his success turned out to be fraudulent, and the local governor with whom Gaydon and Pan bonded was killed in a "mob hit" by rivals who resented his failure to share funds skimmed from US reconstruction projects. Michael Miklaucic, an official with US AID, drew the moral: "No amount of tea with Afghans will persuade them that we are like them, that our war is their war or that our interests are their interests. The war in Afghanistan isn't about persuasion or tea. It is about power."[39]

A secret war of high-tech intelligence gathering, enhanced Special Forces operations, heavily armed drones, and the training of local forces, may well become the new form of America's wars, probably combined with some form of counterinsurgency operations. The involvement of the CIA in military operations, indeed the appointment of General Petraeus to head the agency, blurs the distinction between civilian and military functions. A militarized CIA now oversees the drone bombings in Yemen, Pakistan and Afghanistan; the mandated secrecy of CIA activities makes war as invisible, as slight a burden on the conscience of the country as it could conceivably get. I began with a C.K. Williams poem and I should like to end with one. Its subject is Lieut. Henry Shrapnel's invention of the shell that has immortalized his name.[40] After describing the effect of shrapnel on the human body, Williams goes on:

Shrapnel's device was superseded by higher-powered, more efficient pro-
        jectiles, obsolete now in their turn.
One war passes into the next. One wound is the next and the next.
        Something howls. Something cries.

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38 Julian Barnes, "US Secretly Adds Strike Teams – as 'Hunter-Killer' Squads Gain Favor in Afgthan Effort, White House has bolstered their raids," Wall Street Journal, May 6 2011," p. A6. At the moment there are no fewer than 13,000 special operations forces deployed in 75 countries. See Tom Engelhardt, "A World Made By War," October 10, 2010 (tomdispatch.com)
39 Greg Jaffe, "How the US Military fell in love with 'Three cups of tea," Washington Post, April 21, 2011. (http://www.washingtonpost.com/opinions/how-the-us-military-fell-in-love-with-three-cups-of-tea/2011/04/20 AFWqYaJE_story.html). Jaffe adds that "not everything about the military's embrace of Mortenson's tea philosophy has been counterproductive. Joshua Foust, an Afghanistan analyst working for the military said that it "would be a shame to abandon the idea of trying to respect the people you're trying to reform with guns and money just because one of the people promoting the concept is shown to be a fraud."
40 C.K. Williams, "Shrapnel," Collected Works, p.661.

It probably won't do for historians to howl or cry, but it is certainly our work to speak and write so that a time of war not be mistaken for peacetime, nor waging war for making peace.

Economic Voting and the National Front: Towards a Subregional Understanding of the Extreme-Right Vote in France

JOHN AMERLING ALDRICH

Since its electoral breakthrough in the mid-1980s, the extreme-right Front national party has been a controversial yet undeniably influential political and cultural force in France. Between the 2007 and 2012 French presidential elections, the percentage of vote share received by the party increased from 10.44% to 17.9% nationally, a record high. Despite this and other recent extreme-right victories across Europe, the literature on extreme-right voting is empirically contradictory and surprisingly limited in both breadth and scope. In order to form a more complete understanding of extreme-right voting, this paper examines the contributions of unemployment, immigration, and crime to the change in vote share received by the Front national between the last two presidential elections. I conduct the analysis at the subregional level of the French département. The analysis shows that the change in the départemental unemployment rate has a positive, statistically significant effect on the change in the Front national vote, and that this effect is even larger in areas that have high percentages of immigrants relative to the rest of the country.

I. Introduction

This paper seeks to explain the rise in electoral support for the French extreme-right on the subregional level of the département between the 2007 and 2012 presidential elections. The aim of such an effort is to further and deepen the extant corpus of academic literature on extreme-right voting in recognition of a) the resurgence of the European extreme-right in recent decades and b) the ability of extreme-right parties to shape policy and the national political agenda in their favor even when not in power or coalition. While significant work has been done exploring extreme-right voting on cross-national levels, there has been relatively little work done on intranational, subregional levels, particularly in France since the 1986 electoral breakthrough of its premier extreme-right party, the Front national (henceforth the National Front, or "FN"). It is in this vacuum of literature that this paper steps in, employing ordinary least squares (OLS) regression analysis to the task of assessing what changing factors between the 2007 and 2012 presidential elections account for the

increase of FN vote share expressed by the 96 départements of Metropolitan France (the French mainland plus Corsica). Using the change in FN electoral support, as measured by the percentage of vote share received in each French département, as the dependent variable and the change in each département's unemployment rate as the primary independent variable, I will operationalize the change in départemental unemployment rates' effect on the dependent variable first independently and then in consideration of other control variables such as the change in the percentage of immigrants in each département's région, the change in reported crimes in each département, and various interaction variables constructed in consideration of hypotheses present in the reviewed literature. Reviewing and grounding my work in the context of this literature, my paper is ultimately valuable insofar as it contributes to an academic landscape rife with debate and contradiction, and advances the understanding of extreme-right voting on intranational, subregional levels. Ultimately, I ascertain that the change in regional unemployment has a positive, statistically significant effect on the change in the FN vote, and that the variable's effect is magnified even further by its interaction with high levels of immigration. Such a conclusion is consistent with other scholars' findings and lends qualified empirical support to Matt Golder's "materialist hypothesis," part of which asserts that unemployment increases the vote for extreme-right parties when immigration is high. My analysis aims to contribute meaningfully to one of the most interesting and increasingly topical subfields of political science, that of extreme-right voting. I proceed with a background on the National Front, a literature review, and the full presentation of my data, research design, and results, followed by my conclusion.

II. Background

Since its founding in 1972 by the party's ideological leader and former president Jean-Marie Le Pen, the National Front has gone from receiving 0.75% of the national vote in the primer tour (first round) of its first presidential election in 1974 to a record 17.9% in the first round of the April 2012 presidential election, the party's most recent.[1] Now under the leadership of Jean-Marie Le Pen's daughter Marine Le Pen, the National Front has established itself as one of Europe's flagship extreme-right parties and a force not to be trifled with in the French electoral arena.[2] How has the National Front accomplished this? What does the party stand for? And what does the electoral success of the National Front mean for France? To answer these questions it behooves one to examine the party before and after 1986, the culminating year of its electoral breakthrough.

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1 Gas, Valérie. "Le Pen, son univers impitoyable." RFI. Radio France Internationale, 9 Jan. 2006. Web. 18 Feb. 2013. <http://www.rfi.fr/francais/actu/articles/081/article_45894.asp>.
2 Knigge, Pia. "The ecological correlates of right-wing extremism in Western Europe." European Journal of Political Research 34 (1998): 249-79. PDF file.

Having received such a small percentage of the vote in its first election, and failing to qualify to run in the following presidential election of 1981 after falling short of the recently increased minimums of mayoral support needed by an aspirant political party, the National Front appeared positioned to languish on the periphery of French politics. Yet by leveraging popular discontent with the economy—still suffering the protracted effects of the previous decade's global oil crisis—and effectively shoring up support amongst its mostly blue-collar base, the National Front "broke out" electorally between 1983 and 1986. The party first achieved 10.95% of the vote and 10 seats in the 1984 elections to the Parliament of the European Union and then 9.65% of the vote in the 1986 French legislative elections, which placed 35 FN party members in the French National Assembly.[3] Acting in the FN's favor was the recent change in the French electoral system imposed by then President François Mitterrand from a simple plurality, or "first-past-the-post" (FPTP) system to one of party-list proportional representation. Pursuant to Duverger's law, a principle in political science that postulates the establishment of a two-party regime in a system of plurality voting and multipartism in a system of proportional representation, the change to France's electoral system in 1986 removed "barriers to entry" for startup parties like the National Front and allowed more dynamicism in the electoral space.[4][5]While the reinstatement of the majoritarian, two-ballot system in the 1988 legislative elections cost the National Front 34 of its seats in the National Assembly, the party exploited its past success, burgeoning popularity, and infighting amongst France's mainstream rightwing parties to achieve 9.8% of the first round vote in the 1988 legislative elections (and 1 seat in parliament) and 14.4% of the vote in the first round of the 1988 presidential election. Since 1988, the party has subsequently enjoyed electoral support in the first round of French presidential elections in the range of a "normalized" 10% - 15%.

While it has only once passed through to the second and final round of a presidential election (in 2002 before suffering the landslide 82.2% victory of Jacques Chirac's Rassemblement pour la République [Rally for the Republic] party), the National Front has nevertheless become a dominant presence in French politics and society and, as its rise between 2007 and 2012 foreshadows, looks poised to even further entrench itself therein. Through the process of "partisan realignment," over the course of its history the National Front has expanded from urban to rural areas, embedded itself in local politics, acquired voters from other right-wing factions, and obligated parties on both the right and left to adjust their policies in order to undermine the FN's ostensible monopoly on "portraying and defining" contentious national issues like

3 France 24. "National Front hopes to win seats in parliament." France 24. France 24, 14 June 2012. Web. 4 Mar. 2013. <http://www.france24.com/en/20120613-national-front-hopes-first-seats-parliament-1998-marine-le-pen>.
4 Crowell, Thomas Y. "'Factors in a Two-Party and Multiparty System - The Technical Factor: The Electoral System.'" Party Politics and Pressure Groups (1972): 23-32. Print.
5 Schain, Martin A. "Extreme-Right Voting." New York University. New York University, New York. 15 Feb. 2012 Lecture.

those pertaining to immigration, such as asylum, naturalization, the rights of family unification and marriage for immigrants, and the issuance of tourist visas.[6] As Martin Schain, a New York University professor specializing in Western European immigration and politics, points out, "the electoral breakthrough of the National Front… ensured that, in decision-making on immigration, the electoral context could not be ignored [by other political parties]."[7] The result, he continues to explain, has been the emergence of more restrictive policies throughout France on an abundance of these issues, including many passed by governments on the left. In this way, the sheer presence of the FN since its breakout in the mid-1980s has been sufficient to color the ideological agenda of the nation and the tangible policies through which such an agenda has—and continues to be—expressed. At various times throughout its history, the National Front has been able to do this with little to no official representation in government; such is their political clout. The principle that obtains not only in France but throughout Europe is that "fringe" parties, even when they remain electorally as such, enjoy a gravitational pull in public and political discourse disproportionate to their actual legislative agency. As extremist parties emerge, consolidate, and grow, they are capable of leveraging more mainstream parties' fear of losing voters in order to shift national policy formation closer to their preferential lines.[8]

Broadly, the National Front—like many other extreme-right parties in Europe—is socially conservative, nationalist, eurosceptic, souverainist, economic protectionist, and anti-immigrant.[910] The party advocates a "zero tolerance" platform with respect to law and order issues, and has been embroiled in controversy for much of its existence due to the polemical policies it promotes and the provocative statements that continue to be issued by party figureheads.[11] Indeed, the FN of today is regarded as a more moderate incarnation of the party once known for its unabashedly xenophobic, World War II revisionist, and anti-Semitic platform—Jean-Marie Le Pen has been found guilty

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6 Schain, Martin A. "Extreme-Right Voting." New York University. New York University, New York. 15 Feb. 2012 Lecture.
7 The Politics of Immigration in France, Britain, and the United States: A Comparative Study. New York: Palgrave Macmillan, 2008. Print.
8 The Politics of Immigration in France, Britain, and the United States: A Comparative Study. New York: Palgrave Macmillan, 2008. Print.
9 Loyola, Mario. "Why Did So Many French Vote for 'Far-Right' Marine Le Pen and Her National Front?" National Review 22 Apr. 2012: n. pag. National Review Online. Web. 18 Feb. 2013. <http://www.nationalreview.com corner/296706/why-did-so-many-french-vote-far-right-marine-le-pen-and-her-national-front-mario-loyol>.
10 Haski, Pierre. "Why the far right did so well in the French election." The Guardian 23 Apr. 2012: n. pag. Web. 18 Feb. 2013. <http://www.guardian.co.uk/commentisfree/2012/apr/23/far-right-did-well-french-election>.
11 Henley, Jon. "The true face of the National Front." The Guardian 25 Apr. 2002: n. pag. Web. 4 Mar. 2013. <http://www.guardian.co.uk/world/2002/apr/25/france.thefarright>.

twice of denying the Holocaust, first in 1991 and then in 2008.[1213]Despite downplaying the most inflammatory components of its rhetoric and engaging in a "a self-conscious process of dédiabolisation (decontamination)" under the aegis of Marine Le Pen, the FN nonetheless staunchly defended its core positions in the first round of the 2012 presidential election, in which it placed third after the ultimate victor François Hollande's Parti socialiste (Socialist Party) and then-incumbent president Nicolas Sarkozy's Union pour un mouvement populaire (Union for a Popular Movement).[14] Media coverage of the run-up to the election details support being found in the FN's mantra "a France for the French," its anti-immigrant stance in a republic where many are "fearful [of] 'foreigners'… overrunning the country and straining France's generous social model," and its anti-European Union platform, upon which it blames the economic and political union for the "unemployment, immigration, and insecurity" plaguing the country.[1516]

Contextualizing the National Front's unprecedented electoral success has been a larger wave of extreme-right victories breaking upon the shores of the European continent. Catalyzed by the European Sovereign-Debt Crisis and its attendant economic woes, European Union President Herman Van Rompuy has recently "criticized what he calls the 'winds of populism' blowing across Europe, fanned by 'extremist movements.'"[17] Indeed, Geert Wilders' anti-immigrant and anti-Islam Dutch Freedom Party, the Austrian Freedom Party (FPÖ) under Jörg Haider, the upstart British Freedom Party and the associated English Defence League, the anti-immigrant and Flemish-secessionist Belgian Vlaams Blok, the radically nationalist Hungarian Jobbik party, and Greece's ostensibly neo-Nazi Golden Dawn party are only a handful of the influential extreme-right parties that have commanded public and political attention in

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12 Fouquet, Helen. "Anti-Euro Le Pen Party Wins First Parliament Seats in 15 Years." Bloomberg Businessweek 17 June 2012: n. pag. Bloomberg Businessweek. Web. 18 Feb. 2013. <http://www.businessweek.com/news/2012-06 17/anti-euro-le-pen-party-wins-first-parliament-seats-in-15-years>.
13 JTA. "Le Pen Conviction for Holocaust Denial Upheld." The Forward [New York] 17 Feb. 2012: n. pag. Web. 28 Feb. 2013. <http://forward.com/articles/151598/le-pen-conviction-for-holocaust-denial-upheld/>.
14 "France's National Front: Dédiabolisation." The Economist 11 Aug. 2012: n. pag. The Economist. Web. 18 Feb. 2013. <http://www.economist.com/node/21560280>.
15 Lauter, Devorah, and Kim Willsher. "French village embraces an extremist." The Los Angeles Times 29 Apr. 2012: n. pag. Web. 18 Feb. 2013. <http://articles.latimes.com/2012/apr/29/world/la-fg-france-election-20120429>.
16 Mestre, Abel. "Marine Le Pen: the face of French Euroscepticism." The Guardian 26 Jan. 2012: n. pag. Web. 18 Feb. 2013. <http://www.guardian.co.uk/world/2012/jan/26/marine-le-pen-french-euroscepticism>.
17 Lauter, Devorah, and Kim Willsher. "French village embraces an extremist." The Los Angeles Times 29 Apr. 2012: n. pag. Web. 18 Feb. 2013. <http://articles.latimes.com/2012/apr/29/world/la-fg-france-election-20120429>.

Europe in recent years and decades.[18][19][20][21][22][23] As political scientist Pia Knigge wrote in 1998, "Right-wing extremism in Western Europe is, of course, not a new phenomenon. For the most part of the post-World War II era…support for extreme right-wing parties has been marginal. These parties, if existent at all, remained largely outside the political arena. Yet, starting in the 1980s, a new pattern or trend appeared to manifest itself in this regard. New extreme right-wing parties emerged rather systematically throughout the major Western European countries."[24] All virulent in rhetoric yet electorally and legislatively successful to varying degrees, these parties nevertheless represent a clear trend in European politics and a cause for concern amongst mainstream parties forced to respond to their contributions to the national and continental conversation. As there exist some institutions—such as the guerrilla English Defence League—that are not actually designed to be functioning political parties as much as vehicles of political agency and activism, it should be noted that in contrast the French National Front is an established and legitimate political party. Like many other parties across Europe, scholars such as Matt Golder have categorized the FN as a populist extreme-right party. Quoting Canovan (1994), Golder asserts that these parties are differentiated from parties of the mainstream right insofar as their popularism makes them "advocates of direct democracy [that] 'claim legitimacy on the grounds that they speak for the people: that is to say, they claim to represent the democratic sovereign, not a sectional interest such as an economic class.'"[25] Other characteristics agreed upon by scholars that separate the extreme-right from the mainstream right include distinguishing factors such as embedded notions of inequality and social hierarchy (often expressed in

18 Rawlinson, Kevin. "English Defence League 'to become political party and stand candidates in European elections', says 'Tommy Robinson.'" The Independent 11 Oct. 2012: n. pag. Web. 18 Feb. 2013. <http://www.independent co.uk/news/uk/home-news/english-defence-league-to-become-political-party-and-stand-candidates-in-european elections-says-tommy-robinson-8207698.html>.

19 "United against Jobbik." The Economist 12 Dec. 2012: n. pag. The Economist. Web. 18 Feb. 2013. <http://www economist.com/news/europe/21567961-politicians-all-stripes-rally-protest-against-marton-gyongyosis-speech-united against-jobbik>.

20 Villarreal, Ryan. "Dutch Parliamentary Elections: Will Far-Right Freedom Party Defy Polls Again?" International Business Times 12 Sept. 2012: n. pag. Web. 18 Feb. 2013. <http://www.ibtimes.com/dutch-parliamentary-elections-will-far-right-freedom-party-defy-polls-again-780833>.

21 Schain, Martin A. "Extreme-Right Voting." New York University. New York University, New York. 15 Feb. 2012. Lecture.

22 Savaricas, Nathalie. "Greece's neo-fascists are on the rise... and now they're going into schools: How Golden Dawn is nurturing the next generation." The Independent 2 Feb. 2013: n. pag. Web. 18 Feb. 2013. <http://www independent.co.uk/news/world/europe/greeces-neofascists-are-on-the-rise-and-now-theyre-going-into-schools-how golden-dawn-is-nurturing-the-next-generation-8477997.html>.

23 Samuels, Henry. "French and Greek political earthquakes point to rise of the anti-austerity movement." The Telegraph 7 May 2012: n. pag. The Telegraph. Web. 18 Feb. 2013. <http://www.telegraph.co.uk/news/worldnews europe/france/9250801/French-and-Greek-political-earthquakes-point-to-rise-of-the-anti-austerity-movement.html>.

24 Knigge, Pia. "The ecological correlates of right-wing extremism in Western Europe." European Journal of Political Research 34 (1998): 249-79. PDF file.

25 Golder, Matt. "Explaining Variation in the Success of Extreme Right Parties in Western Europe." Comparative Political Studies 36.4 (2003): 432-66. Print.

terms of ethnic and cultural nationalism) and a base of support drawn mostly from the lower-, working-, and middle-class.[26][27] Christopher Husbands, Robert W. Jackman and Karin Volpert (1996) specify that "'What unites all of these parties is their particular commitment to some sort of ethnic exclusionism—a hostility to foreigners, immigrants, Third World asylum-seekers, and similar out-groups—as well as aggressive nationalism or localism."[28]Finally, and most crucially for this paper, extreme-right parties have and share a willingness to work within extant political frameworks in order to achieve their goals.[29] Parties like the National Front are neither revolutionary nor ephemeral, "'flash'" parties, as Michael S. Lewis-Beck describes short-lived parties that aim to disrupt and disband, rather than participate in the political process over the long-term.[30] These last characteristics are of paramount importance because it is only within the confines of an electoral infrastructure both utilized and considered legitimate that we can thoroughly examine the factors that contributed to the rise in FN vote share between the 2007 and 2012 presidential elections, as we will do after reviewing a selection of relevant literature.

III. Literature Review

As previously mentioned, the literature on extreme-right voting is diverse and contradictory, as well as incomplete: diverse in terms of methodology, regional focus, and level of analysis; contradictory with respect to what it concludes upon tackling some of the most fundamental questions of the field; and incomplete in the sense that the aforementioned issues have yet to be clarified. Before introducing my own work and findings, I will review and comment upon relevant literature with respect to the following:

Methodology/regional focus/level of analysis of the literature:

Although the particular strengths and weaknesses of my research design will be described in more detail in Section V, it is worth stating at this juncture that no

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26 Chrisafis, Angelique. "French election: Marine Le Pen voters grapple with their role as kingmakers." The Guardian 23 Apr. 2012: n. pag. Web. 18 Feb. 2013. <http://www.guardian.co.uk/world/2012/apr/23/french-election-marine le-pen-voters>.

27 Schain, Martin A. "Extreme-Right Voting." New York University. New York University, New York. 15 Feb. 2012. Lecture.

28 Jackman, Robert W., and Karin Volpert. "Conditions Favouring Parties of the Extreme Right in Western Europe." British Journal of Political Science 26.4 (1996): 501-21. PDF file.

29 Schain, Martin A. "Extreme-Right Voting." New York University. New York University, New York. 15 Feb. 2012. Lecture.

30 Lewis-Beck, Michael S., and Glenn E. Mitchell, II. "French Electoral Theory: The National Front Test." Electoral Studies 12.2 (1993): 112-27. PDF file.

scholars in the reviewed literature structured their work as I structured mine: as a "first differences regression" on an intranational, subregional level, a model designed to detect meaningfulrelationships between the changes in the dependent and independent variables over time. Instead, utilizing a variety of research designs on cross-national, subregional, and individual (survey) levels, authors explored the effects of economic factors like unemployment and inflation rates, social factors like the presence of immigrants, and political factors like electoral district magnitude and popular satisfaction with the current political regime on support for extreme-right parties. All work in the reviewed literature deals exclusively across and within the countries of Europe, and all results are the products of each author's unique analytical models, data, and set of assumptions. Therefore, while a literature review is useful in contextualizing the work of this paper, the reader should keep in mind the aforementioned qualifications and recognize that the literature on extreme-right voting in Europe is, like all academic work, neither complete nor definitively conclusive.

Theoretical backgrounds and results of the literature:

When analyzing the effects of economic factors on extreme-right voting, most scholars working on any level of aggregate data choose at least the unemployment rate as an operationalizable variable. In "The ecological correlates of right-wing extremism in Western Europe" (1998), Pia Knigge employs a pooled time-series cross-sectional research design across six Western European countries between 1984 and 1993 in order to examine "the relative strength of three popular explanations of contemporary right-wing extremism: the impact of economic conditions (unemployment and inflation), social developments (immigration), and political trends (public's dissatisfaction with the political regime)." Using "latent public support for parties of the extreme-right rather than actual electoral outcomes" (i.e. intention to vote for an extreme-right party) as her dependent variable, Knigge finds that "rising levels of immigration and public dissatisfaction with the political regime significantly facilitate right-wing extremism" and that, "contrary to the initial hypothesis…results suggest that a declining national economy (unemployment in particular) diminishes the electoral appeal of extreme right-wing parties." Basing her hypothesis that "as economic conditions worsen, Western European citizens are more likely to lend their support to extreme right-wing parties" on the work of Lewis-Beck (1988) and Powell and Whitten (1993), Knigge assumes that if conditions of "stable prices and low unemployment" are met, the incumbent party or candidate is rewarded. If they are not, voters instead support the opposition, embodied by "extreme-right parties in Western Europe…[that] have been excluded from participation in government—at least for the time frame considered in the present

case (i.e., 1984—1993)."[31]

For Knigge, a vote for the extreme-right (or, specifically, the intention to support the extreme-right) is an act of "protest" against mainstream parties seen to have mismanaged the economy. A question should be raised here, however: would an incumbent extreme-right party face the same threat of getting voted out when the economy is underperforming? While not answered directly, both Knigge and Marcel Lubbers, writing in "Extreme-right voting in Western Europe" (2002), suggest that voters treat extreme-right parties differently than mainstream parties insofar as extreme-right parties are viewed as representative of an institutionalized opposition, and not just a nominal one. Going on and drawing upon theories of economic interests covered in Blalock (1967) and Olzak (1992), Lubbers writes that "in countries where competition for scarce resources intensifies due to worsening economic conditions or an increasing number of immigrants, social groups are more likely to perceive stronger competition over these scarce resources. Because people are not very likely to blame their own group (in-group) for these increasingly competitive circumstances… they blame others (i.e., out-groups)." It is precisely this notion of blaming "out-groups"—which immigrants compose and are placed into—that forms the basis of extreme-right party platforms, leading Lubbers to encapsulate such sentiment in the dual hypothesis that "In countries where the unemployment level is higher and the number of immigrants is larger, support for extreme right-wing parties is greater."[32] Lubbers expands upon this logic in another 2002 paper, "French Front National voting: a micro and macro perspective," where he writes that, on the basis of "Realistic Conflict Theory," "manual workers are more likely to vote for the Front National because manual workers may perceive a stronger competitive threat from ethnic minorities than other occupational categories, as immigrants first and foremost operate in the same labor market segment as manual workers do (Thave 2000)." Here, being—or simply perceiving to be—threatened by an [ethnically distinct] "other" is reason to support the extreme-right, the party that categorically blames national out-groups for a country's woes. Thus Lubbers once again ultimately hypothesizes that "as the unemployment level is an indicator of the economic situation in a region (Olzak 1992), we expect again that in regions where the unemployment level is higher…or where unemployment increases strongly…people are more likely to vote for the Front National." Going on to analyze both individual level and "contextual" (i.e. regional on the level of the département) predictors of National Front voting, Lubbers supports Knigge in finding "no direct effect of unemployment" on the regional level, although he does find "small indirect effects such that higher unemployment levels evoke a more unfavorable attitude towards ethnic out-groups, a

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31 Knigge, Pia. "The ecological correlates of right-wing extremism in Western Europe." European Journal of Political Research 34 (1998): 249-79. PDF file.
32 Lubbers, Marcel, Mérove Gijsberts, and Peer Scheepers. "Extreme right-wing voting in Western Europe." European Journal of Political Research 41 (2002): 345-78. PDF file.

stronger identification with France and a stronger authoritarian attitude, which in turn increases the likelihood of a vote for the Front National." While also finding that "the number of ethnic immigrants does have a direct effect [on support for the FN]" insofar as "the more immigrants [that] live in a region, the stronger the support for Le Pen," he concedes that "breaking down the regional level of analysis has sometimes led to different outcomes," and that "…when there is no control for compositional effects, [the] findings are not very valid."[33]

In "Economics and the French Voter: A Microanalysis" (1983), Michael S. Lewis-Beck reveals that an aggregate level regression model examining the effects of economic conditions on voting in legislative elections in a previous paper of his (Lewis-Beck and Bellucci [1982]) "[indicated] that increases in the unemployment rate… significantly [enhanced] the vote share of the Left." Inserting these findings into a larger discussion, he asserts that it is "not really surprising" that the unemployed should vote for the left, because such a vote might be made "on strict policy grounds…that is, voters may believe that the Left, perhaps because of its working class base, is more likely to initiate programs that will reduce unemployment." Ultimately, his 1983 work concludes that on an individual level, "the more economic malcontents there are, the more Leftist votes are expected." This is at odds, however, with the previously discussed literature that predicts an increase in vote share for the right—specifically the extreme-right—in bad economic times. Such a contradiction reveals not only the underdeveloped causal scenario within Lewis-Beck's own work (wherein he admits that, "If one thinks about it, there are many reasons why French citizens might not take their personal economic situation into account when deciding how to vote," such as if they "fail to perceive their deteriorating economic circumstance," and, even if they do, decide to blame others instead of elected officials), but also the amount of contradiction present throughout the literature on extreme-right voting.[34] What are we to make of these varying conclusions? As Matt Golder writes, "The problem is that economic voting theories focus on how incumbent political parties are rewarded or punished for their economic performance. They do not explain why voters who wish to punish incumbent parties should vote for extreme-right parties over any other opposition party."[35] Despite the educated guesses of some scholars, Golder is correct in saying that we have no unambiguous, theoretical scenario that predicts where on the ideological party spectrum we should expect voters to turn in rejection of an incumbent party's handling of the economy.

Throughout the literature, and particularly with an eye trained on the postulated

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33 Lubbers, Marcel, and Peer Scheepers. "French Front National voting: a micro and macro perspective." Ethnic and Racial Studies 25.1 (2002): 120-49. PDF file.
34 Lewis-Beck, Michael S. "Economics and the French Voter: A Microanalysis." The Public Opinion Quarterly 47.3 (1983): 347-60. PDF file.
35 Golder, Matt. "Explaining Variation in the Success of Extreme Right Parties in Western Europe." Comparative Political Studies 36.4 (2003): 432-66. Print.

effects of the economy (through the avatar of unemployment) on extreme-right voting as we have had so far, one can observe the conflating of economic tensions with social ones such as the presence of immigrants. Indeed, recall that Lubbers put the two together in one hypothesis when he claimed that support for extreme-right parties is higher in countries with high unemployment and a high number of immigrants. Many authors concur, and the literature overwhelmingly suggests that higher immigration is associated with higher levels of support for extreme-right parties. This speaks to the fact that, in the words of Paul Hainsworth, immigration is the extreme-right's "issue par excellence," or the issue through which all other measures of support for extreme-right parties are channeled.[36] Hilde Coffé, author of "Fertile grounds for extreme right-wing parties: Explaining the Vlaams Blok's electoral success" (2007), agrees, adding that "if any single issue dominates today's extreme right-wing platforms, then it is certainly the issue of immigration." Coffé supports this statement by reviewing some of the same theoretical justification covered by Lubbers, such as theories of economic interest as well as conflict theory. Illustrating the inconclusiveness of all aspects of the literature on extreme-right voting, Coffé ultimately claims only that "the presence of immigrants may facilitate [extreme-right parties'] electoral growth" (italics mine), citing opposing theories to the "higher immigration, higher extreme-right vote" scenario like those discussed by W.D. Chapin (1997) and Pascal Perrineau (1997), which claim that people who live in close contact with immigrants may actually develop more positive feelings towards them than those who do not. Citing P. Martin (1998), Coffé also describes a dissenting theory wherein "a negative relation between the presence of immigrants and extreme right voting may also occur if people who are hostile towards foreigners leave places where many immigrants live and concentrate in jurisdictions with fewer foreigners." She couches both claims, however, by saying such theories have "limited empirical support."[37]

If, then, it is more widely accepted that immigrants do contribute to higher levels of support for extreme-right parties, what is the nature of such a relationship? The situation, according to scholars like Schain and Lubbers, is that immigrants are seen as repositories—the ultimate "out-groups"—for the woes of a voting community willing to scapegoat them in lieu of blaming members of their own "in-group." Extreme-right parties play into this in obvious ways, as immigrant issues provide an easy, visible foundation upon which a great deal of their platform is erected. One only needs to read media coverage of an extreme-right party's campaign or attend a rally in order to see the co-option and propagation of such an issue in action. Lost in the "immigration as the extreme-right issue 'par excellence'" mix, however, are the more nuanced,

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36 Jackman, Robert W., and Karin Volpert. "Conditions Favouring Parties of the Extreme Right in Western Europe." British Journal of Political Science 26.4 (1996): 501-21. PDF file.
37 Coffé, Hilde, Bruno Heyndels, and Jan Vermeir. "Fertile grounds for extreme right-wing parties: Explaining the Vlaams Blok's electoral success." Electoral Studies 26 (2007): 142-55. PDF file.

causal explanations of extreme-right voting, which is one of the reasons why political science that tries to break down such a phenomenon into smaller, quantifiable pieces is so valuable. On a rhetorical level, however, immigration dominates, and it cannot be denied that indeed immigration is a significant component of extreme-right voting. But what is really going on here? In "Explaining Variation in the Success of Extreme Right Parties in Europe" (2003), Matt Golder writes, "Although the success of [extreme-right] parties is commonly associated…with high levels of unemployment and immigration, the causal story remains ambiguous. Do voters support extreme-right parties because immigrants negatively affect their material well-being or because immigrants pose a threat to their national identity, culture, and way of life more generally?"[38] Furthermore, does there exist some "immigrant threshold" wherein "immigrant size turns into immigrant rejection," as Gallya Lahav questions in "Opposition to Immigration: Self-Interest or Public Interest?" (2003)?[39] To that point, is it always the case that higher levels of immigration produce higher levels of support for the extreme-right, or could it be—as Coffé and Lahav suggest—that proximity to immigrants actually decreases extreme-right voting because immigrants are humanized and stereotypes eroded, pursuant to theories like Perrineau's aforementioned "contact hypothesis?"[40][41][42] While it is outside the scope of this paper's research to pursue these questions in detail, they nevertheless serve to inform and fill out the complexities of issues such as immigration, and certainly merit further study.

Critiquing many of the authors hitherto discussed in methodological terms and recognizing the inconsistencies in much of the same literature that we have reviewed (such as the fact that "Knigge [1998] claims that unemployment reduces the support for extreme-right parties, whereas Jackman and Volpert [1996] conclude the opposite"), Matt Golder's "Explaining Variation in the Success of Extreme Right Parties in Europe" (2003) examines the "effect of electoral institutions, unemployment, and immigration" on the success of extreme-right parties across 19 countries and over 165 elections. Among the author's various findings is that "immigration has a positive effect on [extreme-right] parties irrespective of the unemployment level, [and] unemployment only matters when immigration is high." Procedurally enabling the latter finding is the construction of an interaction variable between immigration and unemployment designed to analyze what he calls the "materialist hypothesis,"

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38 Golder, Matt. "Explaining Variation in the Success of Extreme Right Parties in Western Europe." Comparative Political Studies 36.4 (2003): 432-66. Print.

39 Lahav, Gallya. "Opposition to Immigration: Self-interest or Public Interest?" International Biannual European Union Studies Convention (2003): n. pag. PDF file.

40 Coffé, Hilde, Bruno Heyndels, and Jan Vermeir. "Fertile grounds for extreme right-wing parties: Explaining the Vlaams Blok's electoral success." Electoral Studies 26 (2007): 142-55. PDF file.

41 Lahav, Gallya. "Opposition to Immigration: Self-interest or Public Interest?" International Biannual European Union Studies Convention (2003): n. pag. PDF file.

42 Jesuit, David, and Vincent Mahler. "Electoral Support for Extreme Right-Wing Patries: A Subnational Analysis of Western European Elections in the 1990s." American Political Science Association (2004): n. pag. PDF file.

which states that, "Unemployment increases the vote for extreme-right parties when immigration is high. Unemployment does not affect (or lowers) the vote share received by extreme-right parties when immigration is low." Highly emphasizing this interaction variable, Golder criticizes authors like Jackman and Volpert for not including it in their models, for to not do so is to "…assume that unemployment causes individuals to vote for extreme-right parties in an unconditional way," which he views as fallacious due to the fact that "the economic voting literature provides no evidence why higher levels of unemployment would cause people to vote for extreme-right parties over any other."[43] As we have discussed only various theoretical reasons that could—or do not—compel a person to vote for either the right or left under conditions of high unemployment (without concluding anything substantive), it should be noted here that Golder uses the word evidence, which—he is correct in saying—is present neither here nor in the literature reviewed in his work.

In his paper, Golder finds empirical support for the synthesis of unemployment and immigration (in the form of an interaction term based on his "materialist hypothesis") increasing the vote share for extreme-right parties, observing that "Unemployment only increases the vote share of populist [extreme-right] parties when there are large numbers of foreigners in the country." It should be noted that Golder is careful to distinguish populist extreme-right parties from neo-fascist ones in his work, for the interaction term is only statistically significant with respect to the former.[44] As Golder and others designate the National Front as a populist extreme-right party, no further discussion on the distinction suits our purposes. Discussing Golder's "materialist hypothesis" as well as its inverse in the form of Perrineau's "contact hypothesis" (more immigrants, less support for the extreme-right), David Jesuit and Vincent Mahler write in "Electoral Support for Extreme Right-Wing Parties: A Subnational Analysis of Western European Elections in the 1990s" that most work pursuing either hypothesis has been "based on national-level studies" and note, "Of the relatively few empirical studies that have been conducted at the regional level, none has found an unambiguous link between immigration and [extreme-right voting]." The authors cite the example of Terri Givens in "The Role of Socio-Economic Factors in the Success of Extreme Right Parties," (2002) which found a link between a high number of immigrants and support for the extreme-right in Austrian and French regions but not in German states, before additionally citing Cass Mudde's observation that there is an "'absence of a clear cut relation between the number of immigrants and the electoral success of [extreme-right parties] in certain territorial units.'" Reviewing well-worn components of economic voting literature such as the theory of incumbent punishment during economic

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43 Golder, Matt. "Explaining Variation in the Success of Extreme Right Parties in Western Europe." Comparative Political Studies 36.4 (2003): 432-66. Print.
44 Golder, Matt. "Explaining Variation in the Success of Extreme Right Parties in Western Europe." Comparative Political Studies 36.4 (2003): 432-66. Print.

downturns and the question of why voters would then turn to the extreme-right over the left (whose social democratic parties, it is pointed out, "have always been the parties of full employment"), Jesuit and Mahler deem Golder's "materialist hypothesis" the approach that is most "consistent with the political rhetoric of the extreme right, which often blames negative economic condition on foreign migrants."[45]

To singularly credit Golder with this insight would be erroneous, however, because although he may have been the one to formalize and popularize the ideas encapsulated in his "materialist hypothesis," he is not the first to highlight a nexus between extreme-right voting and the conditional presence of immigrants and high unemployment. Citing the "well chosen words of Nonna Meyer" who said that "'behind the very real 'crispation' over immigration is hidden the drama of unemployment,'" it was Michael S. Lewis-Beck who continued on to state in "French Electoral Theory" (1993) that "unemployment appears to depend for its effect upon the level of immigration. In [départements] with few immigrants, [a] high unemployment rate does not really increase FN support. However, as the number of immigrants increases, the impact from unemployment intensifies. In other words, the presence of unemployment, by itself, does not yield significantly more FN voting… It is unemployment coupled with immigration that motivates National Front support." Claiming that "the psychological mechanism for such an 'interaction effect' seems straightforward," Lewis-Beck asserts that voters in regions with a high number of immigrants believe that immigrants "'cause' unemployment, an attribution encouraged by a popular [Jean-Marie] Le Pen slogan, 'two million unemployed = two million immigrants….'" "Thus, for these voters," he continues, "the unemployment problem is 'solved' by a ballot for the National Front, which proposes harsh immigration controls." He further credits Perrineau (1988) for "survey evidence that FN voters do indeed overwhelmingly make this psychological attribution," strengthening his argument. In "French Electoral Theory" (1993), Lewis-Beck looks at the three social cleavages of class, religion, and ideology (basing his first of two research designs on individual-level survey data) and then seeks to evaluate the "issue-base of FN support" by analyzing immigration, crime, and unemployment—the issues he says are consistently judged très important by both surveys and journalistic accounts—on the aggregate level of the French district (in his case, the département). Measuring these issues up against the dependent variable of FN vote share received in the 1986 French parliamentary elections per département, he says his aggregate level work is designed to avoid survey data's inherent problem of only revealing "…what voters said, not what they did." Operationalizing the effects of the number of immigrants, crimes against persons per 1,000 inhabitants, and the unemployment rate (all per département) on the dependent variable and including an interaction term unemployment X immigration, Lewis-Beck

45 Jesuit, David, and Vincent Mahler. "Electoral Support for Extreme Right-Wing Patries: A Subnational Analysis of Western European Elections in the 1990s." American Political Science Association (2004): n. pag. PDF file.

finds strong, positive correlations for immigration and crime, a "surprisingly weak" but still positive correlation for unemployment, and strong support for the interaction of unemployment and immigration, whose positive coefficient is highly statistically significant. Ultimately, he says his model reveals that, "Constituencies with high crime rates, and a pronounced immigrant presence in the midst of elevated unemployment, are fertile ground for National Front recruiters."[46]

While crime has been largely absent from the literature and research designs we have reviewed thus far, Lewis-Beck's inclusion of the variable speaks to its relevance to the issue of extreme-right voting. In "Fertile grounds for extreme right-wing parties: Explaining the Vlaams Blok's electoral success" (2007), Hilde Coffé agrees that "the relationship between crime and extreme right performance has rarely been studied empirically," yet calls crime a "central topic" of extreme right-parties, particularly for the party of her focus, the Belgian Vlaams Blok. Despite its relative lack of scholarship, Coffé hypothesizes that "crime has a significant effect on the success of the extreme right parties." Interestingly, however, in her study she finds that crime does not determine the electoral success of the Vlaams Blok on a municipal level.[47] Although the two aforementioned authors examine it, further study of crime's effect on electoral support for extreme-right parties merits the consideration of all scholars due to the variable's rhetorical centrality amongst such factions.

My contribution to the literature:

Clearly, there are significant gaps to fill across the entirety of the scholarship on extreme-right voting. In addition to completing more research on crime's effect on support for the extreme-right, there is more work to be done on the unresolved issue of why voters would choose one party over another given a poor economy, as well as in forming a more complete understanding of what we mean when we discuss "the economy's" effect on extreme-right voting. Jesuit and Mahler, for example, admit "there has been little effort to determine whether negative economic conditions other than unemployment, either alone or in conjunction with high immigration, are associated with support for [extreme-right parties]…such as higher poverty or income inequality."[48] Whilst incomplete, the sum of the extant literature is enough to aid and inform additional studies of extreme-right voting across any levels and regions of analysis. To this end, although my research draws theoretically on all of the reviewed literature, it

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46 Lewis-Beck, Michael S., and Glenn E. Mitchell, II. "French Electoral Theory: The National Front Test." Electoral Studies 12.2 (1993): 112-27. PDF file.
47 Coffé, Hilde, Bruno Heyndels, and Jan Vermeir. "Fertile grounds for extreme right-wing parties: Explaining the Vlaams Blok's electoral success." Electoral Studies 26 (2007): 142-55. PDF file.
48 Jesuit, David, and Vincent Mahler. "Electoral Support for Extreme Right-Wing Patries: A Subnational Analysis of Western European Elections in the 1990s." American Political Science Association (2004): n. pag. PDF file.

specifically relies upon the subregional work of Michael S. Lewis-Beck in France and the cross-national work of Matt Golder, both of whom have particularly contributed to our understanding of the interactive effects of unemployment and immigration. However, unlike the two authors' cross-sectional research designs, my work employs a "first differences" design in order to capture the effects of changing variables within a specific period of time. The advantages of this model will be elucidated in Section V. It is with all of the aforementioned in mind that we move on to a review of the incorporated data.

IV. Data

Dependent variables: My dependent variable is the change in vote share received by the National Front between the 2007 and 2012 presidential elections (FNchange0712 = % vote share 2012 – % vote share 2007) per département. Data for both years were collected from the Norwegian Social Science Data Services' European Election and Referendum Database, which were in turn sourced from the Centre de données socio-politiques at the Institut d'études politiques de Paris (Sciences Po).[49] The French département is one of three levels of government below the national level, between the région and the commune. Régions contains départements and départements contain communes. Mainland France (which, as mentioned previously, includes the island of Corsica) contains 96 départements, all of which are included in my data. Excluded are the five overseas départements of French Guiana, Guadeloupe, Martinique, Réunion, and Mayotte, which are also known as overseas régions and have the same legal status as both metropolitan equivalents.

Independent variables: My primary independent variable of interest is the change in the unemployment rate per département between 2007 and 2012 (Unempchange0712 = % unemployment rate 2012 – % unemployment rate 2007). Other independent control variables involve the regional presence of immigrants, incidents of crime, and various interaction variables. Due to the unavailability of immigration data on the département level, the percentage of immigrants (étrangers, or non-French nationals) per département was coded as a variable ranging between 1 and 5; 1 associated with a "very low" percentage of immigrants in that département's région (less than 3%), 2 with a "low" percentage of immigrants (3% to 4%), 3 with "medium" percentage of immigrants (4% to 5%), 4 with "high" percentage of immigrants (5% to 8%), and 5 with a "very high" percentage of immigrants (more than 8%) for the years 2007 and 2012. The actual variable, then, is the categorical change

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49 "Dataset: France: Presidential Election 2012." European Election Database. Norwegian Social Science Data Services, n.d. Web. 18 Feb. 2013. <http://eed.nsd.uib.no/webview/index.jsp?study=http%3A%2F%2F129.177.90.6%3A80%2Fobj%2FfStudy%2FFRPR2012&mode=cube&v=2&cube=http%3A%2F%2F129.177.90.166%3A80%Fobj%2FfCube%2FFRPR2012_C1&top=yes>.

in the percentage of immigrants represented by each département's coded régional variable (Immchange0712 = coded immigration variable 2012 – coded immigration variable 2007). The crime variable is the change in reported assault crimes (atteintes volontaires à l'intégrité physique) per département between 2007 and 2011, the years for which data were available (Crimechange0712 = crime per département 2011 – crime per département 2007).

In addition to these variables, three interaction terms were created along with a dummy variable. The dummy variable, Immdummy, represents départements with a high percentage of immigrants relative to others in the base year of 2007. Each département was coded either 0 or 1, the former if the département's [régional] immigration level was previously categorized as 3 or below ("low" immigration) and the latter if the immigration level was 4 or 5 ("high" immigration). As evident in the summary statistics below, 36% of French départements in 2007 were classified as having high immigration. This dummy variable is the only measure of high immigration in the data set, for the summary statistics show that the régional presence of immigrants only went down between 2007 and 2012, a trend corroborated by journalistic accounts of immigration in France that reference the time period at hand.[50] With respect to the interactions, the first two include the aforementioned dummy variable: ImmdummyXunempchange operationalizes the effect of changing unemployment on the change in FN vote share in départements with high immigration, and ImmdummyXcrimechange operationalizes the effect of changing crime on the change in FN vote share in départements with high immigration. The third interaction term, ImmXunemp, measures the effect of changing unemployment in départements with changing levels of immigration. All immigration data, to reiterate, are measured on the level of each département's région.

Unemployment and immigration data were collected from INSEE, the French National Institute of Statistics and Economic Studies (Institut national de la statistique et des études économiques), and crime data were collected from La Documentation française, a subsidiary of DILA, the French Directorate of Legal and Administrative

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50 Corbet, Sylvie. "France: Record Number of Illegal Immigrants Expelled." The Huffington Post 10 Jan. 2012, World ed.: n. pag. Web. 28 Feb. 2013. <http://www.huffingtonpost.com/2012/01/10/france-illegal immigrants_n_1197101.html>.

Information (Direction de l'information légale et administrative).[51][52][53][54][55]

Table 1: Summary and Descriptive Statistics

Variable	Obs.	Mean	Std. Dev.	Min.	Max.
VoteforFN2007	96	11.04792	3.144272	4.58	17.28
VoteforFN2012	96	18.94292	4.441674	6.2	27.03
Imm2007	96	2.885417	1.280377	1	5
Imm2012	96	2.71875	1.335374	1	5
Unemp2007	96	7.891667	1.600899	4.8	11.8
Unemp2012	96	9.722917	1.816154	6.2	14.4
Crime07	96	4513.115	5999.926	237	33670
Crime12	96	4875.115	6547.44	234	35750
FNchange0712	96	7.895	1.572506	1.62	10.92
Unempchange0712	96	1.83125	0.6207488	0.2999992	3.7
Immchange0712	96	-0.1666667	0.3746343	-1	0
Immdummy	96	0.3645833	0.4838397	0	1
Crimechange0712	96	1.09207	0.0992172	0.9008572	1.371169
ImmXunemp	96	-0.3302084	0.7695686	-2.900001	0
ImmdummyXunempchange	96	0.5864583	0.8725787	0	3.2
ImmdummyXcrimechange	96	0.3979343	0.5313959	0	1.3711569

51 Cadenel, Nicole, ed. "Infos migrations: La population étrangère en 2007." INED. Institut national d'études démographiques, Feb. 2011. Web. 18 Feb. 2013. <http://www.ined.fr/fichier/t_telechargement/51644 telechargement_fichier_fr_im20022011.pdf>.

52 "Chômage par commune, département, région, zone d'emploi de 2001 à 2012." INSEE. Institut national de la tatistique et des études économiques, 2012. Web. 18 Feb. 2013. <http://www.insee.fr/fr/themes/detail.asp?reg_id=99&ref_id=base-cc-chomage>.

53 "Circonscriptions législatives pour les élections de 2012." INSEE. Institut national de la statistique et des études économiques, 2012. Web. 18 Feb. 2013. <http://www.insee.fr/fr/themes/detail.asp?reg_id=0&ref_id=circo_leg 2012>.

54 "Criminalité et délinquance constatées en France." La Documentation française. Direction de l'information légale et administrative (DILA), 2007. Web. 18 Feb. 2013. <http://www.ladocumentationfrancaise.fr/var/storage/rapports publics/084000202/0000.pdf>.

55 "La Délinquance constatée en France." La Documentation française. Direction de l'information légale et administrative (DILA), 2011. Web. 18 Feb. 2013. <http://www.ladocumentationfrancaise.fr/var/storage/rapports publics/124000180/0000.pdf>.

V. Research Design

As mentioned in the literature review (Section III), my research is structured around a series of "first differences" OLS regressions designed to assess the effects of the changes in my independent variables on the change in my dependent variable, the change in FN vote share per département between 2007 and 2012. Although principally interested in the effect of the change in unemployment on FN vote share, embodied in the estimating equation [ΔFNvotesharedr = α + $\beta1\Delta$Unempdr + ϵdr], I will control for the other "confounding" independent variables mentioned above in Section IV, embodied and emphasized in the estimating equation [ΔFNvotesharedr = α + $\beta1\Delta$Unempdr + $\beta2$Immdummy07r + $\beta3\Delta$Unempdr x Immdummy07r + $\beta4\Delta$Crimedr + $\beta5\Delta$Crimedr x Immdummy07r + ϵdr]. In advance of presenting and analyzing my results, it should be mentioned that they are constrained by the power and refinement of their underpinning data. Due to a lack of available data on the départemental level or lower, my immigration data are particularly coarse, measured (once again) as ordinal variables on the aggregate level of the région. Future research would benefit from utilizing data measured as continuous variables on the level of the département, for while summary statistics show that no région's coded 1-5 variable increased between 2007 and 2012 it could very well be that the percentage of resident immigrants in certain départements did increase. An additional limitation to my research design is the use of assault crime as a proxy for crime in general, which was also due to a lack of other available data. Future research could benefit from distinguishing the effects of different types of crimes on electoral support for the extreme-right. Conceding these limitations, my research design is nonetheless strengthened by its "first-differences" configuration. This design measures the changes between each variable, thus netting out problematic "compositional effects," or the characteristics of each département that do not change. I hypothesize the following:

H1: FN vote share and unemployment are positively correlated, thus the change in FN vote share will increase in départements with rising unemployment.

H2: FN vote share and immigration are positively correlated, thus the change in FN vote share will increase in départements with higher percentages of immigrants.

H3: FN vote share and crime are positively correlated, thus the change in FN vote share will increase in départements with rising crime.

H4: The effects of unemployment and crime on FN vote share are greater in départements with high percentages of immigrants, i.e. the interaction of immigration with these variables leads to larger FN vote share.

VI. Results

Table 2: Ordinary Least Squares (OLS) Regressions

Variables	(1) FNchange0712	(2) FNchange0712	(3) FNchange0712	(4) FNchange0712	(5) FNchange0712
Unempchange0712	**1.091*** (.310)	**1.069*** (0.309)	**1.083*** (0.319)	**1.056*** (0.319)	**1.255*** (0.301)
Immchange0712		-0.336 (0.270)		-0.351 (0.274)	
Crimechange0712			0.328 (1.411)	0.489 (1.429)	0.174 (1.272)
Immdummy					**0.791**** (0.288)
Constant	5.897*** (0.644)	5.881*** (0.647)	5.554*** (1.514)	5.369*** (1.539)	5.119*** (1.394)
N	96	96	96	96	96
r²	0.186	0.192	0.186	0.193	0.241

Standard errors in parentheses

* p<.05, ** p<.001, *** p<0.001

    In column 1 of table 2, the change in unemployment (Unempchange0712) has the hypothesized positive and highly significant effect on electoral support for the FN (expressed by FNchange0712). A 1 standard deviation increase in unemployment (.62) implies a (.62)(1.091) = .67 increase in FN vote share. Controlling for the change in immigration between 2007 and 2012 in column 2, the change in unemployment retains its high statistical significance and positive effect on FN vote share. Since the change in immigration is not significantly different than 0 it cannot be said to have an effect. Similar to column 2 except now controlling for the change in crime between 2007 and 2012, column 3 shows that the change in unemployment retains its high statistical significance and positive effect on FN vote share. Since the change in crime is not significantly different than 0 it cannot be said to have an effect. Controlling for both the change in immigration and the change in crime in column 4, the change in unemployment still exerts a positive, statistically significant effect on the change in FN vote share. The significance, however, has fallen from the 1% level to the 5% level. Since the change in immigration and the change in crime are not significantly different than 0, the variables cannot be said to have an effect. Examining the change

in unemployment, the change in crime, and the départements with regionally high percentages of immigrants (expressed by the dummy variable Immdummy) in column 5, both the change in unemployment and the immigration level dummy are found to be significant, the latter result which suggests that it is a large percentage of immigrants per région per se that meaningfully influences electoral support for the extreme-right, as opposed to the fluctuation of immigrants found to be insignificant in regression models 2 and 4. The change in unemployment is once again highly statistically significant at the 1% level. The immigration dummy variable is associated with a .791 (79%) increase in FN vote share and is significant at the 1% level.

Table 3: Interaction Effects

Variables	(1) FNchange0712	(2) FNchange0712	(3) FNchange0712	(4) FNchange0712
Unempchange0712	**1.091***** (0.310)	**0.688**** (0.225)	**1.248***** (0.293)	**1.132**** (0.350)
Immdummy		-1.495 (1.163)	-5.089 (2.933)	
ImmdummyXunempchange		**1.297*** (0.600)		
Crimechange0712		0.223 (1.308)	-1.729 (1.338)	0.584 (1.454)
ImmdummyXcrimechange			**5.383*** (2.628)	
Immchange0712				-1.777 (1.105)
ImmXunemp				0.725 (1.105)
Constant	5.897*** (0.644)	6.1777*** (1.373)	7.210*** (1.421)	5.128*** (1.612)
N	96	96	96	96
r²	0.186	0.3	0.267	0.201

Standard errors in parentheses

* p<.05, ** p<.001, *** p<0.001

In table 3, I examine the regressions that include constructed interaction terms. Note that column 1 is included as reference and is identical to column 1 in table 2. Column 2 of table 3 reveals the effect of a change in unemployment controlling for high immigration, the change in crime, and the interaction between high immigration and unemployment (ImmdummyXunempchange). Both the change in unemployment and the interaction demonstrate positive coefficients and achieve statistical significance, Unempchange0712 at the 5% level and ImmdummyXunempchange at the 1% level. The significance of the interaction indicates that rising unemployment rates result in larger increases in electoral support for the FN in départements within high immigrant régions, compared to those within relatively low immigrant régions (reflected in Unempchange0712). This supports the interaction component of Matt Golder's "materialist hypothesis" on a subregional level, and is the main finding of my analysis. The coefficient in column 2 suggests that, given a 1 standard deviation change in unemployment (.62), the interaction's (.68)(.62) + (1.3)(1)(.62) = 1.23 effect on FN vote share is 81% larger in magnitude than the observed effect in areas of low immigration, (.68)(.62) = .42. We can think of the coefficient as stemming from the equation: [FN vote share = 6.2 + .68 (Unempchange0712) – 1.4 (Immdummy) + 1.3 (Immdummy) (Unempchange0712)], where 6.2 is the constant term. Immdummy, capturing départements with a high percentage of immigrants not experiencing a change in unemployment, fails to achieve statistical significance, as does Crimechange0712.

Like column 2, the model in column 3 of table 3 includes Unempchange0712, Immdummy, and Crimechange0712, but instead of the interaction between high immigration and the change in unemployment, it contains an interaction between the dummy for high immigration and the change in crime, ImmdummyXcrimechange. Both this interaction and Unempchange0712 were found to have positive coefficients and be statistically significant. Given a 1 standard deviation change in crime (.099), the interaction's (-1.729)(.099) + (5.383)(1)(.099) = .361 effect on FN vote share is about 53.2% larger in magnitude than the observed effect in areas of low immigration (represented by Crimechange0712), (-1.729)(.099) = -.171. The above is pursuant to the following equation: [FN vote share = 7.2 – 1.729 (Crimechange0712) – 5.089 (Immdummy) + 5.383 (Immdummy) (Crimechange0712)] where 7.2 is the constant term. The coefficients of Immdummy (representing départements within high immigrant régions not experiencing changing crime) and Crimechange0712 (representing départements with changing crime within low immigrant régions) are not statistically significant and thus cannot be said to be different than 0.

As we have seen in columns 2 and 3 of table 3, separate regressions show that the interactions between changing unemployment and high immigration (ImmdummyXunempchange) and changing crime and high immigration (ImmdummyXcrimechange) each achieve statistical significance and contribute to rising FN vote share independent of one another. Thus an additional regression model,

not shown above, was designed to test these two statistically significant interactions together. However, the data does not have sufficient variation for both interactions to be estimated. Despite such insufficient variation, I nonetheless maintain that the change in unemployment (Unempchange0712) and the change in crime (Crimechange0712) represent two distinct effects, as there exists a -.22 correlation coefficient between the two variables. Given the above, we can view the statistical significance of the interaction between high immigration and the change in crime in column 3 of table 3 as an interesting, yet nonetheless complementary finding with respect to our primary result of interest, the statistically significant interaction between high immigration and the change in unemployment uncovered in column 2 of table 3.

In column 4 of table 3 a regression including Unempchange0712, Crimechange0712, Immchange0712, and a constructed interaction variable between the change in immigration and the change in unemployment (ImmXunemp) reveals that only the change in unemployment attained significance (at the 5% level). This finding may reflect the coarse nature of the immigration variable, which does not vary much. Thus again I view column 2 of table 3 as the main specification.

Principally, and in summation, the data show that the interaction between changing unemployment and high regional levels of immigrants exerts the highest effect on FN vote share, causing it to rise by a vector of 1.23 per 1 standard deviation increase in unemployment. The variable ImmdummyXunempchange captures this effect. To lesser degrees the change in unemployment in general, the interaction between high immigration and crime, and high immigration in general also contributed to the rise in FN vote share. The variables Unempchange0712, ImmdummyXcrimechange, and Immdummy capture these effects. A review of the stated hypotheses in Section V reveals that H1, H2, and H4 were correct. H3, which postulated that rising crime by itself would contribute to the French extreme-right vote, was not corroborated by the data. As previously stated, however, the interaction of changing crime with high régional immigration did have a positive, statistically effect on electoral support for the National Front.

VII. Conclusion

As the data show, interactions matter. Such a conclusion builds upon the work of Michael S. Lewis-Beck and Matt Golder, and particularly supports an amended version of Golder's 2003 "materialist hypothesis" on a subregional level. The amendment we must make refers to the fact that while Golder concludes that "immigration has a positive effect on [extreme-right] parties irrespective of the unemployment level, [and] unemployment only matters when immigration is high," our data show that unemployment does not only matter when immigration is high, and instead exerts a

positive and statistically significant effect on FN vote share regardless of the régional level of immigration.[56] Its effect is simply enhanced by an interaction with high immigration, by approximately 81% over départements within low immigrant régions. Interestingly, the most salient interaction term discovered by Michael S. Lewis-Beck to affect FN vote share in 1986, the interaction between immigration and crime, was not ours. While Lewis-Beck still found the effect of our strongest motivating force, the interaction between immigration and unemployment, to be positively correlated, he called its effects "surprisingly weak."[57]

Considering our results in the light of the reviewed literature, it appears that subregional motivators of extreme-right voting largely conform, in microcosm, to those observed on the cross-national aggregate level in Europe. This was at least the case in France between 2007 and 2012. What continues to elude scholars, however, is not a more varied picture of extreme-right voting across different tiers of analysis, but a more universal consensus as to what drives the phenomenon in the first place. Certainly, there is work to be done to improve the former: as Jesuit and Mahler observed that most work in the field has been "based on national-level studies," it has been my goal to progress subregional studies through the analysis of France between its past two election cycles.[58] However, my findings ultimately come up against the more intractable and permanent problems of the theoretical and empirical contradiction found rife throughout the literature on extreme-right voting. While I contribute the fact that unemployment, a relatively high regional presence of immigrants, the interaction between high immigration and unemployment, and the interaction between high immigration and crime increase the extreme-right vote, authors such as Pia Knigge still maintain that unemployment does not matter, for example, and others maintain that even if it does, there is no acceptable theoretical justification for why voters should turn to the extreme-right over any other party in times of economic downturn.[59]

It goes without saying, then, that future research and analysis is necessary. My work would specifically benefit from being redone with more refined immigration data, so as to more accurately represent the départemental electoral reaction to changing levels of immigrants. Additionally, the effects of different expressions of crime and declining economic conditions (such as property crime and levels of poverty) could be tested so as to achieve a more nuanced understanding of those two phenomena. Overall, such future work would not only serve to advance the scholarly community's comprehension

56 Golder, Matt. "Explaining Variation in the Success of Extreme Right Parties in Western Europe." Comparative Political Studies 36.4 (2003): 432-66. Print.
57 Lewis-Beck, Michael S., and Glenn E. Mitchell, II. "French Electoral Theory: The National Front Test." Electoral Studies 12.2 (1993): 112-27. PDF file.
58 Jesuit, David, and Vincent Mahler. "Electoral Support for Extreme Right-Wing Patries: A Subnational Analysis of Western European Elections in the 1990s." American Political Science Association (2004): n. pag. PDF file.
59 Knigge, Pia. "The ecological correlates of right-wing extremism in Western Europe." European Journal of Political Research 34 (1998): 249-79. PDF file.

of extreme-right voting, but also would illuminate extreme-right parties' channels of electoral support for the edification of all who are affected by their policies, both directly and indirectly. As France's economic and demographic geography continue to evolve, further scrutiny of the regional motivators of the National Front vote and the electoral successes they portend would benefit politicians, policymakers, and private citizens alike.

Helping "The Other": The Challenges of International Relief Organizations Fundraising in the United States

CAROLINE DZEBA

I examine the challenges faced by international relief organizations (IROs)who seek to fundraise within the United States, for the benefit of people living far beyond its shores. IROs face unique hurdles when raising funds for humanitarian relief in the United States. I submit that the emergence of a global civil society can and must be an asset to IROs working in the United States. There are three broad challenges that these groups must address before they may capitalize on the new global civil society, however. First, IROs must identify and understand the common global traits that motivate individual charitable giving. Next, they must tap into the psychology of charitable giving present in world cultures to cultivate a powerful norm of international charitable giving. Finally, IROs must leverage their understanding of the factors that motivate charitable giving to expand the traditional sense of 'community' to increase affinity of potential donors to 'the Other' thousands of miles away.

I. Introduction

Polish journalist Ryszard Kapuscinski, writing in The Other, describes the practice of humans isolating themselves from and disdaining "the Other," a group distinct from their own by race, nationality, religion, or other categories of identity. However, our increasingly interconnected and globalized world has slowly forced these oppositional groups to come into greater contact with one another. Differences have become blurred and similarities are drawn into sharper focus.

In this context, I examine the challenges faced by international relief organizations (IROs) - the non-profit, non-governmental agencies that raise funds not for domestic issues, but for international emergency response and development - that seek to fundraise within the United States, for the benefit of people living far beyond the country's shores. IROs face unique hurdles when raising funds for humanitarian relief in the United States. The audience known in the non-profit industry as "backyard triggers" are particularly difficult to reach. The challenge of raising money from this particular group is that its members' interests are often focused on the local issues their communities face, and members generally prefer not to divert funding and attention

away from these immediate concerns "in their own backyard.". Backyard triggers are less likely to contribute their money, time, and energy to a stranger thousands of miles away than a neighbor in need down the street.

How have United States citizens responded to the increasingly globalized world in their involvement with international relief organizations? I am interested in exploring not only how civil society in the United States has adapted to meet the needs of its local constituents, but also how the very definitions of civil society and community have expanded to encompass the global reach of technological innovations, such as twenty-four hour news media and the Internet, wrought by the communications revolution and explosion of globalization.

In this paper, I will explore the challenges faced by IROs. As individual donations still make up the vast majority of charitable giving among Americans, I will focus on this segment of the market for charitable contributions for the purposes of this paper. Though I will not address the steadily increasing rates of corporate donations to IROs in depth, my analysis leads me to propose an expansion of the scale of corporate contributions as a recommendation to improve IRO efficiency in the U.S.

The central question for my analysis will be: is it possible that the influence of globalization and the emergence of a so-called "global" civil society will engender a shift toward increased contributions to international relief organizations in the United States? The issue of international humanitarian relief is indeed global, and the ability for IROs to function successfully on behalf of the global citizen will depend on creating a resonance with the average American.

I submit that the emergence of a global civil society can and must be an asset to IROs working in the United States. However, there are three broad challenges that these groups must address before capitalizing on the new global nature of civil society. First, IROs must identify and understand how to motivate individual charitable giving. Next, they must tap into the psychology of charitable giving present in world cultures to cultivate a powerful norm of international charitable giving. Finally, IROs must leverage their understanding of the factors that motivate charitable giving to expand the traditional sense of "community" to increase affinity of potential donors to "the Other" thousands of miles away.

II. Background: "The Other" and American Charitable Spending

Though Kapuscinski details how humans place themselves in groups that are generally similar in terms of race, creed, and culture, he also celebrates the fact that, as certainly as human societies separate themselves from one another, they are just as interested in knowing "the Other." "It is the will to become acquainted, the desire, the

act of turning toward the Other, coming out to meet him, entering into conversation with him," he writes. The figures on American charitable giving, collected annually by the Giving USA Foundation, support Kapuscinski's claim: Americans have been spending more on charitable giving and an increasing proportion of these donations has been made to charities overseas.

Don Eberly uses the example of the 2004 Indian Ocean tsunami to illustrate both Americans' receptivity to international humanitarian needs and their willingness to give time, money, or a combination thereof to help a cause, no matter how distant. "Almost immediately following the first horrific television images of massive waves wiping out seafront villages, Americans from all walks of life and in thousands of locations mobilized," with one-third of Americans donating what turned out to be an overwhelming amount of funds. IROs like the American Red Cross and Doctors Without Borders actually received more aid from Americans than they expected or needed.

The data concerning Americans' spending habits on charitable contributions, compiled yearly in the Giving USA report, show both a gradual recovery from the economic downturn that began in 2008 and a steady increase in donations made toward international causes. Though the share of total charitable giving allocated to IROs has been consistently small, the percentage has steadily been increasing over the past three years. (See Table 1).

In 2010, American charitable contributions totaled $290.89 billion, an increase of 3.8% (2.1% with inflation) from 2009. $211.77 billion, or 73% of the total, came from individual donors, representing a 2.7% (1.1% with inflation) increase in this segment of donors over corporate donors, foundations, or bequests. $15.77 billion, or 5% of the total, of contributions went to IROs, representing a 15.3% increase in the share for IROs since 2009. Giving USA suggests that well-publicized humanitarian disasters, such as the earthquake in Haiti in January 2010, may account for this large increase.

In 2011, there was an increase in both the amount of donations made by individuals and the share of these donations going to IROs. Total American charitable contributions totaled $298.42 billion, an increase of 4.0% (0.9% adjusted for inflation) from 2010. Of that total, $217.79 billion, or 73%, came from individual donors, an increase of 3.9% (0.8% with inflation) from 2010. The amount of donations headed to IROs increased by 7.6% (4.4% with inflation) to $22.68 billion, representing 8% of all charitable donations.

The most recent numbers available from Giving USA are from 2012. American charitable contributions grew to $316.23 billion, an increase of 3.6%, since 2011. Giving by individuals increased by 3.9% and the percentage of IROs as recipient organizations shrank slightly to 6%.

Table 1: American Charitable Spending 2010 – 2012*
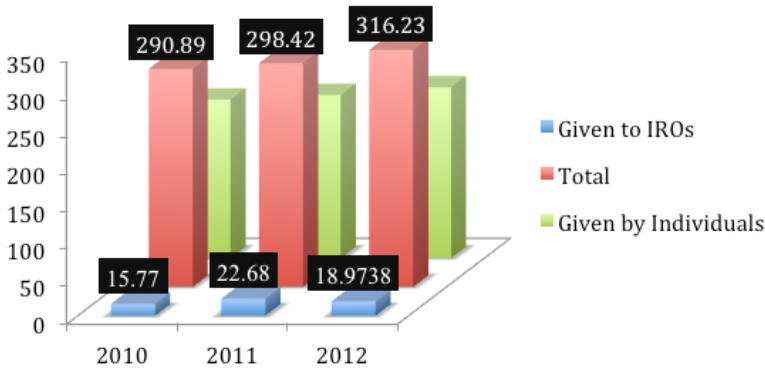
Numbers in billions.
All data from Giving USA Foundation 2011, 2012, & 2013 annual reports.

As detailed above, Americans are interested in donating to IROs. Indeed, Giving USA Foundation Chair Edith H. Falk wrote in the foreword of the organization's 2011 Annual Report, "Americans remain steadfastly committed to each other and their communities." The challenge – and opportunity – faced by IROs in the twenty-first century will be to show Americans that they are members not only of a local or national community, but the international community as well. To nurture their presence in the U.S., international organizations working to fundraise in the U.S. should understand the main factors that motivate charitable giving, as identified in academic literature on the subject. The following section will provide an overview of these factors.

III. Factors that Motivate Charitable Giving

The first and simplest reason cited for charitable giving (as a type of pro-social, or helping behavior, as identified by social psychologists) is that it makes people feel good about themselves. Roger Bennett describes the "helper's high" consequent to this type of pro-social behavior – "pleasurable emotions of calmness, self-worth and physical warmth resulting from making a donation." Cheung and Chan deem pro-social behavior, like charitable giving, necessary for humanity from a biological-evolutionary perspective as well, as such helping behavior ensures the survival of the species.

Religious convictions or imperatives about charitable giving are also important motivators present in societies worldwide. Dedeaux notes that donations to charity are seen as religious or moral imperatives across cultures, with references to this obligation as a "sacred duty" in the Abrahamic traditions of Judaism, Christianity, and Islam, as well as in the analects of Confucius and the ethics of Buddhism. Though capitalism and charitable donations are sometimes perceived to be at odds, even economic philosopher and free-market proponent Adam Smith recognized the importance of charity as a moral imperative of society.

Another powerful motivator of charitable giving is the sense of connection to others. Dedeaux writes that individuals are likely to address the needs of their immediate in-group before considering extending help to others who are less familiar. Like those who see charitable giving as a religious obligation, there is a perceived "moral obligation to one's family [that] takes precedence over being generous to a neighbor or stranger; in other words, paternity and fraternity come before generosity, and kindness and compassion (pity) comes after it." Bennett found in his study of charitable giving in the United Kingdom (U.K.) that individuals who prefer to donate to organizations that value "changing society as we know it" will give a contribution to an IRO – in the case of this study, Amnesty International's U.K. arm, Amnesty International Charity Limited. This finding, though not from an American study, suggests that individuals are inclined to support international charities because they view themselves as members of the same society as the beneficiaries of the charity to which they donate.

Micklewright and Wright highlight the success of the United Nations Children's Fund (UNICEF) which operates with national committees in over 190 countries and territories: "The national committees are able to pitch their fundraising in line with local custom. For example, children help the U.S. committee to raise money through 'trick or treat' at Halloween." For IROs, in sum, it will be essential to develop a locale's sense of community with the global civil society. This connection of the local with the global should in turn activate the other primary motivations behind charitable giving: the sense of moral imperative and the so-called "helper's high" of pro-social behavior. In order to understand what kinds of appeals to individuals in the U.S. may work to generate donations to IROs, I next delve more deeply into the psychological underpinnings that encourage charitable giving.

IV. The Psychology of Charitable Giving

Cheung and Chan use the social psychological model of social cognitive theory to assess the psychological and cognitive factors that influence individuals to donate to IROs. Social cognitive theory proposes that how we behave and what we believe is informed by what we see other people do: our social interactions shape our cognition,

which shapes the way we act. While the authors of this study, which examined charitable giving behavior in Hong Kong, also acknowledge the powerful role a sense of moral obligation plays in eliciting charitable giving, they found that an individual's "perceived outcome of efficacy of donation positively affects the person's intention to donate to the IRO" and "a person's awareness of the IRO positively affects the person's intention to donate to the IRO." Plainly, these findings mean that the higher the expected results for an individual donation, the more likely an individual is to donate to a particular IRO. This is a powerful finding for IROs, and must inform the way they structure their "ask" for a donation. Especially when the organization works beyond the local community of the donor, providing concrete evidence of the work they do informs the potential donor both consciously and subconsciously of how useful their contribution will be. The more useful the contribution, the more likely a donor will make it. Wiepking's own experimental findings showed support for this idea of "visible impact" among people who had higher confidence in charities overall, IROs were found to be more likely to receive donations because their goals were more ambitious. If IROs working in the U.S. are able to show more tangible evidence of their impact, confidence in their work may increase, and greater donations should follow.

Dedeaux found, in a study examining charitable giving behavior to local or distant causes, that though an event might be distant in psychological terms – both socially and temporally – this did not preclude people in his study's sample from creating concrete mental representations of a the event. The important variable in either situation, both local and international, was the language used to solicit the donation. The results of the aforementioned studies suggest that IROs must understand their audience and craft a message they will be receptive to, both by showing the impact of a donation and asking appropriately. I submit that the appropriate language to be used when asking an American audience to contribute to an international cause may be to emphasize the connections between the local and the global.

A final psychological motivation to charitable giving in general that can be adapted to suit the purposes of the IRO industry is the phenomenon Eva Jonas, et al. playfully call "The Scrooge Effect," after the famously miserly Dickensian character. For Jonas, The Scrooge Effect is the idea of mortality salience – an individual's reminder and fear of the imminence of their own death – combined with the powerful norm that "one should value kindness and concern for others over selfishness and material riches or else die an insignificant and lonely death." Jonas' work suggests that, according to terror management theory, charitable giving should promote one's sense of worth, and her study's results demonstrated that people were more likely to donate to charity to shield against the fear of death when thoughts of death were activated. However, mortality salience increased charitable contributions to local (American) charities, but not IROs: "when people are particularly concerned with defending against the thought of their own death, they showed a strong bias toward charitable causes that promote

their own culture."

The key, again, for IROs to gain a stronger foothold in the American market for charitable giving, will be to emphasize that the technological and communications revolution has transformed the world by making the local global, and the global local: they must inspire the connections between local actors and global issues and emphasize the existence of a truly international society. The following section provides a brief toolkit of ways to do so.

V. Building a Global Civil Society – Recommendations for the Future

The advent of instant global communications has powerful implications for the work of IROs in many ways, not least for the fundraising work of IROs in the U.S. The rise of twenty-four hour news coverage, combined with the advent of the Internet and social media, has revolutionized the ways that Americans relate to people around the corner or around the world. Oosterhof et al. contribute to Cheung and Chang's application of social cognitive theory to international charitable contributions by highlighting the role that media plays, especially in light of the technological revolution. They suggest that when people are heavily exposed to television reports of a disaster, their beliefs and conceptions of the disaster will be affected. Echoing the example of the 2004 Indian Ocean tsunami cited above, an increase in news exposure of an international issue directly impacted an individual's "self-efficacy of donating to a disaster relief campaign." It will be important in the future for IROs to be ready to mobilize their resources immediately in support of fundraising when a disaster strikes while the issue is top-of-mind for individual Americans. News coverage can bring distant global issues directly into the home – a powerful way to connect the average American with individuals thousands of miles away and emphasize their similarities as human beings and as members of a global society.

Along with the rise of instantaneous television news coverage, the Internet also brings phenomenal opportunities to the fundraising work done by IROs in the U.S. Nancy Baym argues that the Internet, rather than hindering the development of civil society, has actually promoted it in new ways. Citing the Pew Internet and American Life Project's 2008 survey, Baym reports that 14% of American adults have used the Internet as a means of civic or political engagement, and that "half of the adults who posted content online about political or social issues had contacted a government official, 61% had signed a petition, 22% had sent a letter to the editor, and 81% had made a charitable donation." The 2004 tsunami, reports Eberly, was the first instance of mass mobilization of charity donations through the Internet.Amazon.com, for instance, received 187,000 donations in a short period of time after establishing its own giving platform. To effectively fundraise in the U.S., IORs must recognize the potential of the

Internet as an awareness-raising and donation-collecting platform, and stay ahead of the digital curve in a society that demands online literacy.

Though corporate giving occupies a relatively small wedge of the charitable donation pie, the emergence of corporate social responsibility as a norm represents an enormous opportunity for IROs working in the U.S. From 2009-2010, corporate giving rose 10.6% (8.8% adjusted for inflation); from 2010-2011 corporate giving held steady; and over the course of 2011-2012 corporate giving increased by an encouraging 12.2%, growing to occupy a 6% share of the total of $316.23 billion donated. Partnerships between the private sector corporations that so often operate in multiple countries around the world, and international relief organizations, are a win-win: for corporations, their image and brand is enhanced through public, large-scale pro-social behavior; for IROs they maximize donations from corporations as well as potential new individual donors who are drawn to the IRO from publicity surrounding the corporation's partnership. Altogether, the strengthening of the norm of corporate social responsibility must be a major goal of IROs fundraising in the U.S.

VI. Final Remarks

Kapuscinski began his research for The Other at a point in the twentieth century when the work of bringing disparate societies and peoples together had just begun. Today, global civil society is at a crossroads, struggling to determine the best way to reconcile differences and embrace similarities between East and West, North and South. For IROs, their mission to bring humanitarian and development assistance to communities around the world has never been more critical. To support IROs in the global communities, those fundraising on their behalf in the U.S. must arm themselves with a thorough understanding of what motivates Americans to donate to charity and how they can capitalize on these motivations. The overarching recommendation to these fundraisers is unequivocal: emphasize to Americans the connections they share with those around the world in global civil society. To this end, IROs must harness the newest technologies and partner with multinational corporations to continually drive the relevance of global issues to local lives.

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Keep Your Tired, Your Poor: Comparing Attitudes Towards Muslim Communities in the United States and Germany

SABEEH JAMEEL

Since 9/11, the perception of Militant Islam as the central enemy of the Western world, combined with the increased presence of Muslim populations in the West, has created a unique legal and political climate for maintaining security measures against radical Islam without violating the civil liberties of these Muslim communities. Both the United States and Germany have developed security policies against their Muslim populations, catering to differences in the economic, ethnic, and cultural makeup of these immigrant communities in these two countries. Since these policies are a part of the biggest issue in international politics of the past decade, they have become a key player in determining the strength (or lack thereof) of Euro-American relations during the 21st century.

I. Introduction

Following the attacks that took place on September 11, 2001, a new evil became the main security threat on the radar of every Western nation. Militant Islam became the central "object of opposition" in American foreign policy, claiming a title that had previously been held by the Soviet Union and prior to that by Nazi Germany.[1] What was different this time was that the enemy did not identify with any clear geographic boundaries—leaders of al-Qaeda and similar groups were to be found everywhere from Libya to Chechnya. Former objects of opposition could identify with a single national identity, a single language, and a single culture, whereas this new enemy spoke various different languages with operatives identifying with multiple different ethnic, racial, or national identities. Even the idea of a "War on Terror" was unlike anything the United States had ever before combated—wars fighting against ideas like "totalitarianism" and "communism," though complex, could be manageably defined and executed. This new enemy defined by a concept as abstract as "terror," on the other hand, was vague enough to fit any profile that could be deemed suspicious or threatening to American interests.

What began as an American problem quickly became a European concern, as well. Terrorist attacks in Great Britain, Spain, and the Netherlands, coupled with the rise of Islamic fundamentalist activity and ideology in Western and Central European nations, reminded Europeans of the borderless and spontaneous nature of this threat. The threat need not be a speaker of Arabic or Urdu; pockets of young Muslims born and raised in the West have cited al-Qaeda and other radical Islamic groups as "significantly shaping" their ideologies, and anti-Islamophobia rallies throughout Europe, however

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1 Corwin E. Smidt, "Religion and American Attitudes toward Islam and an Invasion of Iraq," *Sociology of Religion*, Vol. 66, No. 3 (Autumn 2005), 246.

righteous they may start out, often quickly turn to violent and extremist rhetoric. [2]

These are the Muslims that, due to the vituperative nature of the media and other social elements, have increasingly become the portrayals with which Europeans are most familiar. They are small in numbers but they nevertheless justify prejudiced surveillance and policing strategies towards Muslims by both the United States and Germany. The nature of current international politics is such that the issues of the past decade have made the Middle East and all of its residents and migrants the "political basket case" of the world, constantly under fierce scrutiny.[3] As a result, the United States and Germany have both adopted similar attitudes towards the Muslim communities in their respective states, yet constructed two distinct styles in which they govern and treat the Muslims in their countries following 9/11.

II. Before The War on Terror: A Brief History

Not long ago, the Western world generally had little exposure to "the Orient" outside of the caricatures that would be presented in film, advertising, or print journalism.[4] On those occasions that Islam was discussed, the language was phrased to downplay and deemphasize the Abrahamic roots of the religion—traditionalists on the right would argue that, in the context of education, studying other cultures too excessively would discourage the youth from "embracing a common heritage" and "Judeo-Christian values."[5] Even before the prevalence of large Muslim populations in the Western world, the way in which Westerners spoke about Muslims, whether about their contributions to the sciences or about their conquests during the Crusades, was about dichotomizing what "we" do differently from "them."

The Muslim communities that lived in the West prior to the twentieth century were far and few—the first recorded Muslims to arrive in North America were slaves imported from West Africa in the seventeenth century, and Muslim society in Europe (outside of Spain) dates back to medieval Christendom, but in minute numbers.[6] In the twentieth century, however, there was a dramatic rise of the Muslim population in the Western world. In the United States, immigrants from the Middle East and South Asia came by the millions following the 1965 repeat of the National Origins Act, and prominent African-American Muslims like Malcolm X had a mainstream presence during the Civil Rights Movement.[7] In Germany, guest workers from nations like Turkey and Tunisia arrived during the "economic miracle" of the 1950s and 1960s and nourished the high demand for labor; many, however, did not return to their respective countries, and instead chose to settle and start families. [8]

It is interesting to note where the Muslims of Germany and the United States differ in their overall makeup. In Germany, two out of every three Muslims is of Turkish origin, while in the United

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2 Evan F. Kohlmann, "'Homegrown' Terrorists: Theory and Cases in the War on Terror's Newest Front," Annals of the American Academy of Political and Social Science, Vol. 618, Terrorism: What the Next President Will Face (Jul 2008), 96.

3 Fareed Zakaria, "The Islamic Exception," in The Future of Freedom: Illiberal Democracy at Home and Abroad, (New York: W. W. Norton & Company, 2003), 122.

4 Ibid., 53.

5 Ibid., 55.

6 Bernard Lewis, "Islam and Liberal Democracy: A Historical Overview," Journal of Democracy 7.2 (1996), 57.

7 Ibid., 58.

8 Paul A. Silverstein, "Immigrant Racialization and the New Savage Slot: Race, Migration, and Immigration in the New Europe," Annual Review of Anthropology, Vol. 34 (2005), 365.

States, South Asians, Arabs, and African-Americans constitute 31, 26, and 25 percent of the total Muslim population, respectively.[9] American Muslims are generally well educated and earn incomes on par with the U.S. national average,[10] whereas most labor migrants in Germany come from poorer and under-educated class backgrounds.[11] While Muslims arriving on American shores entered a country that has made major revisions to its immigration laws every twenty years or so since its establishment, Germany has only instituted two or three major changes to its immigration policies since 1871.[12]

These differences ultimately constitute a major impact on the way in which Islam is perceived differently between these two nations, since the people of Germany are essentially interacting with a very different profile of immigrants while retaining a wildly different perception on the concept of immigration in general. The traditional (but constantly revised) notion in the United States has been that anyone can become an American, regardless of where they come from or what life they have lived, so long as they adopt certain cultural aesthetics and values and have a strong work ethic. Germans, however, generally do not perceive Muslim immigrants as people seeking true assimilation but rather as extensions of "a greater global Islam," causing them to construct these immigrants as an abject people more often than not.[13] They also see religious and geographic identities as "two irreconcilable ideological poles" rather than interconnected characteristics—even in modern academic writing, the notion of a German Muslim or a German Buddhist seems foreign.[14] This sentiment, combined with the heightened demand for vigilance and security against militant Islam, has created an intriguing environment for somewhat hostile policies towards Muslim residents of Germany.

III. Islam Under the West: Policy and Law

In his recently published Localizing Islam in Europe, sociologist Ahmet Yükleyen outlines the experiences of the Turkish Islamic communities in Germany and the Netherlands, as well as any adversity they currently face. In general, he describes Germany's state policies towards Muslim populations as "partially exclusionist," claiming that its current sociopolitical system "provides limited venues for participation and recognition" and promotes "distrust between political authority and Islamic organizations."[15] However, the recent terrorist activities and new political atmosphere since 2001, Yükleyen argues, have actually encouraged and challenged Germany to create policies to better incorporate Muslims in society rather than to alienate them further as a result of xenophobia.[16] Interestingly, the treatment of Muslims in Germany, though not perfectly ideal, is depicted in a better light than in neighboring European powers

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9 Richard J. Estes, "Development Challenges of the 'New Europe,'" Social Indicators Research, Vol. 69, No. 2 (Nov 2004), 133.

10 Al-Jazeerah, "Snapshot of Muslims in America," (Cornell University: April 2002), http://www.aljazeerah.info/ Special%20Reports/Different%20special%20reports/Snapshot%20of%20Moslims%20in%20America. htm.

11 Estes, 140.

12 Ibid., 141.

13 Silverstein, 376.

14 Ibid., 375.

15 Ahmet Yükleyen, "State Policies and Islam in Germany and the Netherlands," In Localizing Islam in Europe: Turkish Islamic Communities in Germany and the Netherlands (Syracuse, NY: Syracuse University Press, 2012), 153.

16 Ibid.

France and the Netherlands.

An enormous hindrance for Muslim progress has been the result of internal division within the community itself. For a group to be defined as a "religious society" (Religionsgesellschaft) under German law, an Islamic organization must be representative of the entire religious community (Religionsgemeinschaft), have a centralized organizational structure, and permanency.[17] Unfortunately, the diversity of Muslims along ethnic, generational, national, and devotional lines has not only made it difficult for German lawmakers to develop policies sensitive to this diversity, but it has also made it complicated for Muslim leaders to unify their communities and represent such a vast and varied group of people.[18] There are multiple downsides to this. Because they cannot be recognized as a "public law body," Muslims are currently not able to receive state funding for places of worship, and the state also has been unable to support Islamic courses in public schools.[19] Just as the United States Department of Education did in 1988, Germany has distinguished between "course on religions" (Religiose Unterweisung) and "religious courses" (Religionsunterricht)[20], of which the former is heavily encouraged in both nations.[21] However, until Muslims are given public law body status, the state cannot support Islamic religious education as promised by the German constitution.

Many of these attitudes towards Islam would be inconceivable in the United States. The Protestant and Catholic churches still play a somewhat prominent role in German society, but one could argue that often the American separation of church and state is only theoretical. Freedom of religion is considered a basic liberty in the United States, and the government makes every effort to encourage religious freedom and the right to worship while never explicitly endorsing any state religion. Mosques, like churches and synagogues, are tax exempt in the United States.[22] If a non-citizen has a child in the United States, the child is automatically a United States citizen, whereas in Germany, one of the parents must be a German resident for eight years for the child to also be a citizen, and dual citizenship is also not accepted.[23] While in Germany the Muslim population's great diversity has proven a problem, in America it is quite an asset for combating xenophobia and Islamophobia, reinventing perceptions and representations of Muslims, and unifying people across national and ethnic boundaries. For example, someone of Pakistani descent may be less likely to donate to a Syrian fundraiser on national grounds, but more likely to donate on religious grounds if he identifies strongly with his Muslim heritage.[24] The United States also has a greater number of Muslim converts, which makes the threatening image of Islam even less practical as it becomes harder to define what a typical Muslim may look like.

One final point that must be made is that the American or German perception of Muslims will also differ based on the immigrant's level of assimilation. Immigrants from North Africa and the Middle East have been arriving to Germany since the 1950s, but religious Muslim communities with

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17 Ibid., 158.
18 Ibid., 152.
19 Ibid., 160.
20 Ibid., 161.
21 Susan L. Douglass and Ross E. Dunn, "Interpreting Islam in American Schools," 57.
22 Smidt, 250.
23 Yükleyen, 156.
24 Smidt, 151.

mosques and such have only begun flourishing after the fall of the Berlin Wall.[25] Islam has an old history in Europe, but for Europeans it is still a very new phenomenon to have Muslims living and working in their neighborhoods, especially when more religious immigrants have only started arriving in the past 20 years.

IV. Conclusion

In essence, the attitudes towards these Muslim groups are a reflection of attitudes towards political and social tensions in the Middle East. The people who come from these autocratic and illiberal societies are, to Westerners, a tangible shadow of the behaviors and ideologies that make the Middle East region such a hotbed for instability and upheaval. Both Germany and the United States want to benefit from the integration of these immigrant populaces, yet it is difficult for their citizens to feel completely comfortable and non-hostile towards Muslim immigrants, given the few Muslims who are actively targeting these countries. Thus, some of the policies and attitudes developed around these current events are common between the two states, but each nation ultimately has a very different approach to immigration entirely. Germany, to put it simply, is undergoing an identity crisis: it is trying to best retain its traditions and console what it means to be German in the wake of millions of outsiders moving into its borders. The United States, on the other hand, is far more concerned with security. Some of their Homeland Security-related policies inevitably seem Islamophobic, but overall Muslim immigrant rights are generally well-protected.

Understanding the relationships between these states and their immigrant communities provides a crucial lens for understanding relations between these states themselves. A 2004 report stated that the invasion of Iraq and disagreements over other Middle Eastern policies created the weakest atmosphere for Euro-American relations since the end of World War II.[26] The author concluded that it would be through agreements on Middle East foreign policy that Europe would be able to re-strengthen its partnership with the United States.[27] Thus, the Muslim world may prove to be a key player in how the United States and Germany draw their constructions of one another, and their relationships with their own Muslim communities may therefore determine the focus and strength of long-term Euro-American relations.

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25 Yükleyen, 183.
26 Estes, 126.
27 Ibid., 157.

Do Religious Societies Discriminate Against Women in Family Law?: A Framework of Gender Equality Issues

Caitlin Kaldany

Using a framework for categorizing gender equality issues developed by Htun and Weldon (2003), religion has shown to be negatively correlated with family law equality. I theorize that religious law and organizational strength are the primary mechanisms of this negative effect. I also show that the presence of strong, autonomous feminist movements and women in government positions has a positive impact on family law equality and drives reduced discrimination against women. These findings are highly relevant given the international attention and importance of women's rights in the twenty-first century.

I. Introduction

What accounts for the substantial variation across the legal application of gender equality? In this paper, I will test a new typology of gender equality and its associated theory, on the equality of family law. Family law, also know as personal status law, encompasses laws pertaining to marriage and consent, divorce, inheritance, right to work, and equitable distribution of assets. Religiosity, a proxy for the strength of religious organizations, is found to have a strong negative effect on family law equality. The existence of feminist movements and increased numbers of women in government, respectively, are found to be positively associated with family law equality. However, caveats exist when these effects are further analyzed.

In the next section, I review the literature surrounding the determinants of family law and the mixed effects of feminist movements and women in government on outcomes for women. In the section that follows, I expound my theory explaining the mechanisms through which religiosity negatively affects family law equality as well as the intuition supporting the positive effect of feminist movements and women in government. In the fourth section, I present my empirical analysis and confirm that the predicted actors and effects on abortion legality match those which affect family law equality, along with a discussion on my hypotheses and data. Lastly, I delineate the implications of my findings, acknowledge their limitations, and offer potential opportunities for future scholarship.

II. Literature Review

Determinants of Family Law

Family law, also know as personal status law, encompasses laws pertaining to marriage and consent, divorce, inheritance, right to work, and equitable distribution of assets. Studies on the determinants of family law either group family law in with other gender equality issues or address specific laws and their determinants, such as divorce law. Thus, there has been a lack of comprehensive empirical analyses on the determinants of family equality law in its specificity and entirety. Modernization and secularization through cultural shifts have been found to be drivers of gender equality (Inglehart and Norris 2003), although critiques of these theories exist which argue that "modernization" is an inherently racist and/or problematic concept in identity theory. Democracy has also been shown to be a determinant of gender equality, though the causal direction is blurred (Inglehart Norris Welzel 2002; Beer 2009). Other scholars point to the process of state formation, religious laws and reliance on kinship as the main determinants of variation in family law equality (Charrad 2001; Htun and Weldon 2011). Others cite women's entry into the labor force and a rise in feminist movements as key components to increase equality in family law (Htun and Weldon 2011). The adoption of codified family law into modern civil code, rather than existing as informal or religious law only, is also pinpointed as a determinant of whether or not discriminatory policies continue to exist (Glendon 1989).

Typology of Gender Equality Issues

Early typologies of gender equality issues focused mainly on gender relations rather than differing treatment in society among genders on a multitude of issues (Lewis 1993; Duncan 1996). The typology created by Htun and Weldon (2010) is the first theoretic framework for categorizing and predicting salient actors and their respective effects on gender equality outcomes. According to Table 1, there are four distinct types of gender equality issues: "doctrinal" gender status policies; "non-doctrinal" gender status policies; "doctrinal" class policies; and "non-doctrinal" class policies. Depending on which type of issue is under consideration, different actors will have significant effects on the policy outcomes. In Table 2, the salient actors for a "doctrinal" gender status policy are predicted to be religion, women's movements, and women in government. According to the typology of actor influences, doctrinal policies are negatively correlated with religion while women in government and women's movements are positive forces in both types of gender status policies.

Relationships between Salient Actors and Family Law

i. Religion

Up until the nineteenth and twentieth centuries, religious authorities in the three major world religions administered family law; everything from birth records to divorce to inheritance disputes was handled by religious law or court systems (Htun and Weldon 2011). In North America and Europe, countries adopted family law into civil codes by the twentieth century, while many nations in the Middle East and Africa continue to allow autonomous religious authorities or informal codes of conduct to preside over family law issues (Htun and Weldon 2011; Siedman 1984). In addition, these religious laws are highly patriarchal; studies suggest they contribute to values and norms of societies that condone discriminatory policies and practices against women (Alexander and Welzel 2011). Religious values and organizations have also been shown to influence individual political decisions such as voting as well as national policy agendas such as US foreign policy (Layman 1997; Abrams 2006). Specifically, religious and conservative influences are especially apparent in issues concerning morality and lifestyle (Miller and Wattenberg 1986). While the mechanisms of influence are highly contested, the current literature does point to religious influence negatively impacting family law equality.

ii. Women's Movements

Social movements, and specifically women's movements, have been shown to alter social norms, add agenda items to political discussions, and change political culture (Baumgartner and Mahoney 2005; Htun and Weldon 2012). Legislative reforms have been "facilitated by strong women's movements and mobilized female parliamentarians" especially those movements that create coalitions within ruling party elites (Avdeyeva 2010). Class-action litigation on discriminatory customary and religious law in South Africa has been a successful tactic employed by women's advocacy groups to rectify grievances (Martabano and O'Sullivan 2004). Strong, autonomous feminist movements have been positively correlated with legal redress of violence against women; these movements correlate more significantly than other political actors (leftist parties and the presence of women in government) (Htun and Weldon 2012). If these feminist movements can account for variation in violence against women, they could also account for whether or not discrimination in family law has been challenged.

iii. Women in Government

Many scholars have written about the connection between descriptive and substantive representation, which states that female members of government are best suited to represent women's issues and to change laws in their favor (Phillips 1995). Under this theory, countries that have higher levels of women in government are more

likely to have equitable gender laws and policies. However, Phillips does acknowledge the rigidity of political institutions and the stickiness of legal precedence and frameworks. Following a similar line of thought, Wangnerud argues that the impact of women in government on governmental policy is multi-faceted and is not as easily calculated (2009). She lists a few possible ways women influence parliaments: internal working procedures, policy outcomes, and trust in government (Wangnerud 2009).

In the US, a study conducted by the Institute for Women's Policy Research compared different levels of women in elected state legislatures and found significant correlation between the elected women and "women-friendly policies" (Caiazza 2002). Studies cite other surrounding effects that interact with the ability of women to change policies; for example, the type of electoral system, the local political culture, and the social structure dictating male-female interactions and relationships (Tinker 2004). These effects, however, have not been thoroughly examined.

The counter argument to the theory that women in government implement more gender-equitable or "woman-friendly" policies also has a substantial literature. The backlash, especially against the use of gender quotas, has been directed at the causal chain of modernization. Hassim discusses that because gender quotas "overturn the conventional association of high levels of representation of women with high levels of national wealth and political modernization," they do little to democratize or feminize society (2008). She suggests that polity and party systems complicate the picture and that quotas tend to neglect these preexisting conditions of a country and assume new women entrants will change policy outcomes regardless of external factors (Hassim 2008).

III. Theory

Family law equality (and gender equality in general) are highly correlated with polity; a given democracy will tend to have the most equal policies given its the need of elected leaders to maintain public approval/mollify dissent. On the other hand, a given autocracy will tend to have the least equal policies, with a constituency that has fewer means to seek legal redress and a leader who is not bound to serve the will of the people. As explored in the literature review, various factors are thought to affect family law equality – political and social culture, religious law and organizations, women in government, and women's feminist movements. Abortion legality was tested as the "doctrinal" gender status policy in the paper that hypothesized the gender equality framework I use (Htun and Weldon 2010). If this theoretical framework is true, then the predicted actors – religion, women's movements, and women in parliament – will have the same effects on family law equality (another "doctrinal" gender status policy).

Under this framework, religiosity is predicted to be significantly negatively

correlated with family law equality: as the religiosity of a country increases, it is more likely to have unequal family law (demonstrated by a lower score on the Htun Weldon Family Law Index). I propose three possible theories as to why this occurs. First, more religious societies have codified or informal laws which govern discriminatory family law. These laws can either exist in religiously influenced civil law or a separate religious legal system that governs all aspects of family law. Analyses on Muslim personal law in South Africa specifically highlight the policies within Sharia law that discriminate against women, such as the ability of men to divorce their wives without legal documentation (Domingo 2005).

Second, religious societies have more conservative values and thus elect conservative leaders, both men and women, who subsequently run on platforms to continue unequal policies or prevent progressive change. Some theorists claim this reason to be the clearer unit of analysis, relying on social culture, values, and belief systems as the true mechanisms of religious influence on gender equality (Kimble 2006; Hoodfar 1999).

Third, leaders of religious societies can manipulate policies using religious tenets or codes of conduct to achieve strategic ends. "Political religion," or the use of religion to further strategic political ends, has been studied as a potential determinant of specific policy decisions in Nazi Germany (Stowers 2007).

This framework of analysis also predicts that women's movements are positively correlated with equal family law. Given the previous literature on women's movements, I argue that this relationship exists because of the agenda-setting power of a strong feminist lobby. However, some caveats exist when the role of the state in allowing women's movements and political debate to occur are taken into account. Especially in less-developed countries, women's movements are hindered not only by political intransigence, but also societal norms (usually originating from patriarchal religious values), low levels of democratization, and poor economic conditions (Ray and Korteweg 1999). Of particular interest is the notion that political opportunity structures are the most important determinants of gender equality policy implementation, rather than basic economic empowerment and modernization (Spierings et al. 2009). Thus, if a strong, autonomous feminist movement were to occur in a highly religious society, its sheer ability to overcome the political, economic, and cultural obstacles makes it highly likely to affect changes in family law equality.

Lastly, I predict that increased levels of women in government are positively correlated and statistically significant with respect to family law equality. The basis for this correlation lies in the relationship between descriptive and substantive representation, which states that women in government are more likely to create and support policies that are favorable towards women. In societies that have high religiosity scores, it is possible that the assumption that all women in government have a feminist

position would not hold (Molyneux 1985). Perhaps, inconsistent findings on gender equality's correlation with female governmental participation are due to the election of antifeminist women in religious societies. Other possible caveats are that gender quotas, which are enacted to "fast-track" female representation, skip the natural process of modernization and cultural shifts in women's place in society (Hassim 2008).

Based on the previous literature and theory, my hypotheses test the salient actors and their respective effects on family law equality.

H1: Increased religiosity in a society has a negative effect on family law equality among the genders, more unequal policies for women.

Null1: Increased religiosity in a society has no effect on family law equality among the genders.

H2: Presence of a strong, autonomous feminist movement in a society has a positive effect on family law equality among the genders, more equal policies for women.

Null2: Presence of a strong, autonomous feminist movement in a society has no effect on family law equality among the genders.

H3: Increased levels of women in government in a society have a positive effect on family law equality among the genders, more equal policies for women.

Null3: Increased levels of women in government in a society have no effect on family law equality among the genders.

IV. Data

The dataset includes 61 countries ranging from full democracies to highly autocratic societies measured by polity score. This set is limited by the Religiosity Scale from the World Values Survey and the dependent variable of the Family Law Index (Htun and Weldon 2011). These variables were both small panels, done in waves of research. However, the years did not overlap for most countries and thus this paper has taken a cross-sectional approach instead. Given that religious and cultural mindsets traditionally do not vary very much over time (Inglehart and Baker 2000; Inglehart 1998), dropping the earlier two waves of data does not diminish the overall effect of the Religiosity variable. Similarly for the Family Law Index, legal frameworks and laws do not vary significantly year over year (Glendon 1985). Thus, using only the most recent year of 2005 did not eliminate significant variation.

The dependent variable, the Htun-Weldon Family Law Index, is a composite score of thirteen different facets of family law. Countries are thus scored on each category, 0 if they are discriminatory in any of the stipulated ways, or 1 if the laws of the country are free from discriminatory practices against women. Thus, countries that score higher on the scale are more equitable, while those that score lower, have more unequal laws. The categories of the Htun-Weldon Family Law Index include the following issues: presence of a minimum marriage age, consent law, marriage bans, spousal rights and duties, guardianship, legal name, martial property regime, the right to work, divorce law, custody after divorce, property after divorce, adultery, and inheritance. Combined, these issues make up the core of family law or personal status law.

The independent variables of interest are mainly from the Quality of Governance Basic Dataset. This includes the Religiosity Scale from the World Values Survey, which in the cross section version is from the year(s) around 2002. This scale, from Inglehart and Norris (2003), is a series of 6 questions relating to faith, belief in God, and others about devoutness. The answers to these questions are then combined and scaled to a score of 0-100, 0 being the least religious and 100 being the most religious. I use Religiosity as a proxy for religious institutional strength given its use in previous papers (Htun and Weldon 2010). 'Women's movements' is a dummy variable measuring the presence of a strong, autonomous feminist movement in a country, created by Htun and Weldon (2012) for their analysis of violence against women. 'Women in government', estimated as a percentage of parliament positions, was taken from the Inter-Parliamentary Union accessed through the World Bank, for the most recent year (2012).

As for the control variables, polity score, from the Polity IV project, and GDP per capita, from the World Development Indicators, were also accessed from the Quality of Governance Basic Dataset. The variables 'British Colonial Heritage' and 'Colonial Heritage' were derived from the data of Hadenius and Teorell (2005), also accessed from the Quality of Governance Basic Dataset. 'British Heritage' is a dummy, with 1 indicating British colonial heritage. 'Non-British Heritage' encapsulates all other colonizing powers, and serves as another dummy, with 1 indicating some colonial origin other than British. I control for colonial heritages to see if British civil law, which was adopted by many former colonies into their new constitutions post-independence, had an effect on the current family law of post-colonial societies.

The 'Interaction' term is a multiplicative term of the Religiosity Scale and 'Women's movements'. Additionally, I include dummy variables for whether or not a country enacted legislative candidate quotas or reserved seats in their national parliament by 1995 and 2010, given by Gender Quota I and II, respectively. These variables were derived from the Quota Project. Lastly, 'Property Rights' is a 0-100

variable that measures enforcement or the rule of law in a nation, with higher values indicating more enforcement. This variable is from the Heritage Foundation's analysis and was accessed through the Quality of Governance dataset.

V. Estimation Procedures

In order to reduce spurious significance of the Htun-Weldon Family Law Index, I use principle components analysis to determine the respective weights of the summed thirteen policies. I establish that there is not a single policy or smaller subset of the individual policies that drives all variation. The estimation procedures for this analysis are of two kinds. I begin with an ordered probit and then a robustness check using standard OLS regression, given that my dependent variable of Family Law Index is a categorical score. Also, given that N is small, by having both types of regression analysis I hope to prove that this phenomenon is not a result of the analysis type, but rather a true occurrence present in the data. Both OLS and ordered probit analyses result in significant and predicted effects for my variables of interest.

VI. Results

The results of my analysis are straightforward and are listed in Table 3. The salient actors and their respective effects appear as the framework predicted for a "doctrinal", gender status policy. In models 1-4, the Religiosity Scale is negatively correlated with the Family Law Index score of a country, with significance at the .01 level. Therefore, as the strength of religious institutions and presence of religious law increases, the predicted change in family law equality is negative. In fact, for every 1-point increase on the Religiosity Scale, there is a predicted 4.9 percent decrease in family law equality score for a given country, all else being equal. The marginal effect of religion is shown in Graph 1, with the negative slope indicating the inverse relationship between Religiosity and family law equality.

Across models, women's movements are positively correlated to the Family Law Index, also with significance at the .01 level. Keeping all else equal, the inclusion of a strong, autonomous feminist movement in a country that previously did not have one could raise the Family Law Index score by 191 percent – or more than double the score. The marginal effect of strong, autonomous feminist movements is shown in Graph 2, with the positive slope indicating the positive relationship between women's movements and family law equality.

In almost all models, women in parliaments are significant at the 95 percent confidence interval and are positively correlated with higher Family Law Index scores. As more women enter government positions, family law equality scores are shown to

increase. With a 1 percent increase in the representation of women in a parliament, Family Law Index scores are predicted to increase by 6.3 percent. The marginal effect of increased women in parliament is shown in Graph 3, with the positive slope indicating the positive relationship between women in government and family law equality.

As expected, polity is another strong indicator of equality in family law. More democratic nations have higher polity scores, and thus exhibit higher Family Law Index score as well, whereas more autocratic societies have lower scores and tend on average to have more unequal policies. GDP per capita was not found to be significant in any of the models. British colonial heritage, interestingly, is negatively correlated and significant in three of the models. This suggests that nations that were under British control have at present more unequal family laws than other comparable nations who were not under their rule.

I also included a test of the interaction between the Religiosity Scale and the presence of a women's movement. When interacted, the Religiosity Scale, Women's Movements, and the Interaction term were all significant. Interestingly, the interaction term is positive, indicating that at higher levels of religiosity, the impact of a strong, autonomous feminist movement is likely to positively affect family law equality. The intuition behind this result would be that if a feminist movement were able to come to fruition and generate significant power within a highly religious nation, its proven positive effects on family law equality would be very significant. In turn, for every 1 point increase in the Religiosity scale, the predicted positive effect of a strong autonomous feminist movement increased by 7.6 percent. However, given previous discussions, this has not occurred in many highly religious societies. Furthermore, since these nations have been shown to have lower family law scores, there is much more to be gained in these societies than if this movement occurred in a less religious society.

When gender quotas are included, they are shown to be insignificant, and have no effect on women in government. This could be interpreted in several ways. First: the positive effects of women in government are not altered by the mechanism of their election, whether aided by quotas or not. However, the effects could be different had the variable differentiated by type of quota rather than only quotas enacted by a specified year. Lastly, property rights are included as a control to test whether or not family law equality is affected by enforcement of property law. It was found to be insignificant, indicating that countries with strong enforcement of property rights do not necessarily have equal family law policies.

VII. Conclusions

After testing the gender equality issue typology and salient actor framework of Htun and Weldon, I conclude that the framework does indeed hold when tested against

a new dependent variable, family law equality. The data needed for rigorous empirical analysis are vast and the current available datasets are limited at best. Though I wish I could have included a time series component to this analysis to perhaps show a stronger causal link, I find robust statistical support of the following relationships that have not been empirically tested previously. As predicted, there is strong evidence that religion under the proxy of Religiosity has a negative effect on the equality of family law. I theorize that the mechanisms underlying this relationship stem from the presence of patriarchal religious law regulating family law issues in highly conservative societies. Additionally, the strength of religious organizations and impact of social and cultural norms on political decision-making underscore this negative effect.

I find that strong, autonomous feminist movements are positively correlated with family law equality. As previously demonstrated by Htun and Weldon (2012) in their paper on violence against women policies, women's feminist movements appear to be the strongest drivers of legal redress and progressive policy implementation. The weight of this effect is mirrored in my analysis, with strong, autonomous feminist movements accounting for the largest positive relationship to family law equality. Notably, the interaction of Religiosity and women's movements highlights the opportunity and prospective effects of a well-executed, feminist uprising in ultra-religious societies. Given the attention to women's participation in the Arab Spring revolutions, these results fit into the wider conversation on the social emancipation of women not only from oppressive rulers but discriminatory laws.

My results show that increased levels of women in national legislatures are positively correlated with family law equality. These outcomes underscore the previous literature on the connection between descriptive and substantive representation. This is encouraging news to the pundits of the Convention on the Elimination of All Forms of Discrimination Against Women, whose goals include increasing women's representation in parliaments globally. While the question of causality is still in play, lawmakers actively trying to increase gender equality can rest-assured that any policies increasing women's representation can only aid in more equal and fair family law policies.

With my control variables, I reiterate the linkage of democracy and gender equality policies. I find that though the insignificance of economic indicators on legal frameworks of gender equality is apparent, the wealth of nations has been shown to alter educational and health disparities among the genders (Doepke 2011). While gender quotas were not found to be significant, I do believe that future scholarship on the determinants of quota adoption as well as possible linkages to religiosity is needed to substantiate quotas irrelevance on legal policies and/or social outcomes. Additionally, my findings on property law enforcement suggest that religious nations can have strong property rights while maintaining unequal family law policies.

Given this analysis is by no means exhaustive or fully comprehensive, I offer

some avenues for future scholarship. Further investigations of family law, including time series data, would aid in identifying the casual links and endogenity issues. Inquiries into how to best measure religious influence would aid in the variables available for proxy analysis. While this paper finds gender quotas to be insignificant, future research on when and why countries enact gender quotas is a highly significant arena that has just begun to emerge. In turn, these enquiries could lead to fewer discriminatory laws against women, greater political representation, and an augmented discourse on gender equality.

Acknowledgements

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Appendix

Literature Review

Table 1. Typology of Gender Equality Issues

		Do these policies challenge the establishment doctrine of religious organizations of codified tradition of cultural groups?	
		Yes "Doctrinal" policies	No "Non-doctrinal"policies
Do these policies empower women as a status group OR address class inequalities?	Gender status policies	Abortion legality Reproductive freedom Family law	Gender quotas in politics Violence against women Constitutional equality
	Class policies	Public funding for abortions and contraceptives	Parental leave Federal funds for daycare Workplace equality

Note: From Htun and Weldon 2010.

Table 2. Salient Actors for Each Policy Type

	"Doctrinal" Policies	"Non-doctrinal" policies
Gender status policies	RELIGION (-); WOMEN'S MOVEMENTS (+) WOMEN IN PARLIAMENT (+)	WOMEN'S MOVEMENTS (+); WOMEN IN PARLIAMENT (+)
Class policies	RELIGION (-); LEFT PARTIES (+)	LEFT PARTIES (+)

Note: From Htun and Weldon 2010.

Regression Analysis

Table 3. OLS and Ordered Probit Regressions of Family Law Index Scores

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Religiosity Scale	-0.059***	-0.049 ** (0.015)	-0.025* (0.011)	-0.100*** (0.018)	-0.022	-0.021	-0.048**
Women's Movement	1.435 (0.742)	1.913** (0.663)	1.232*** (0.314)	-2.927** (0.994)	1.093*** (0.492)	1.176* (0.508)	1.989* (0.762)
Women in Parliament (%)	0.052** (0.019)	0.063** (0.022)	0.042** (0.015)	0.028 (0.024)	0.054* (0.023)	0.052* (0.023)	0.063** (0.022)
Polity	0.243*** (0.065)	0.194*** (0.048)	0.101*** (0.023)	0.219*** (0.039)	0.159** (0.055)	0.168** (0.059)	0.182** (0.062)
GDP Per Capita	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)
British Heritage		-1.909 (1.049)	-1.497* (0.757)	-1.725 (0.999)	-3.001** (0.959)	-2.976** (1.026)	-2.018 (1.007)
Non-British Heritage		1.032 (0.799)	0.048 (0.613)	0.961 (0.675)	0.248 (0.585)	0.382 (0.594)	1.028 (0.777)
Interaction				0.076*** (0.018)			
Gender Quota I					-0.606 (0.697)		
Gender Quota II						-0.428 (0.416)	
Property Rights							0.008 (0.021)
Constant	0.491 (1.072)	-0.313 (1.038)		3.060*** (0.849)	-0.466 (1.115)	-0.526 (1.110)	-0.590 (1.372)
N	61	61	61	61	56	57	61

* p < 0.05, ** p < 0.01, *** p < 0.001. All models use Principle Components Analysis. All models OLS except Model 3, Ordered Probit. Standard errors in parentheses. In Model 1, Women's movements are significant at the .10 level.

Graph 1. Average Marginal Effects of Religiosity with 95% CIs
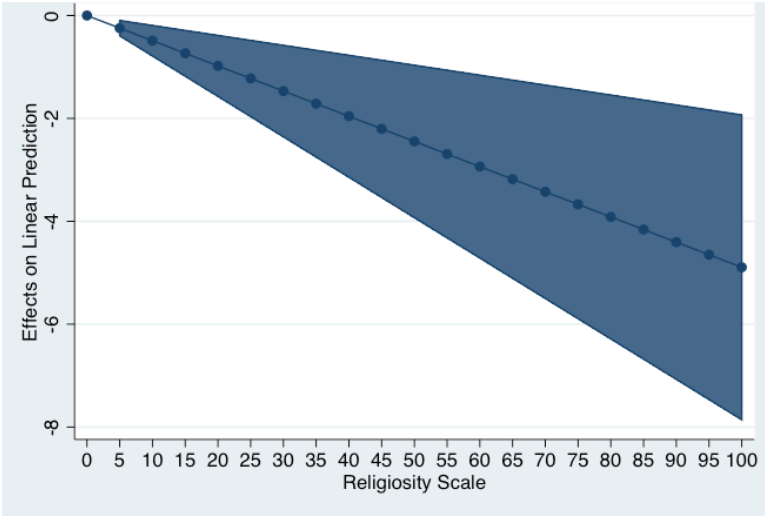
Graph 2. Average Marginal Effects of Women's Movements with 95% CIs
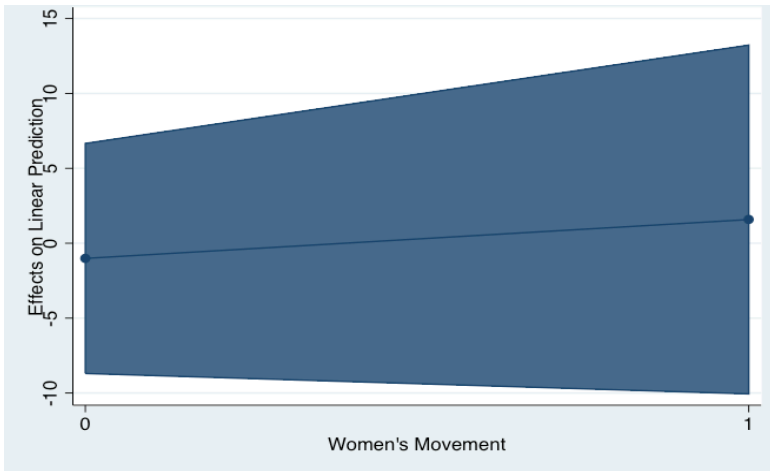
Graph 3. Average Marginal Effects of Women in Government with 95% CIs
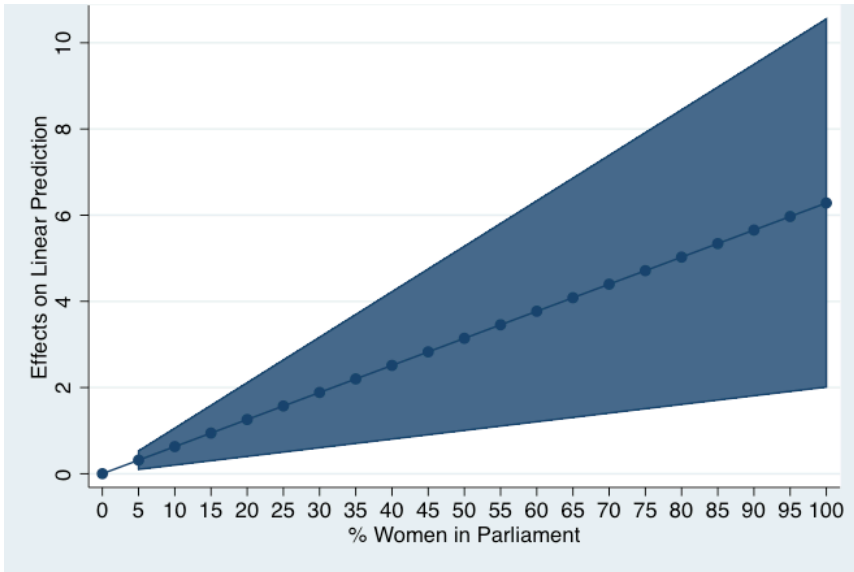
Voting on Wall Street: Effects of the 2012 Presidential Election on Equity Markets

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This paper analyzes the relationship between the 2012 presidential election and stock markets. I find that the excess equity returns of 180 firms deemed politically sensitive by equity analysts moved in a statistically significant manner with the probabilities of Obama's re-election as captured in the online prediction market Intrade. Estimates of such effects, however, appear to be precise yet small, which may be related to relative confidence in the president's victory. Regarding campaign financing, while Romney's top corporate contributors reacted in the financial markets to electoral developments, Obama's did not.

I. Introduction

Two days after U.S. President Barack Obama's re-election, as political journalists across America expounded upon its implications and impact, their financial counterparts all found headlines in the stock market indexes: On the previous day, both the Standard & Poor's 500 and the Dow Jones Industrial Average had slumped 2.4%. The common consensus that emerged was that investors had turned their attention to the impending fiscal cliff, the solution to which was complicated by the return of a divided Congress.

Even before the election was decided, there was considerable media attention over whether – or, rather, how – the stock market was reacting to electoral developments. The New York Times wondered whether the polls or the stock markets reacted first to the candidates' gaffes and gains, noting that, for instance, coal companies had risen amid a falling market after Romney upstaged Obama at the first presidential debate (Popper, 2012). LPL Financial, a financial services company, introduced a particularly media-friendly "Wall Street Election Poll" index, which showed electoral odds by tracking the strength of sectors favored by Democrats relative to those favored by Republicans.

Whether electoral odds impact financial markets is a question that has always captivated the press, academia and the public alike, for various reasons. Apart from simply being a "fun fact," it is related to the larger theme of economic effects of election outcomes, and more specifically, of whether stock returns are affected by major political developments. From a financial perspective, these questions also pertain to investment strategies. For instance, the shareholder of a Romney-favored firm may buy

Intrade (prediction market) bets on Obama or Obama-favored stocks to hedge political uncertainty. The section on campaign finance is also related to a large work of literature on motivations behind campaign contributions: Do firms make contributions to boost the chances of a candidate beneficial to their future profits? Or do they do so to gain access to a probable winner, or simply to promote their ideologies?

In light of these broader themes, this paper looks at whether the probability of Barack Obama's re-election in the 2012 presidential election impacted equity returns, and if so, the magnitude of such an impact. Moreover, it also explores various ways to predict which stocks will be most affected – in other words, what are some indicators of a firm's degree and direction of political sensitivity?

Of course, proving and quantifying the impact of political developments on equity returns beyond anecdotal evidence poses certain difficulties. On any given day, the price movement of a stock is affected by countless factors, including, to some extent, sheer randomness. Thus it may be difficult to isolate political effects from myriad others. Moreover, even if Wall Street cared about the White House, it might have priced in a candidate's victory much earlier, which, as prior research has discussed, makes the magnitude detected in such studies only the lower bound of the candidate's value to firms (Knight, 2007). Lastly, as electoral odds are unlikely to affect the entire financial market, selecting firms for study becomes critical – how do we know which firms may benefit from each candidate's platform? Determining investors' subjective perceptions systematically is also particularly challenging.

Following the example of Brian Knight's paper "Are policy platforms capitalized into equity prices? Evidence from the Bush/Gore 2000 Presidential Election," I seek to overcome some of these hurdles with an empirical model that compares the effects of changes in Obama's electoral odds on excess equity returns between Obama- and Romney-favored firms. I look at firms identified as politically sensitive by four banks' election reports, rating them according to the number of mentions among the four reports. I also look at top corporate contributors in this election.

The rest of the paper is structured as follows. The next section reviews existing literature on the subject. Then, I discuss the background of the study, focusing on the two candidates' economic platforms and the financial climate in the months preceding the election. The following sections describe the data used, briefly discussing some of its limitations, as well as the empirical model. Next, I present my results, firstly focusing on firms identified by equity analysts, then on top corporate donors, and lastly on certain time adjustments. Finally, I discuss the implications of the findings and my conclusions.

II. Literature Review

Past research has examined the impact of political developments on financial markets with mixed results. Knight (2007), whose research forms the foundation of this paper, uses a sample of 70 firms identified by equity analysts as politically sensitive in the 2000 presidential election and shows a differential return of 9% between Bush- and Gore-favored firms. In addition, he uses campaign contribution data to account for the heterogeneity in a candidate's value to the 70 firms, and also finds statistically significant results.

In a study of the 1992 presidential election, Herron, Lavin, Cram and Silver (1999) find 15 economic sectors out of 74 whose portfolio returns followed movements in the Iowa Political Stock Market. Having discovered that contrary to popular belief, the defense sector was pro-Clinton, Herron emphasizes the hypothesis that a political party's effects on certain sectors or firms may not be consistent from one election to the next.

In a paper exploring the possibility of using stocks to hedge political uncertainty, Mattozzi (2008) constructs two "presidential portfolios," each comprising the major publicly traded corporate donors to a candidate. He finds that the excess returns of the two portfolios are significantly related to changes in the two candidates' odds in the Iowa Political Stock Market. Mattozzi concludes that insuring against political uncertainty can be done using a fairly straightforward selection strategy well before the election. On a theoretical level, Musto and Yilmaz (2003) show that the wealth risks created by uncertain election outcomes can be allocated using financial markets, thereby removing redistribution policies from voters' considerations.

Jayachandran (2006) studies the effect of Senator Jim Jeffords' departure from the Republican Party on the market value of firms, using a corporation's soft money donations to national parties as a measure of its political alignment. The paper finds that during the week of Jeffords' decision — that effectively tipped control of the Senate to Democrats — a firm lost 0.8% of its market capitalization for every $250,000 it gave to Republicans in the prior election cycle.

On the subject of motivations behind campaign contributions, there has been an extensive literature with occasionally conflicting conclusions. Particularly relevant assertions include a paper by Gordon, Hafer and Landa (2007), which finds that executives whose pay is more sensitive to firm profitability have a greater propensity to donate politically. Their investment-based theory argues that recognizing that they may need assistance in the future; executives purchase marginal increases in goodwill of politicians, even though returns on such contributions are not systematic. On the other hand, Ansolebehere, de Figuerido and Snyder (2003) argue that campaign contributions are not investments in political outcomes; rather, they represent the consumption value

of giving to political campaigns.

This paper contributes to the broader literature on the effects of elections on the stock market, extending it to a study of the most recent presidential election. In terms of narrowing the market to its politically sensitive segments, I seek to adopt a more comprehensive approach that sets the paper apart from previous work. After a more direct examination of the effects of Obama's chances on the market aggregate, I first turn to the use of equity analysts' opinions in Knight's tradition. Then I look at top corporate contributors in a manner similar to Mattozzi's, while also allowing for variation among firms over the degree of political sensitivity.

III. Background

In the half-year period preceding Election Day, financial markets were mostly concerned with the unfolding Euro crisis. Domestically, the impending fiscal cliff and the political gridlock that threatened its resolution were beginning to disquiet Wall Street. Thus apart from the results of the presidential election, financial analysts also paid special attention to the probability of a divided Congress.

Generally, Barack Obama was seen as more "anti-business" than Romney, and after the Dodd-Frank Wall Street Reform and Consumer Protection Act, especially hostile to the financial industry. As one would expect from a Democratic presidential candidate, he was also expected to usher a stricter regulatory environment, which would be especially impactful to regulated industries such as telecom, utilities, finance and for-profit education. Mitt Romney, on the other hand, having founded Bain Capital, was perceived to be the exact opposite.[1]

Considering the ballooning federal deficit and the fiscal cliff, strategies to reduce the deficit were also particularly relevant to the two campaigns. Higher taxes were expected under an Obama administration, which equity analysts have stated might undermine corporate profits and equity markets at large, especially stocks with high dividend yields.

This paper looks at four market-wide reports by major banks on investment strategies based on the election's outcome ("Equity and Quant," 2012; "Sizing Up," 2012; "Thematic Research," 2012; "US Presidential," 2012). The four reports generally agree on the following points regarding key sectors that would be affected by the election:

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1 Wells Fargo's report contained a survey of 100 executives of companies covered by the bank's analysts. 87.4% of respondents expected regulatory changes under a Romney administration to be somewhat or significantly less restrictive than under an Obama one. 67% expected capital investment to increase under a Romney administration versus an Obama one.

Healthcare: If Romney is elected, he will strive to repeal at least parts of the Affordable Care Act. Since the reform expands coverage, beneficiaries will include hospitals, Medicaid Managed Care and pharmacy benefit managers (PBMs). Obama's aversion to privatization will probably make Medicare Advantage names nervous.

Defense: Although defense spending may fall under either administration given the government's austere fiscal reality, an Obama victory is expected to exert downward pressure on defense stocks.

Finance: A Republican administration is expected to lead to a laxer regulatory environment and more "pro-business" policies, which will generally benefit the financial industry.

Energy: Per conventional wisdom, Democrats are perceived to be supportive of clean energy and unfavorable to non-renewable sources such as oil and gas.

Consumer: Generally, the higher tax rates, especially among the wealthy, are expected under Obama to weaken consumer discretionary spending.

IV. Data

i. Electoral probabilities

As a representation of the perceived probability of Obama's re-election, daily prices for "Obama shares" between May 4, 2012 and Nov. 7, 2012 (i.e. over the six months up till the day after Election Day) on Intrade, an online prediction market, are used. On Intrade, when a market event occurs, the holder of its share receives $10; if it does not, the holder receives nothing. Thus the price of a share multiplied by ten can be interpreted as the probability of the market event occurring. As the New York Stock Exchange and NASDAQ both close at 4pm, Intrade prices at 4 pm (or before, if no trade took place at 4 pm) are used.

In short, the change in the probability of an Obama victory used in this study is simply the difference between the probability at 4 pm on one day and the probability at 4 pm on the previous stock market trading day.[2] The descriptive statistics of the daily probabilities and trade volumes can be found in Table 1 (Page 10).

As explained by Herron (1999), I do not assume that investors necessarily follow Intrade probabilities and that they assess each candidate's electoral probability according to these odds; rather, the probabilities are used as a reflection of public

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2   As the stock market, unlike Intrade, does not open during the weekends, the change in Intrade probability on Monday is the difference between the closing price on Monday and that from the previous Friday. The same rule applies to holidays that fall on weekdays.

information regarding each candidate's odds of victory and the investors' evaluation of such information.

While it may seem intuitive to use polling data for the study, it is actually less desirable for multiple reasons, including the need to convert voter preferences into electoral probabilities in a winner-take-all market and the fact that most poll results are not released daily. But as previous research (Knight, 2007) has shown, odds in prediction markets often move in tandem with changes in polling data. Berg, Forsythe, Nelson and Rietz (2008) have also found that in 9 out of the 15 elections studied, the online prediction market outperformed polls with a lower average error. Thus online prediction markets like Intrade, an especially popular choice in the 2012 election cycle, can serve as a convenient, direct, and relatively accurate representation of each candidate's electoral standing.

Table 1: Descriptive statistics of Intrade probability of Obama's re-election, from May 4 to Nov. 7, 2012

			Excluding Nov 7, 2012:	
Change in probability			**Change in probability**	
Mean	0.308594		Mean	0.092063
Standard deviation	2.879047		Standard deviation	1.466699
Min	-5.7		Min	-5.7
Max	28.3		Max	4.4
Probability			**Probability**	
Mean	59.85827		Mean	59.54603
Standard deviation	6.712973		Standard deviation	5.748066
Min	52.4		Min	52.4
Max	99.2		Max	79
Absolute change in probability			**Absolute change in probability**	
Mean	1.188281		Mean	0.974803
Standard deviation	2.640479		Standard deviation	1.092564

Min	0	Min	0
Max	28.3	Max	5.7
Trade Volume		**Trade Volume**	
Mean	23525.36	Mean	18287.25
Standard deviation	69115.1	Standard deviation	36089.83
Min	39	Min	39
Max	688765	Max	292513

ii. Equity returns

Daily closing stock prices are taken from Yahoo! Finance and are adjusted for stock splits and dividends. Since this paper is mostly concerned with electoral impacts on specific firms, the following method is used to remove market-wide trends from analysis and isolate firm-specific movements. Following Knight's example, which borrows from the event study methodology of MacKinlay, I generate daily abnormal (or excess) rates of returns using the following model:

$$r_{it} = \alpha_i + \beta_i r_{mt} + \varepsilon_{it} \tag{1}$$

where r_{it} is the daily rate of return of firm i on day t. As a measure of market returns, the S&P 500's daily rate of returns is used for r_{mt}. The market model is estimated between May 4, 2011 and May 4, 2012, the year preceding the period studied.[3] Based on the estimated parameters $(\hat{\alpha}_i, \hat{\beta}_i)$ from each firm's regression, I produce daily abnormal rates of returns (R_{it}) for the period between May 7, 2012 and Nov. 7, 2012 based on the following equation:

$$R_{it} = r_{it} - (\alpha_i + \beta_i r_{mt}) \tag{2}$$

V. Empirical model

This paper uses the following empirical model, which is borrowed from Knight (2007):

$$R_{it} = \alpha_i + \beta_1\, OB_i\, \Delta Pr(Obama)_t + \beta_2\, RO_i\, \Delta Pr(Obama)_t + u_{it} \tag{3}$$

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3 The period used in the market model may be shorter for firms that went public after May 4, 2011. Recently public firms for which there is too little data to estimate the market model are excluded from this paper for the purpose of consistency. They will be mentioned in footnotes.

Rit are the daily abnormal rates of returns generated from (2). For an Obama-favored firm i, OBi = 1 and ROi = 0, and the reverse is true for a Romney favored firm i, i.e. ROi = 1 and OBi = 0. ΔPr(Obama) indicates the daily change in the probability of Obama's re-election according to Intrade. uit captures unobserved factors affecting returns, and αi allow for firm-specific trends in stock prices during the period. β1 and β2 are parameters to be estimated. The specification I use utilizes firm-level fixed effects, which control for all time-invariant characteristics potentially correlated with political sensitivity and market returns. I also cluster standard errors at firm level to account for potential serial correlation of standard errors over time within a firm.

In addition, in order to allow for variation in the presidential candidate's value to different firms, the same model (3) is used with weights added. In (4), W equals the designated weight for firm i to account for its degree of political sensitivity.

$$R_{it} = \alpha_i + \beta_1 \, OB_i \, W_i \, \Delta Pr(Obama)_t + \beta_2 \, RO_i \, W_i \, \Delta Pr(Obama)_t + u_{it} \qquad (4)$$

VI. Results

i. Market-wide trends

Table 2: Regression results -- S&P 500

	(2.1)	(2.2)
Dep. variable	**S&P 500 daily returns**	
Period	*5/7-11/7/2012*	*8/29-11/7/2012*
ΔPr(Obama)	-0.0507*	-0.0534*
	(0.0291)	(0.0282)
Obs	128	48
R-squared	0.0282	0.0983

Standard errors clustered at the firm level in parenthesis .

* denotes 10% significance, ** 5% significance, and *** 1% significance

OLS regression of daily S&P 500 returns on changes in probability of Obama's re-election.

Figure 1: The S&P 500 and the probability of Obama's re-election according to Intrade, on stock market trading days from May 7, 2012 to Nov. 7, 2012.
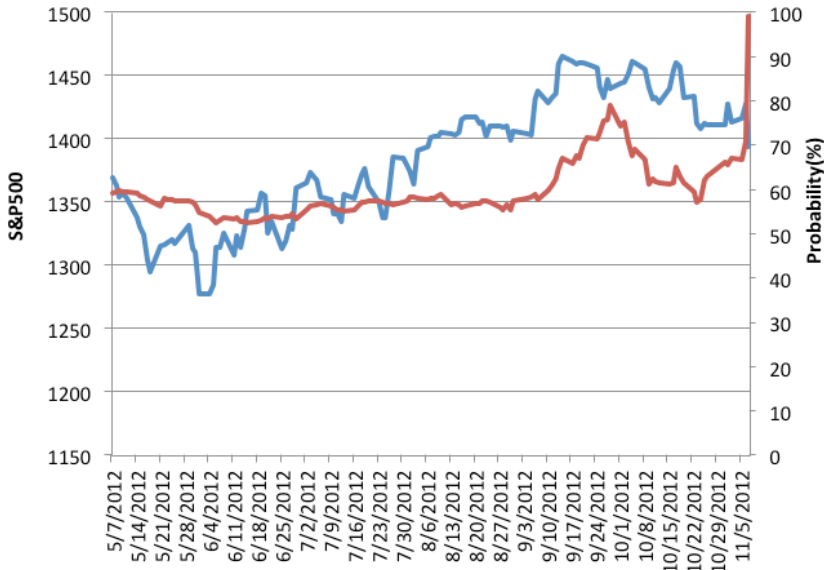
Surprisingly, as seen in Table 2, according to a simple regression of the S&P 500's daily rate of return on changes in Obama's probability of victory, the capitalization-weighted stock index of America's 500 leading companies appears to fall 0.05% for every 1% increase in Obama's odds over the six months before Election Day, though it should be noted that the results are significant at just the 10% level. While most news reports have cited worries over the continuation of a divided Congress as the sole explanation for the 2.4% drop in both the S&P 500, and the Dow Jones Industrial Average on Nov. 7, 2012,[4] the results here show that the decline, the Dow's largest in a year, could be specifically due to Obama's re-election. It is likely that the negative relationship between Obama's odds and the market aggregate reflects the general sentiment that Obama was less supportive of the business – and especially financial – sector, and in favor of stricter regulation as well as higher taxes. Although some firms are more politically sensitive than others, which is a notion explored by the rest of this paper, it appears as though Obama's platform was expected to hit the equity markets at large.

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4 Bloomberg (Nazareth and Stoukas, 2012) and The Wall Street Journal (Cheng, 2012) both explained the market responses on Nov. 7 as such, rather than Obama's victory.

VII. Equity analysts' opinions

i. Aggregation of opinions

This paper's hypothesis rests on the belief that the outcome of elections affects expected profits of certain firms since according to theories of market efficiency, stock prices incorporate all available information and represent investor expectations of future earnings and profits, the outcome of elections affects stock prices. However, an obvious roadblock in testing this hypothesis is that there is no systematic method of revealing investor expectations of how a company is going to fare under one candidate versus another.

A way of overcoming this hurdle is the method Knight (2007) employed in his paper, which is to rely on reports on the subject released by three financial firms and aggregate the analyses into two lists of firms, each expected to be favored by one candidate. This section of the paper adopts a similar methodology, while simultaneously attempting to widen the scope and include more variation among firms. Similar to the approach to Intrade odds, I do not assume that investors necessarily read and made decisions based on these reports; rather, I believe that these reports capture investors' expectations of electoral impacts on equities.

The four reports presented here were produced between August and November 2012, by equity analysts of the following four banks: Wells Fargo, Credit Suisse, UBS and Bank of America Merrill Lynch. The reports all focus on the impact of the election on stocks, identifying specific firms expected to benefit from an Obama or Romney administration across various sectors.

The analyses from the four reports are then aggregated in the following way: A firm rated Obama-favored by any of the four banks is given a "rating" of -1, whereas a firm rated Romney-favored by any of the four banks is given a "rating" of +1. I then divide a firm's total rating by four to obtain an "average bank rating" (ABR). For instance, a firm deemed Romney-favored by only two of the four reports would receive an average bank rating of 0.5 ((1+1+0+0)/4=0.5), and a firm deemed Obama-favored by only one of the four reports would have an average bank rating of -0.25

((-1+-1+0+0)/4=-0.25).

The final list totals 186 firms, most of which are identified by only one of the four reports (i.e. have a rating of either -0.25 or 0.25). 112 firms are Romney-favored while 69 are Obama-favored, an imbalance that may reflect the general perception that Romney is more pro-business than Obama. Two of the four banks contradict each other on five firms,[5] which consequently received an average bank rating of 0.

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5 These firms are Alliant Techsystems Inc., Grand Canyon Education Inc., Paychex Inc., Republic Services and Wellpoint Inc.

There are 30 firms identified by at least two banks as Obama- or Romney-favored. The list can be found in Table 7 in the appendix. The distribution of ABRs, sectors and industries among the 186 firms are shown in Figures 2, 3 and 4 below.

Figure 2: Distribution of average bank ratings (ABRs)
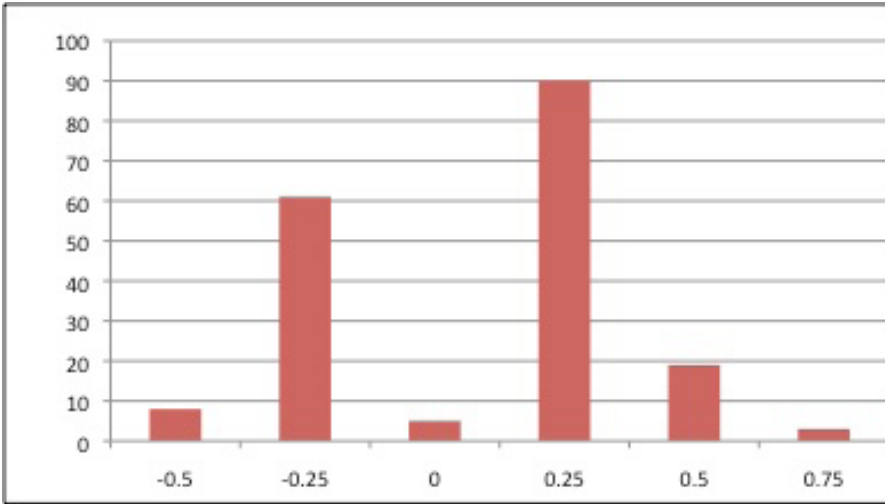
Total: 186 firms

Figure 3: Distribution of firm sector
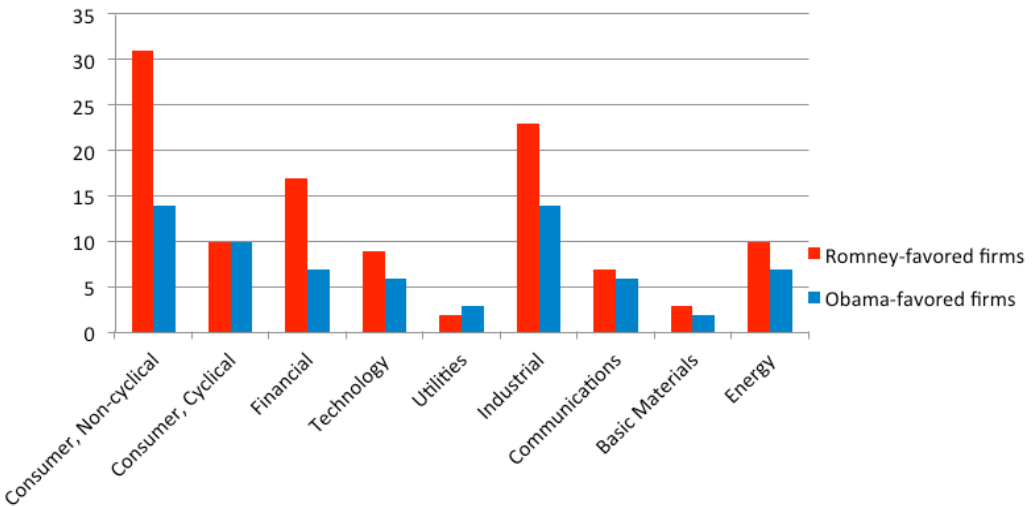
Figure 4: Distribution of firm industry
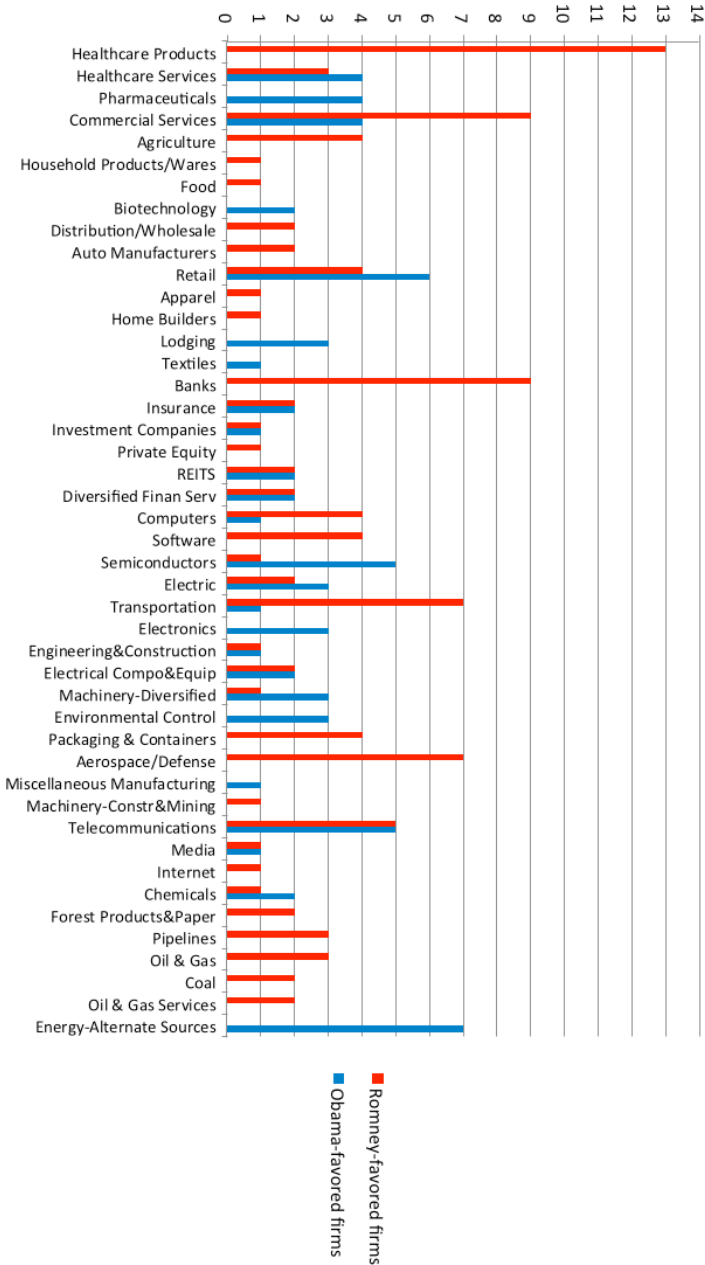
There are, of course, certain limitations to using these reports. Firstly, the lists amassed from each bank varied in length, which may mean that certain banks (Wells Fargo, for instance) took a far more comprehensive view or were simply less selective.

Secondly, these reports are not necessarily widely read, and thus while investors may share certain opinions even without having read these reports, it is also likely that a firm considered by equity analysts to fare much better under a certain administration may not be perceived as such by investors. For example, Saks Inc. was projected, by both Credit Suisse and Bank of America, to benefit from lower taxes for the wealthy under a Republican administration. Such an indirect connection, however, may not sway the average investor's decision to buy or sell a stock. Given that all these reports were focused on the election, equity analysts might have been somewhat pressured to draw indirect, and possibly tenuous, links between the firms they cover and the presidential election.

In combining four reports' analyses and picking out the firms for which there is a greater consensus among equity analysts, the average bank ratings are a way to overcome some of these limitations. Firms with higher ABRs are expected to have an especially conspicuous relationship with electoral outcomes. ABRs are thus used to differentiate between varying degrees of political sensitivity in order to improve the accuracy of the results.

Table 3: Regression results -- Firms identified by equity analysts

	(3.1)	(3.2)	(3.3)	(3.4)	(3.5)	(3.6)
Dep. Variable	Excess equity returns					
Firm specification	Firms rated by at least one bank			Firms rated by at least two banks		
# Obama firms	69			8		
# Romney firms	111			22		
Period	5/7 -11/7/12	8/29-11/7/12	5/7-11/7/12	8/29-11/7/12	5/7-11/7/12	8/29-11/7/12
ΔPr(OB)*OB	0.0599***	0.0584***			0.0781**	0.0796**
	(0.0122)	(0.0131)			(0.0354)	(0.0352)
ΔPr(OB)*RO	-0.0137***	-0.0180***			-0.0374***	-0.0374***
	(0.0051)	(0.0057)			(0.0118)	(0.0128)
ΔPr(OB)*OB*W1			0.2047***	0.2008***		
			(0.0423)	(0.0444)		
ΔPr(OB)*RO*W			-0.0491***	-0.0604***		
			0.0151)	(0.0166)		
Obs	23040	8640	23040	8640	3840	1440
No. of firms	180	180	180	180	30	30
R-squared	0.0027	0.0069	0.0027	0.0071	0.0086	0.0224

Standard errors clustered at the firm level in parenthesis. Firm-level fixed effects are used. * denotes 10% significance, ** 5% significance, and *** 1% significance

OLS regression of the daily excess rates of return on daily changes in the probability of Obama's re-election.

1 Weights (W) are equal to the absolute value of each firm's ABR. So for a firm with an ABR of -0.25 (i.e. an Obama-favored firm mentioned by only one report), for instance, the independent variable would be calculated as such on a day when Obama's chances increased by 0.3%: 0.3*1*0.25.

ii. Results

In (3.1), which includes all 180 Romney- or Obama-favored firms,[6] the signs of both coefficients follow the hypothesis, and are statistically significant at the 1% level. For every 1% increase in the probability of Obama's re-election, an Obama-favored firm sees its excess returns rise 0.06%, while a Romney-favored firm's slide 0.01%. The lower R-squared is unsurprising in light of the myriad factors driving stock returns.

The results in (3.3), which include the absolute values of each firm's ABR as weights (W), show the discrepancies among firms with different ABRs. For the 61 Obama-favored firms with an ABR of -0.25, on a day where Intrade odds moved by the average 0.3%, their excess returns consequently improved 0.02%; for the eight Obama firms with an ABR of -0.5, the increase in excess returns was 0.03%. Consistent with findings in (3.1), where the coefficient for Obama firms was almost five times as large as that for Romney ones, the impact on Romney firms seems smaller. For the 90 Romney firms with an ABR of 0.25, which make up almost half of the sample, compared to the mean change in Obama's odds (i.e. 0.3%), the impact on Romney firms' excess returns is a mere 0.004% drop.

In (3.5), we see the results using only firms whose ABR is at least |0.5|, i.e. firms that are mentioned by at least two reports. Again, the theory here is that the greater the consensus among reports regarding a firm's political sensitivity, the more likely such opinions are also widely held by investors. That the coefficients increase between (3.1) and the narrowed set of firms in (3.5) suggests that ABRs are useful to some extent in pointing to the more politically sensitive firms. The R-squared also increases threefold from (3.1) to (3.5), further supporting the notion that the narrowed sample used reacts more strongly in equity markets to changes in electoral odds than the larger sample. These eight Obama-favored firms, which had a combined market value of $94.086 billion on May 4, 2012, added approximately $2.916 billion thanks to Obama's increasing odds. The 22 Romney-favored firms, on the other hand, saw their total market capitalization of $1.161 trillion, prior to the period studied, fall by $15.88 billion. The method used for calculating such changes can be found in the appendix.

Generally, the results show that changes in the likelihood of a second term for Obama did affect the abnormal rates of returns for firms identified by equity analysts as politically sensitive. The estimates, however, are precise but small. For firms mentioned only in one of the four reports (i.e. have an ABR of |0.25|), which make up the majority of the sample, the magnitude of electoral effects is even smaller.

Considering I am using an identical empirical model and a similar firm selection

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6 The Carlyle Group (CG), a Romney-favored firm, was excluded for the purpose of consistency because it only started trading on May 4, 2012 and thus excess returns cannot be generated under the market model used in this paper.

strategy, it should also be noted that the coefficients I found are much smaller than those found in Knight's paper (2007).[7] This could be because the 2012 election was much less close than the 2000 one, where the final popular vote margin was -0.51%, compared to 3.85% in 2012. The relative certainty of Obama's re-election implies that the final results might have been factored into asset prices prior to the period studied. Following this logic, the results here can only be interpreted as a lower bound of the value of each candidate to these firms. Nonetheless, the set of firms used in (3.1-3.4) is over twice as large as Knight's sample. The results are also robust to the model's specifications, pointing to a larger segment in the market that is affected by the presidential election.

VIII. Campaign contribution

i. Campaign finance data

Does the amount of campaign contribution to a candidate made by a firm represent the value of that candidate to the firm? Following an analysis relying on equity analysts' opinions alone, Knight (2007) uses campaign contributions as a fraction of market values among the same set of 70 firms and finds statistically significant results. Using data from the Center for Responsive Politics (CRP), Mattozzi (2008) constructs two "presidential portfolios" made up of the top 10 corporate donors to each of the two campaigns in the 2000 election, and concludes that their excess returns are related to movements in the Iowa Political Stock Market.

In this section, I first adopt a methodology similar to Mattozzi's. From the CRP's lists of top 50 contributors to the Obama and Romney campaigns, I identify contributors that 1) are publicly traded companies and 2) gave more than two-thirds of their total contributions to a particular candidate. The CRP's organization totals include contributions from all employees as well as their non-wage earning family members. As there are more public corporations among Romney's top contributors, this set of firms, which can be found in Tables 4a and 4b below, comprises 8 Obama ones and 21 Romney ones.

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7 It should be noted that I use percentage rates of return throughout this paper, whereas Knight uses the rates in their original fractions.

Table 4a: Top Romney corporate contributors

Firm	Total contribution to Romney	Market Value (billion)	ABR
Goldman Sachs	$1,033,204	57.3	0.25
Bank of America	$1,009,402	83.412	0.5
Morgan Stanley	$911,055	31.653	
JPMorgan Chase & Co	$833,096	159.569	0.5
Wells Fargo	$674,076	175.109	
Credit Suisse Grou	$640,620	26.596	
Citigroup Inc	$510,199	92.658	0.25
UBS AG	$448,540	47.644	
Barclays	$446,000	41.098	
Blackstone Group	$366,525	14.576	
General Electric	$332,875	204.642	-0.25
EMC Corp	$320,679	58.372	
Exxon Mobil	$221,535	395.463	
KKR & Co	$210,700	8.959	
Alliance Resource Partners	$204,025	2.273	0.25
MetLife Inc	$199,500	36.325	0.25
American Financial Group	$198,334	3.903	
Marriott International	$193,079	13.002	-0.25
Deutsche Bank AG	$158,337	37.914	
Apollo Advisors	$155,500	4.454	
Bank of New York Mellon	$152,771	27.516	

Table 4b: Top Obama corporate contributors

Firm	Total contribution to Obama	Market Value (billions)	ABR
Microsoft Corp	$815,536	260.259	0.5
Google Inc	$805,120	194.521	0.25
Time Warner	$440,771	34.893	
IBM Corp	$370,329	34.893	
Walt Disney Co	$369,298	76.946	
Comcast Corp	$336,628	79.263	-0.25
Apple Inc	$307,831	529	0.25
Oracle Corp	$259,527	141.343	0.25

Note: These are firms used in regressions (5.1-5.4).

Table 5: Regression results – Top corporate contributors

	(5.1)	(5.2)	(5.3)	(5.4)
Dep. Variable	Excess equity returns			
Firm specification	Firms ranked among top 50 contributors to each campaign			
# Obama firms	8			
# Romney firms	21			
Period	5/7 -11/7/12	8/29-11/7/12	5/7-11/7/12	8/29-11/7/12
ΔPr(OB)*OB	0.0206	0.0258		
	(0.0245)	(0.0237)		
ΔPr(OB)*RO	-0.0213*	-0.0322**		
	(0.0119)	(0.0127)		
ΔPr(OB)*OB*W1			0.0041	0.0050
			(0.0042)	(0.0041)
ΔPr(OB)*RO*W			-0.0058***	-0.0078***
			(0.0019)	(0.0018)
Obs	3712	1392	3712	1392
No. of firms	29	29	29	29
R-squared	0.0016	0.0071	0.0029	0.0108

Standard errors clustered at the firm level in parenthesis. Firm-level fixed effects are used. * denotes 10% significance, ** 5% significance, and *** 1% significance

OLS regression of the daily excess rates of return on daily changes in the probability of Obama's re-election.

1 Weights (W) equal the contribution amount made by a firm to that particular candidate in $100,000s. 6.2.2 Results

  For firms among the top 50 contributors to each campaign, the results in (5.1) suggest that while Romney's top contributors are sensitive to movements in the chances

of his opponent, Obama's are not.[8] Once we include weights (W) equal to each firm's contribution amount in 100,000s, the coefficient estimate for Romney contributors becomes more precise, showing that the more a top Romney contributor gave to him, the more its excess returns fell as Obama's chances climbed. For example, Romney's top corporate donor, Goldman Sachs, contributed $1,033,204. For the mean movement of 0.3% in Obama's odds, the firm lost 0.018% in excess returns during the six months preceding the election. Romney's top 21 contributors, whose market value totaled $1.522 trillion on May 4, 2012, gave a total of $9.22 million to his campaign, but lost $16.7 billion in market value in response to the rising likelihood of Obama's re-election.

The divergence between the contributors to the two campaigns may be the result of two factors. The first is related to contribution motivation, the subject of much prior research. It is likely that many contribute simply to support the candidate whose ideology matches their own (Ansolebehere, de Figuerido and Snyder, 2003), or to gain access to whichever candidate they believe has a higher likelihood of winning. It should also be noted that the CRP's data includes contributions from all employees, whose objectives may be quite different from executives with performance-sensitive pay (Gordon, Hafer and Landa, 2007). Thus the results may be weak because campaign financing does not accurately capture a candidate's value to a firm.

Secondly, the divergence may also reflect the adverse effects the Obama administration is expected to bring to Romney-favored firms being larger than the benefits to Obama-favored firms. Although the sets of firms used are admittedly different, this explanation seems less likely because the coefficients found for Obama firms in the previous section are consistently larger in magnitude than those of Romney firms. This suggests that Obama firms are more politically sensitive.

IX. Time adjustments

i. Basis of time adjustments

While using Intrade probabilities may be more convenient and reliable than other measures, it also poses limitations in representing a presidential candidate's electoral standing, which may lead to measurement errors. Since the reliability of Intrade odds hinges upon "the wisdom of the crowds," the trade volume is of particular interest. Fortunately enough, Intrade's trade volume has been rather high during the six months before Election Day, with an average trade volume of 20,863 per day (see

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8 One may wonder whether Romney's top contributors appear to be politically sensitive here because they also happen to be those identified by equity analysts. But as one can see in Table 6a, more than half of Romney's contributors have not been rated by the banks, and some even received Obama ratings.

Table 1).[9]

One particular weakness of a thin market emerged from the coverage of Intrade in 2012: the possibility of market manipulation. Some have also noted that the company is particularly vulnerable to those keen to create false impressions through online prediction markets because it is the most commonly cited prediction market; in 2012, the New York Times mentioned it 68 times ("Don't bet," 2012). For instance, on the morning of Oct. 23, 2012, Romney's chances of victory rose from 41% to 49%, despite the absence of any major news in the press.[10] This may explain the brief collapse in Obama's chances in (Figure 7) around that period, especially since it is rather unlikely that they had fallen due to his performance in the third debate, which was widely considered to be at least marginally superior to Romney's. However, while such possibilities should be noted, they are also easily erased in an active market with a broad and large pool of participants. In the case of Obama's "Flash Crash" on Oct. 23, the market returned to normal within an hour, though his 5.7% drop on Oct. 24 remains enigmatic.[11] Thus, while such a possibility of market manipulation should be noted, it is unlikely that it will have any substantive impact on the accuracy of Intrade odds given its market size.

It remains true, however, that trade volume is an essential consideration in the accuracy of Intrade odds. As shown in Figure 5, market volume remained below 10,000 trades per day up until the end of August, which may also explain the lack of fluctuation during this period. In fact, on Aug. 29, 2012, the day after Romney was officially nominated at the Republican National Convention, trade volume surged almost fourfold from 3852 on the previous day to 15,643. From then on, daily trade volume mostly remained above 10,000.

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9 It appears that online prediction markets have become more popular in recent years. Contrast this figure with what Herron (1999) reported from the Iowa Political Stock Market during the 1992 presidential election, when the average number of trades per day was only around 400. Even in the 2000 election cycle, Knight (2004) wrote that the median day during the sample period only saw 229 trades in the Bush contract in the Iowa Electronic Market.

10 As University of Michigan economics professor Justin Wolfers explains, this rise happened over several minutes at around 10 a.m. on that day. He notes that this was especially suspicious because a normal buyer would not try to bid up the price by buying a large quantity of shares over a short amount of time. He estimates that given Romney's initial probability of 41%, the net cost of the move was $1250. (Thompson, 2012)

11 Obama's odds fell from 65% on Oct. 18, 2012 to 59.7% on Oct. 25, 2012, despite the absence of any game-changing news favoring Romney.

Figure 5: Daily volume of Obama shares traded on Intrade, from May 4, 2012 to Nov. 7, 2012
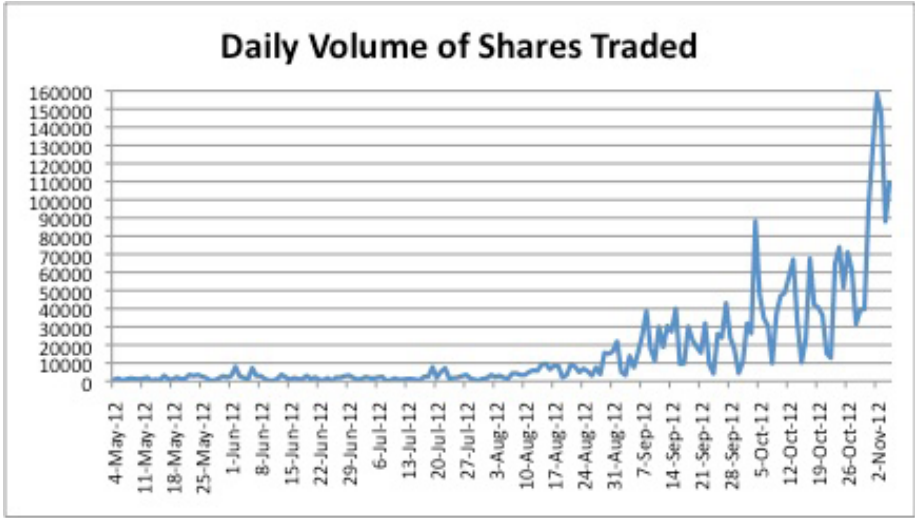
In addition to the regressions run between May 7 and Nov. 7, I also run them only from Aug. 29 onward. I also repeat the regressions found in (3.1) and (5.1), first using only observations on days when trade volume is above average, which is 20,863 as shown in (Table 1), and second when the magnitude of the change in probability is above the average 1.1883% (also in Table 1).

ii. Results

The results for time adjustments based on trade volume and changes in probabilities can be found in (Table 6). As seen in results from regressions beginning Aug. 29, which are previously presented in (Tables 3) and (5), the R-squared jumps at least 100% when the time period is restricted to Aug. 29 onward, showing that more of the variation in abnormal returns can be explained by Obama's electoral odds. Out of the eight coefficients that are statistically significant at the 10% level or lower, six become larger in magnitude when the regression begins on Aug. 29, though it should be noted that the change is rather small.

The increase in R-squared may be the result of better measurement. As explained above, as trade volume increases, Intrade's probabilities are likely to be closer to Obama's true electoral standing. Moreover, the trade volume can also be seen as a proxy of public interest in the campaigns. Quite intuitively, there would be more people betting on the election after late August probably because more people were

paying attention to its development. Given the increasing intensity of both campaigns, greater volatility in each candidate's chances gave rise to more selling and buying of shares. The same can be said of investors pondering upon the impact of the election on politically sensitive stocks. Thus it is also possible that the jump in R-squared stems from more trades being made in the financial markets in response to electoral developments, which are also reflected in higher trade volume.

As seen in (Table 6), compared to the original results using all observations from May 7 to Nov. 7, 2012, all R-squared increase at least threefold when the regressions are limited to days with large trade volume or large change in odds. Again, this suggests that more variation in excess returns can be attributed to movements in Obama's chances of victory; except in (6.4), the R-squared also improve from the same regressions run on all days starting from Aug. 29. On days of large trade volume or prominent movements in Obama's odds, the coefficients for Romney's top contributors also become more precise from the prior, broader regressions. This boosts confidence in the belief that Romney's top contributors have indeed been reacting to Obama's chances in equity markets.

Table 6: Regression results – Time adjustments

	(6.1)	(6.2)	(6.3)	(6.4)	(6.5)	(6.6)	(6.7)	(6.8)
Dep.Variable	Excess equity returns							
Firm specification	Firms rated by at least one bank				Firms ranked among top 50 contributors to each campaign			
# Obama firms	69				8			
# Romney firms	111				21			
Period	5/7-11/7/2012							
Date specification No. of days	Large volume 32 days	Small volume 96 days	Large change 36 days	Small change 92 days	Large volume 32 days	Small volume 96 days	Large change 36 days	Small change 92 days
ΔPr(OB)*OB	0.0542***	.0770***	0.0583***	0.0375	0.0273	0.0185	0.0255	0.0721
	(0.0145)	(.0240)	(0.0127)	(0.0573)	(0.0255)	(0.0371)	(0.0247)	(0.0706)
ΔPr(OB)*RO	-0.0180***	-0.0048	-0.0170***	0.0412	-0.0339**	0.0032	-0.0288**	-0.1290*
	(0.0056)	(0.0176)	(0.0054)	(0.0355)	(0.0134)	(0.0307)	(0.0118)	(0.0693)
Obs	5760	17280	6480	16560	928	2784	1044	2668
No. of firms	180	180	180	180	29	29	29	29
R-squared	0.0083	0.0004	0.0107	0.0001	0.0086	0.0001	0.0054	0.0018

Standard errors clustered at the firm level in parenthesis . Firm-level fixed effects are used. * denotes 10% significance, ** 5% significance, and *** 1% significance

OLS regression of the daily excess rates of return on daily changes in the probability of Obama's re-election.

At the same time, when I limit the data to days on which the trade volume or absolute change in probability is below average, the R-squared instantly becomes tiny. For firms rated by the banks, some of the previously significant coefficients become imprecise.

Again, the increase in R-squared may be due to a reduction in measurement error as well as a surge in public interest represented by higher trade volumes. The improved R-squared under large changes in Intrade probability may reflect heightened concerns among investors regarding the impact of the election. These time adjustments also serve as robustness checks to the previous results, ensuring that they are not driven by days on which trade volume or probability movement is low, which may produce probabilities that are merely noise patterns.

X. Discussion

Across the various regression results, it remains true that while coefficient estimates are mostly precise, they remain small. Of course, one should also evaluate these knowing that market movements, barring shocking news, are often small. Over the six months studied in this paper, the average magnitude of a change in the S&P 500 was a mere 0.63%. Nonetheless, the impact of Obama's probability of victory on the excess returns of these politically sensitive firms appears to be evident, albeit small.

This may be closely related to relative certainty in Obama's re-election, even as the campaigns became heated. As shown in (Figure 7), Obama's odds never fall below 50%, which reflects general confidence in his re-election despite occasional swings in public opinion. As shown in (Table 1), during this half-year period, the probability of Obama's re-election ranges from 52.3% on Jun. 6, 2012 to 78.9% on Sept. 29, 2012. The relative lack in fluctuation may limit results because investors may have factored in Obama's likely victory, regardless of new political developments during the period. As some business journalists have commented,[12] it is almost surprising that the market reacted as much as it did after Election Day (see Figure 6), given that the odds had seemed stacked in the President's favor for a while (see Figure 7).

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12 The New York Times wrote regarding the 2.4% drops in both the Dow Jones Industrial Average and the S&P 500 on Nov. 7: "The abruptness of the fall seemed to indicate that despite the fact that polls had been indicating for some time that President Obama was likely to win, that expectation was not shared by many financiers." (Norris and Schwartz, 2012)

Figure 6: Excess returns of the 180 firms identified as politically sensitive by the banks on Nov. 7, 2012
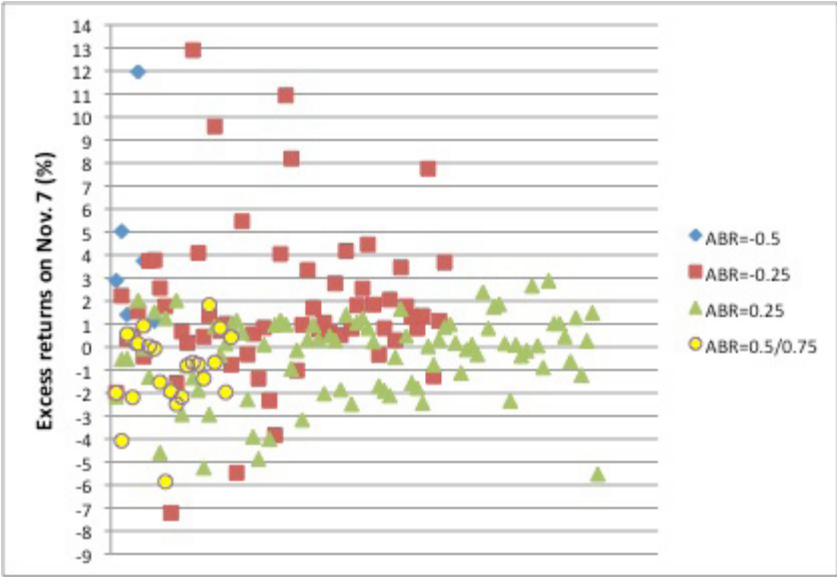
Figure 7: Intrade probability of Obama's re-election on all stock market trading days from May 7, 2012 to Nov. 7, 2012
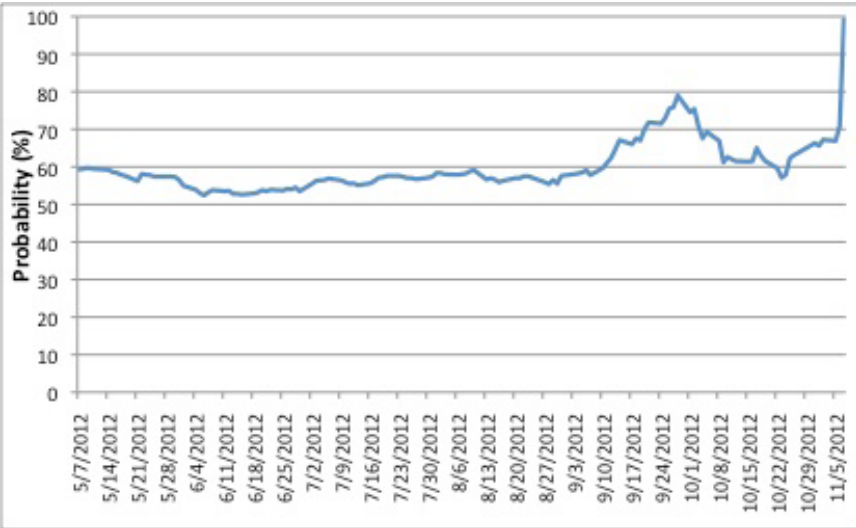
The results show that while several past studies have demonstrated the relationship between changes in electoral odds and the returns of politically sensitive stocks or sectors (Herron, 1999; Knight, 2007; Mattozzi, 2008), the magnitude of such an impact also hinges upon the degree of electoral volatility. After all, Wall Street likes certainty, which enables prior adjustment and earlier decision-making. Thus the small coefficients found in this paper should be considered in light of this.

Alternatively, one may also wonder if the small coefficients stem from a lack of certainty in policies to be enacted under each candidate. While this seems unlikely given the ideological gap between the two parties, as accentuated endlessly during the campaigns, it is possible that the small coefficients reflect the belief of investors that the practical differences between the two administrations would not be that substantive. For instance, one may plausibly argue that since defense spending is expected to fall under either administration, a Romney win would only be "incrementally" better for the highly government-dependent sector (Bank of America Merrill Lynch). A Republican sweep was also not expected to lead to a complete repeal of either Dodd Frank or the Affordable Care Act, thereby limiting the positive impact it could bring to the financial industry and parts of the healthcare sector. Thus in future research, examining the differences in the electoral impact on excess stock returns among various industries may be fruitful. Moreover, investors may also rightly think that the actual enactment of policies depends largely on Congress. So as long as there is divided government, it may be difficult for the president – whether it is Obama or Romney – to realize his platforms. In light of this, we may see larger responses in equity markets once influential economic policies are actually put in place. While this view is difficult to prove, it is also a credible explanation for the relatively small differential returns between Obama- and Romney-favored firms.

Nonetheless, this paper has demonstrated that besides being fairly simple and direct, equity analysts' opinions are useful and reliable to some extent. This further bolsters the notion that political risks can be hedged in equity markets by singling out firms favoring either candidate months before the election with the help of a simple selection method. Alternatively, a sophisticated trader could also use the stock market as a betting platform akin to prediction markets, potentially reaping even greater payoffs (Silver, 2012).

It remains crucial for further research to identify politically sensitive firms, an admittedly subjective process, systematically and with some sort of a rational basis. I make an initial attempt in this paper with the use of average bank ratings, but, of course, their basis is still subjective and thus the electorally sensitive segment of the market may not be accurately captured. In the future, it would be advisable to at least expand the number of reports used.

Furthermore, while Mattozzi (2008) finds a statistically significant relationship

between the returns of portfolios comprising each presidential candidate's top corporate donors in the 2000 election, in this paper contribution amount does not seem to be conclusively indicative of a firm's political sensitivity. While Romney contributors suffered setbacks in the markets as Obama's chances climbed, Obama's contributors did not benefit. Thus campaign contributions do not seem to be conclusively indicative of a firm's political sensitivity. However, it may still be fruitful to isolate specific subsets of campaign financing in order for contribution amounts to better represent a candidate's value to a firm. For instance, Jayachandran (2006) argues that given there is no limit on soft money donations, donations are a better measure of the resources a firm devotes to influencing political outcomes. Although of course, soft money donations are categorized by political parties, not candidates. Identifying contributions that differ greatly from a firm's past patterns of political donations, or that originate from executives with performance-sensitive pay may also make campaign financing a better indicator of a firm's political sensitivity.

Considering the rising popularity of Intrade, its odds, especially for a topic as salient as the U.S. presidential election, should be increasingly accurate in representing a candidate's chances of winning.[13] But as explained earlier, their reliability also depends on trade volume. Thus it may also be worthwhile to explore other measures of each candidate's electoral standing. For instance, it has been suggested for the purpose of this paper that I use polling data converted into winning probabilities based on the number of days left until Election Day, which has been argued to be superior to prediction markets (Erikson and Wlezien, 2008).

XI. Conclusion

Using a sample of 180 firms identified by equity analysts, this paper demonstrated that the probability of Obama winning re-election in 2012 impacted the excess equity returns of politically sensitive firms during the six months preceding Election Day. While the results are robust to the specifications of the model, the coefficients are rather small, especially when compared to past studies. This may be related to the relative lack of fluctuation in Obama's odds, indicating that the economic effects of his victory were priced into stock markets much earlier.

Generally, we see a stronger relationship between the election and equity returns beginning from late August, and on days with high trade volumes and large changes in prediction markets. This also further supports the hypothesis that investors react to electoral developments by trading securities sensitive to the election's outcome.

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13 Unfortunately, the future usefulness of Intrade in predicting American elections may be compromised by the fact that after the Commodities Futures Trading Commission sued the company for allowing bets on commodity prices in Nov. 2012, it has decided to entirely retreat from the U.S. market. ("Don't bet," 2012)

While campaign contributions do not seem to be a reliable indicator of political sensitivity, especially given the complexity of contribution motivations, Romney's top publicly traded donors did see their abnormal returns drop as Obama's chances rose. Obama's top donors, on the other hand, did not react to his changing odds in financial markets.

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Appendix

Calculating estimated changes in market value

The following methodology, which is based on the original model, is used in this paper to compute daily changes in market value due to movements in Obama's probability of re-election between May 7 and Nov. 7, 2012. The aggregate changes in market value cited in this thesis are based on the difference between the market value on Nov. 7 and that on May 4, 2012.

For the eight Obama-favored firms identified by at least two of the four bank reports:

$$MktCap_i * (1+(\beta 1 * \Delta Pr(Obama)_t)/100)$$

For the 22 Obama-favored firms identified by at least two of the four bank reports:

$$MktCap_i * (1+(\beta 2 * \Delta Pr(Obama)_t)/100)$$

MktCap is the market capitalization of firm i on May 4, 2012, i.e. the trading day before the period studied, as provided by Bloomberg. $\beta 1$ and $\beta 2$ are the coefficients found in Column (3.5) of Table 3. $\Delta Pr(Obama)$ is the change in Obama's probability of re-election on day t.

For the 21 top contributors to Romney's campaigns:

$$MktCap_i * (1+(\beta 2 * \Delta Pr(Obama)_t * W_i)/100)$$

Here, $\beta 2$ can be found in Column (5.3) of Table 5. W_i are the original weights used for each firm, i.e. the amount firm i contributed to the Romney campaign in hundred thousands.

Please note that these estimated changes in market value are derived from estimates of changes in excess returns and not normal returns.

Table 7: List of 186 firms mentioned in election reports by bank

Ticker	Firm	Sector	Industry	WF	CS	UBS	BoA	ABR	Contribs. Obama	Contribs. Romney
ABC	Amerisourcebergen Corp	Consumer, Non-cyclical	Pharmaceuticals	-1	0	0	-1	-0.5		
CAB	Cabela's	Consumer, Cyclical	Retail	-1	-1	0	0	-0.5		2,500
CME	CME Group	Financial	Diversified Finan Serv	-1	0	-1	0	-0.5		20,000
FSLR	First Solar, Inc.	Technology	Semiconductors	0	-1	-1	0	-0.5	6300	

HCA	HCA Holdings Inc	Consumer, Non-cyclical	Healthcare-Services	0	0	-1	-1	-0.5	
ILMN	Illumina Inc.	Consumer, Non-cyclical	Biotechnology	0	-1	0	-1	-0.5	
NEE	Nextera Energy Inc	Utilities	Electric	-1	0	0	-1	-0.5	25860
TMO	Thermo Fisher Scientific Inc	Industrial	Electronics	0	-1	0	-1	-0.5	5580	7,180
ABFS	Arkansas Best Corp	Industrial	Transportation	0	0	0	-1	-0.25		3,500
ACM	Aecom Technology	Industrial	Engineering&Construction	0	0	-1	0	-0.25	33587	17,500
ADP	Automatic Data Processing	Consumer, Non-cyclical	Commercial Services	-1	0	0	0	-0.25	4750	3,000
AFL	Aflac Inc	Financial	Insurance	0	0	-1	0	-0.25	14250	51,450
AGCO	AGCO	Industrial	Machinery-Diversified	0	-1	0	0	-0.25	300	
ALKS	Alkermes Plc	Consumer, Non-cyclical	Pharmaceuticals	0	0	-1	0	-0.25	5400	$300
AMT	American Tower Corp	Financial	REITS	0	0	-1	0	-0.25	11000	
BYD	Boyd Gaming Corp	Consumer, Cyclical	Lodging	-1	0	0	0	-0.25		
CAH	Cardinal Health Inc	Consumer, Non-cyclical	Pharmaceuticals	0	0	0	-1	-0.25	13575	13,500
CCI	Crown Castle International Corp	Communications	Telecommunications	0	0	-1	0	-0.25		
CDXS	Codexis Inc	Basic Materials	Chemicals	0	-1	0	0	-0.25		
CLWR	Clearwire Corporation	Communications	Telecommunications	0	0	0	-1	-0.25		
CMCSA	Comcast Corp	Communications	Media	-1	0	0	0	-0.25	293854	75,617
CMI	Cummins Inc	Industrial	Machinery-Diversified	0	-1	0	0	-0.25	14899	
CNC	Centene Corp	Consumer, Non-cyclical	Healthcare-Services	-1	0	0	0	-0.25	16300	15,500
CREE	Cree Inc	Technology	Semiconductors	0	-1	0	0	-0.25	2200	1,001
CVA	Covanta Holding Corp	Industrial	Environmental Control	0	-1	0	0	-0.25		
CVS	CVS Caremark Corp	Consumer, Cyclical	Retail	0	-1	0	0	-0.25	26676	17,425
CYH	Community Health Systems Inc	Consumer, Non-cyclical	Healthcare-Services	-1	0	0	0	-0.25		9,500

DE	Deere & Co	Industrial	Machinery-Diversified	0	-1	0	0	-0.25	17506	
DG	Dollar General Corp	Consumer, Cyclical	Retail	-1	0	0	0	-0.25		
DNKN	Dunkin' Brands Group, Inc.	Consumer, Cyclical	Retail	-1	0	0	0	-0.25		2,750
ELON	Echelon Corporation	Technology	Computers	0	-1	0	0	-0.25		
ENOC	EnerNOC, Inc.	Utilities	Electric	0	-1	0	0	-0.25		
EXC	Exelon Corp	Utilities	Electric	0	0	0	-1	-0.25	120170	124,214
GE	General Electric Company	Industrial	Miscellaneous Manufacturing	0	-1	0	0	-0.25	129290	287,495
GPRE	Green Plains Renewable Energy, Inc.	Energy	Energy-Alternate Sources	0	-1	0	0	-0.25		
GTAT	GT Advanced Technologies Inc.	Technology	Semiconductors	0	-1	0	0	-0.25		
HEK	Heckmann Corporation	Industrial	Environmental Control	0	-1	0	0	-0.25		
JASO	JA Solar Holdings Co., Ltd	Energy	Energy-Alternate Sources	0	-1	0	0	-0.25		
JKS	JinkoSolar Holding Co., Ltd.	Energy	Energy-Alternate Sources	0	-1	0	0	-0.25		
KIOR	KIOR, Inc.	Energy	Energy-Alternate Sources	0	-1	0	0	-0.25		
LEAP	Leap Wireless International Inc.	Communications	Telecommunications	0	0	0	-1	-0.25	7750	
LIFE	Life Technologies Corporation	Consumer, Non-cyclical	Biotechnology	0	0	0	-1	-0.25	16708	
MAR	Marriott International Inc	Consumer, Cyclical	Lodging	-1	0	0	0	-0.25	23970	190,330
MCK	McKesson Corporation	Consumer, Non-cyclical	Pharmaceuticals	0	0	0	-1	-0.25	25613	33,139
MGM	MGM Resorts International	Consumer, Cyclical	Lodging	-1	0	0	0	-0.25	3456	11,250
MHK	Mohawk Industries	Consumer, Cyclical	Textiles	0	0	-1	0	-0.25		
MMC	Marsh & McLennan Companies	Financial	Insurance	0	0	-1	0	-0.25	66885	24,050
NNN	National Retail Properties, Inc	Financial	REITS	-1	0	0	0	-0.25		

OLN	Olin Corp.	Basic Materials	Chemicals	-1	0	0	0	-0.25		5,500
PCS	MetroPCS Communications	Communications	Telecommunications	0	0	0	-1	-0.25	500	
PWR	Quanta Services, Inc.	Consumer, Non-cyclical	Commercial Services	0	-1	0	0	-0.25	700	
RAD	Rite Aid Corp	Consumer, Cyclical	Retail	0	-1	0	0	-0.25	6917	3,100
S	Sprint Nextel Corp	Communications	Telecommunications	-1	0	0	0	-0.25	27371	14,850
SKT	Tanger Factory Outlet Centers Inc.	Financial	REITS	0	0	-1	0	-0.25		
SOL	ReneSola Ltd.	Energy	Energy-Alternate Sources	0	-1	0	0	-0.25		
SPWR	SunPower Corporation	Industrial	Electrical Compo&Equip	0	-1	0	0	-0.25	10600	
SZYM	Solazyme, Inc.	Energy	Energy-Alternate Sources	0	-1	0	0	-0.25		
TEL	TE Connectivity Ltd.	Industrial	Electronics	0	0	-1	0	-0.25	5950	7,250
TMH	Team Health Holdings, Inc.	Consumer, Non-cyclical	Commercial Services	-1	0	0	0	-0.25	6600	3,800
TROW	T. Rowe Price Group, Inc.	Financial	Diversified Finan Serv	-1	0	0	0	-0.25	15000	7,750
TSL	Trina Solar Limited	Energy	Energy-Alternate Sources	0	-1	0	0	-0.25		
URI	United Rentals, Inc.	Consumer, Non-cyclical	Commercial Services	0	0	-1	0	-0.25		250
VECO	Veeco Instruments Inc.	Technology	Semiconductors	0	-1	0	0	-0.25		
WAG	Walgreen Co	Consumer, Cyclical	Retail	0	-1	0	0	-0.25	38193	25,850
WAT	Waters Corp.	Industrial	Electronics	0	-1	0	0	-0.25	2604	18,750
WCG	Wellcare Health Plans	Consumer, Non-cyclical	Healthcare-Services	0	0	0	-1	-0.25	981	2,750
WFR	MEMC Electronic Materials Inc.	Technology	Semiconductors	0	-1	0	0	-0.25		
WM	Waste Management Inc	Industrial	Environmental Control	0	-1	0	0	-0.25	9000	8,950
YGE	Yingli Green Energy Holding Co. Ltd.	Industrial	Electrical Compo&Equip	0	-1	0	0	-0.25		
ATK	Alliant Techsystems Inc	Industrial	Aerospace/Defense	0	1	-1	0	0		

LOPE	Grand Canyon Education, Inc.	Consumer, Non-cyclical	Commercial Services	-1	0	0	1	0		
PAYX	Paychex, Inc.	Consumer, Non-cyclical	Commercial Services	-1	0	1	0	0		
RSG	Republic Services[1]	Industrial	Environmental Control	0	0	0	0	0	3,200	
WLP	Wellpoint Inc	Consumer, Non-cyclical	Healthcare Services	-1	0	0	1	0		
AAPL	Apple Inc	Technology	Computers	0	0	0	1	0.25	270856	24,710
ACN	Accenture	Technology	Computers	1	0	0	0	0.25	109720	58,285
AEP	American Electric Power Co Inc	Utilities	Electric	0	0	0	1	0.25		52,600
AIG	American International Group	Financial	Insurance	0	0	1	0	0.25	41974	47,059
AME	AMETEK Inc	Industrial	Electrical Compo&Equip	1	0	0	0	0.25		6250
APC	Anadarko Petroleum Corp	Energy	Oil&Gas	1	0	0	0	0.25		21,400
APEI	American Public Education Inc	Consumer, Non-cyclical	Commercial Services	1	0	0	0	0.25		
ARCC	Ares Capital Corp	Financial	Investment Companies	1	0	0	0	0.25		
ARLP	Alliance Resource Partners LP	Energy	Coal	1	0	0	0	0.25		215,500
BAX	Baxter International Inc	Consumer, Non-cyclical	Healthcare-Products	0	1	0	0	0.25	25412	7,400
BBT	BB&T Corp	Financial	Banks	0	0	1	0	0.25	7526	50,900
BLL	Ball Corp	Industrial	Packaging & Containers	0	0	0	1	0.25	8350	
BPI	Bridgepoint Education	Consumer, Non-cyclical	Commercial Services	0	1	0	0	0.25	35750	
BSX	Boston Scientific Corp	Consumer, Non-cyclical	Healthcare Products	0	1	0	0	0.25	13061	11,230
C	Citigroup Inc	Financial	Banks	0	1	0	0	0.25	191904	465,063
CACI	CACI International	Technology	Computers	0	1	0	0	0.25	11375	34,650
CECO	Career Education	Consumer, Non-cyclical	Commercial Services	1	0	0	0	0.25		
CG	Carlyle Group	Financial	Private Equity	0	0	1	0	0.25	115300	22,600
COCO	Corinthian Colleges Inc	Consumer, Non-cyclical	Commercial Services	1	0	0	0	0.25		29,900

CP	Canadian Pacific Railway	Industrial	Transportation	0	0	0	1	0.25		
CPHD	Cepheid Inc	Consumer, Non-cyclical	Healthcare Products	0	1	0	0	0.25	1500	
CTL	CenturyLink Inc	Consumer, Non-cyclical	Healthcare Products	0	0	0	1	0.25	12253	11,040
CVH	Coventry Health Care Inc	Consumer, Non-cyclical	Healthcare Services	0	0	0	1	0.25	3470	3,500
DD	Du Pont (E.I) de Nemours	Basic Materials	Chemicals	0	0	1	0	0.25	43562	10,500
DRC	Dresser-Rand Group Inc	Energy	Oil & Gas Services	1	0	0	0	0.25	1000	
DV	DeVry Inc	Consumer, Non-cyclical	Commercial Services	0	1	0	0	0.25	6350	6200
DVN	Devon Energy Corporation	Energy	Oil & Gas	1	0	0	0	0.25		58,750
EDMC	Education Management Corp	Consumer, Non-cyclical	Commercial Services	1	0	0	0	0.25		26,372
EPD	Enterprise Products Partners	Energy	Pipelines	1	0	0	0	0.25		16,000
ESI	ITT Education Services Inc	Consumer, Non-cyclical	Commercial Services	1	0	0	0	0.25		20,100
EW	Edwards Lifesciences Corp	Consumer, Non-cyclical	Healthcare Products	0	1	0	0	0.25		14,150
FAST	Fastenal Co	Consumer, Cyclical	Distribution/Wholesale	0	1	0	0	0.25		7,500
FTR	Frontier Communications Corp	Communications	Telecommunications	0	0	0	1	0.25	1213	2,889
GM	General Motors Co	Consumer, Cyclical	Auto Manufacturers	0	0	1	0	0.25	58123	28,815
GOOG	Google Inc	Communications	Internet	0	0	0	1	0.25	737055	31,039
GS	Goldman Sachs Group	Financial	Banks	0	0	1	0	0.25	184925	994,139
GWW	WW Grainger	Consumer, Cyclical	Distribution/Wholesale	0	1	0	0	0.25	6658	2,750
HAL	Halliburton Co	Energy	Oil & Gas Services	1	0	0	0	0.25		
HLS	HealthSouth Corp	Consumer, Non-cyclical	Healthcare Services	0	0	1	0	0.25		13,050
HPQ	Hewlett-Packard Co	Technology	Computers	0	0	0	1	0.25	143505	66,511

HTWR	HeartWare International Inc	Consumer, Non-cyclical	Healthcare Products	0	1	0	0	0.25		
HUB.B	Hubbell Inc	Industrial	Electrical Compo&Equip	1	0	0	0	0.25	250	1,000
INTC	Intel Corp	Technology	Semiconductors	0	0	0	1	0.25	164705	93,699
IP	International Paper Co	Basic Materials	Forest Products&Paper	0	0	0	1	0.25		35,400
JOY	Joy Global Inc	Industrial	Machinery-Constr&Mining	0	0	1	0	0.25		5,500
JWN	Nordstrom Inc	Consumer, Cyclical	Retail	0	1	0	0	0.25	22121	3,250
KBR	KBR	Industrial	Engineering&Construction	0	0	1	0	0.25	7462	14,184
KNX	Knight Transportation Inc	Industrial	Transportation	0	0	0	1	0.25		34,000
KSU	Kansas City Southern	Industrial	Transportation	0	0	0	1	0.25		10,500
LLL	L-3 Communications Holdings Inc	Industrial	Aerospace/Defense	0	1	0	0	0.25	21816	26,252
LO	Lorillard Inc	Consumer, Non-cyclical	Agriculture	0	0	1	0	0.25		45,750
MET	MetLife Inc	Financial	Insurance	0	0	1	0	0.25	39989	185,400
MMP	Magellan Midstream Partners, L.P.	Energy	Pipelines	1	0	0	0	0.25		
MSM	MSC Industrial Direct Co. Inc.	Consumer, Cyclical	Retail	0	1	0	0	0.25		
NBR	Nabors Industries Ltd.	Energy	Oil & Gas	1	0	0	0	0.25		16,000
NLY	Annaly Capital Management, Inc.	Financial	REITS	0	0	1	0	0.25		15,500
NNI	Nelnet, Inc	Financial	Diversified Finan Serv	0	1	0	0	0.25		
NOC	Northrop Grumman Corp	Industrial	Aerospace/Defense	0	1	0	0	0.25	96661	89,193
NSC	Norfolk Southern Corp	Industrial	Transportation	0	0	0	1	0.25		24,700
OKS	Oneok Partners LP	Energy	Pipelines	1	0	0	0	0.25		
ORCL	Oracle Corp	Technology	Software	0	0	0	1	0.25	236137	69,330
OSK	Oshkosh	Consumer, Cyclical	Auto Manufacturers	0	1	0	0	0.25		
PKG	Packaging Corp Of America	Industrial	Packaging&Containers	0	0	0	1	0.25		

PM	Philip Morris International	Consumer, Non-cyclical	Agriculture	1	0	0	0	0.25		
PNC	PNC Financial Services Group	Financial	Banks	1	0	0	0	0.25	37719	55,500
RAI	Reynolds American	Consumer, Non-cyclical	Agriculture	0	0	1	0	0.25		3,250
RKT	Rock-Tenn Co	Industrial	Packaging&Containers	0	0	0	1	0.25	2200	11,250
RL	Ralph Lauren	Consumer, Cyclical	Apparel	0	1	0	0	0.25		
ROK	Rockwell Automation	Industrial	Machinery-Diversified	1	0	0	0	0.25		
SAP	SAP AG	Technology	Software	0	0	0	1	0.25	17772	6,000
SEE	Sealed Air	Industrial	Packaging&Containers	0	0	0	1	0.25		
SLG	SL Green Realty Corp	Financial	REITS	0	0	1	0	0.25	2500	
SLM	SLM Corp	Financial	Diversified Finan Serv	0	1	0	0	0.25		34,250
SO	Southern Company	Utilities	Electric	0	0	0	1	0.25		46,650
STI	Suntrust Banks	Financial	Banks	0	0	1	0	0.25	18102	28,828
STRA	Strayer Education Inc	Consumer, Non-cyclical	Commercial Services	0	1	0	0	0.25	2250	5,900
STT	State Street Corp	Financial	Banks	0	0	1	0	0.25	29820	43,465
SWFT	Swift Transportation Corp	Industrial	Transportation	0	0	0	1	0.25	250	10,250
THOR	Thoratec Corp	Consumer, Non-cyclical	Healthcare Products	0	1	0	0	0.25		
TIF	Tiffany & Co	Consumer, Cyclical	Retail	0	0	0	1	0.25	14450	2,750
TOL	Toll Brothers Inc	Consumer, Cyclical	Home Builders	0	0	1	0	0.25	6500	12,500
TUMI	Tumi Holdings Inc	Consumer, Non-cyclical	Household Products/Wares	0	1	0	0	0.25		
UFS	Domtar Corp	Basic Materials	Forest Products&Paper	0	0	0	1	0.25		
UNP	Union Pacific Corporation	Industrial	Transportation	0	0	0	1	0.25	14512	58,650
USB	U.S. Bancorp	Financial	Banks	0	0	1	0	0.25	35995	51,250
VOLC	Volcano Corp	Consumer, Non-cyclical	Healthcare Products	0	1	0	0	0.25	625	250

VZ	Verizon Communications Inc	Communications	Telecommunications	0	0	0	1	0.25	210829	135,251
WFM	Whole Foods Market	Consumer, Non-cyclical	Food	0	1	0	0	0.25	15775	8,250
WIN	Windstream Corp	Communications	Telecommunications	0	0	0	1	0.25	250	2,500
XLS	Exelis	Industrial	Aerospace/Defense	0	1	0	0	0.25	7925	3,700
AHGP	Alliance Holdings GP LP	Energy	Coal	1	0	0	1	0.5		
APOL	Apollo Group Inc	Consumer, Non-cyclical	Commercial Services	0	1	0	1	0.5		28,300
BA	Boeing Co	Industrial	Aerospace/Defense	0	1	0	1	0.5	167916	116,887
BAC	Bank of America Corp	Financial	Banks	1	1	0	0	0.5	237235	921,839
COV	Covidien PLC	Consumer, Non-cyclical	Healthcare Products	0	1	0	1	0.5	12350	15,371
CSCO	Cisco Systems Inc	Communications	Telecommunications	0	0	1	1	0.5	174687	71,200
CSX	CSX Corp	Industrial	Transportation	0	0	1	1	0.5		21,250
DISH	Dish Network	Communications	Media	1	0	1	0	0.5	25838	14,000
GD	General Dynamics Corp	Industrial	Aerospace/Defense	0	1	1	1	0.75	34107	69,629
HUM	Humana Inc	Consumer, Non-cyclical	Healthcare Services	1	0	0	1	0.5	27213	30,196
JPM	JP Morgan Chase & Co	Financial	Banks	1	1	0	0	0.5	268260	792,147
LMT	Lockheed Martin Corp	Industrial	Aerospace/Defense	0	1	1	0	0.5	113190	133,977
MANT	Mantech International Corp	Technology	Software	1	1	0	0	0.5	12171	
MDT	Medtronic Inc	Consumer, Non-cyclical	Healthcare Products	0	1	1	1	0.75	32997	24,833
MO	Altria Group Inc	Consumer, Non-cyclical	Agriculture	1	0	1	0	0.5		52,650
MSFT	Microsoft Corp	Technology	Software	0	0	1	1	0.5	761343	194,368
RTN	Raytheon Company	Industrial	Aerospace/Defense	0	1	1	1	0.75	76847	120,982
SKS	Saks Inc	Consumer, Cyclical	Retail	0	1	0	1	0.5	7475	16,250
STJ	St. Jude Medical Inc	Consumer, Non-cyclical	Healthcare Products	0	1	0	1	0.5	15738	10,395

SYK	Stryker	Consumer, Non-cyclical	Healthcare Products	0	1	0	1	0.5	6700	9,000
T	AT&T Inc	Communications	Telecommunications	1	0	0	1	0.5	198319	223,166
ZMH	Zimmer Holdings Inc	Consumer, Non-cyclical	Healthcare Products	0	1	0	1	0.5		

[1]RSG was listed as a "Well-positioned stock" for both Romney and Obama victories by Credit Suisse's report.

Unveiled: Transparency and Democracy

DARSHAN PATEL

Does greater government transparency lead to democratization? This question, though seemingly simple, has not been rigorously investigated. The theoretical argument is that information gained through transparency helps solve a collective action problem. Citizens find political action costly, and that cost can decrease if other citizens are equally well-informed. Increased information flow within a society reduces the cost of political action and signaling. Using the transparency dataset from Rosendorff and Vreeland's Democracy and Data Dissemination paper, and the Polity2 scores from the PolityIV project, I test the likelihood of democratization against the openness of policymakers to sharing information about inflation and unemployment rates, and show that greater transparency is correlated with a higher chance of democratization, even after controlling for variables such as per capita income, IMF participation, and more. Using a time series cross section dataset from 1960 to 2008 with OLS regression, I find that transparency does lead to a likelier chance of democratization, even when accounting for controls, fixed effects, and clustered robust standard errors.

I. Introduction

The path to democratization is not an easy one. Throughout history, most countries have gone through years under the rule of dictatorships or authoritarian regimes before the establishment of a democratic regime. In an era of greater transparency due to technology, the media, and international organizations, can we expect more democratization?

In this study, I look to find if greater government transparency leads to democratization. This is based off the theoretical argument, explained in greater detail below, that information gained through transparency helps solve a collective action problem. Citizens find political action costly, but can decrease this cost if other citizens are as informed as they are. Increased information flow within a society reduces the cost of political action and signaling, providing citizens the information they need to decide whether they want to protest a government policy or action. Transparency is essentially a coordination good that can be used for democratization.

To test the claim that transparency leads to democratization, we use an index of transparency defined as a government's willingness to disseminate policy-relevant data and constructed using data from the World Bank, the democratic Polity2 scale as defined by the Polity IV project, and a redefined Polity2 scale (PolityGap) that measures large steps towards democratization (a 3 to 4 point jump on the Polity2 scale).

Using various models, such as lagged variables and first differences, controlling for factors like GDP per capita and IMF participation, and accounting for fixed effects and clustered (country-level) standard errors, we show that the relationship between transparency and the change in democracy is positive and statistically significant.

II. Literature Review

Lord (2006) states that there is a rise of global transparency, or the increasing availability of information around the world. She goes on to say that greater transparency "reduces uncertainty, which can decrease the likelihood of war and increase international security," can both increase tolerance and decrease the likelihood of conflict between different peoples, and can "decentralize global power by breaking governments' monopoly over information and by empowering NGOs and citizens." NGOs are therefore better able to build coalitions to fight for political change and spark public protests. Citizens can also use this information to mobilize support for change, and possibly even to overthrow authoritarian regimes. Yet, Lord is hesitant to say that transparency can bring about democracy. She believes transparency also comes with destructive results, as it is "not synonymous with truth," and can strengthen illiberal regimes. This occurs when regimes decide to share selective information about their policies and the state of the country.

Kono (2006) speaks about optimal obfuscation, which is the practice of replacing transparent trade polices with less transparent ones in democratic governments. This allows politicians to cover their tracks and appear to be taking actions that please voters, while actually obscuring policy areas in which government action goes against majority desires. By focusing on the country's positive aspects and obscuring the negative ones, regimes create a dissonance between what is reported and reality.

Mani and Mukand (2007) state that the role of visibility (transparency) also plays a large part in influencing how governments allocate their resources across a multiplicity of public goods. They find that "greater democratization widens the gap in resource allocation between more visible versus less visible public goods," meaning that politicians in democracies choose to neglect some essential public goods due to the fact that they are less visible to the general public. Therefore, transparency influences how democracies act in respect towards resource allocation.

Democracy itself has been given a multitude of different definitions. Some give a minimalist definition of democracy as electoral competition, with no role given to government transparency (Schumpeter 1942). Yet Dahl (1971) reserves the term "democracy" for a political system that has the characteristic of being completely responsive to all its citizens, in which citizens can formulate and signify their preferences and then have those preferences weighted equally by those in government. For citizens

to be able to formulate their preferences, they need to be informed, which requires the free flow of information – transparency.

A question that has garnered more research is whether democracies are more transparent than other types of regimes. Hollyer, Rosendorff, and Vreeland (2011) find that democracies are, in fact, more transparent, due to the conditions under which democratic governments make information available to their constituents about their choices. This leads voters to make informed and sound decisions, raising voter welfare, and ensuring the survival of the government in office.

But there is still uncertainty concerning the full relationship between transparency and democracy. How does impeding the free flow of information affect democracy? Can greater transparency bring about democratization? This paper attempts to solve these questions.

What of other democratic determinants? There are a multitude of papers that delve into the various determinants of democratic transitions. Feng and Zak (1999) found that the determinants of democratic transitions are per capita income, the distribution of wealth, educational levels, and the strength of and preferences for political rights and civil liberties. These are all important factors for democratic transition, but can they tell the whole story? Feng and Zak explain the lower likelihood of democratic transitions in Pacific Asian countries and Islamic nations, holding other factors constant, through the lack of democratic elements in Confucianism and Islam. Their study also only covers a period from 1962 to 1992, which leaves out most of Eastern Europe's transitions to democracy, in which transparency appeared to play a part. Feng and Zak also use wealth as a sufficient statistic for education in developing countries, though that clearly might not be the case. These gaps in their analysis leave room for more explanation of the causal story.

Though democracy and transparency are complicated ideas that are much more than the simple definitions stated above, it helps to narrow down their definitions to generate clear predictions that are still liable to empirical investigation.

III. Theory

Transparency, according to the paper Democracy and Transparency by Rosendorff and Vreeland (2006), is a measure of the government's willingness to disseminate policy-relevant data. "A transparent political regime is one that provides accurate information about itself, its operations, and the country as a whole, or permits that information to be collected and made available" (2006, 5). This definition of transparency is important because it captures a crucial part of the flow of information in a society. Without adequate data on policy-relevant information, the public is unable

to hold the government fully responsible for its actions. A government that can hide its policy decisions can protect itself from the consequences of unpopular decisions. This definition also corroborates with definitions of transparency from other papers, such as Bellver and Kaufman (2005) and Florini (1999). Those papers state that transparency is the release of information by public institutions that is used to evaluate and account for the performance of those institutions.

Rosendorff and Vreeland (2006) created a transparency data set using the World Bank's World Development Indicators annual data series by coding it for the presence and absence of policy-relevant data, specifically credible measures of inflation and unemployment. The measure of transparency is the fraction of these variables reported in a given country-year that has a range from 0 to 1. This is the transparency measure I have used in my study.

The paper The Dynamics of Informational Cascades: The Monday Demonstrations in Leipzig, East Germany (Lohmann 1994), discusses how the East Germany demonstrations served as an "informational cascade" that made public previously hidden information about the regime. This informational cascade was needed in order to create a momentum for political change, leading to a government transition (1994, 87). This informational cascade created a sense of transparency in East Germany during the demonstrations. It allowed the East Germans to be informed about the actions of their government, which caused them to take action by protesting against the regime.

Lohmann's work also touches upon collective action. Citizens in an oppressive regime may want change, but political action is costly due to the fear of retribution, which is surely likely when citizens are one of a few protestors in an oppressive regime. Dissident citizens have to consider imprisonment, torture, and the endangerment of their family, their livelihood, and their lives. This cost can decrease if the size of a protest increases, as there is less of a chance of retribution, a greater chance of success, and potentially greater benefits involved. But signaling to other citizens is also costly (1994, 48). This represents a collective action problem. Transparency can reduce the cost of signaling by having the government do this itself. The government can provide information to the citizens that helps them decide if they want to protest. This helps solve the collective action problem by making it easier for citizens to make informed decisions.

Coordination goods, according to the paper Development and Democracy (Bueno de Mesquita and Downs 2005), are goods that involve things such as political and civil rights, press freedom, and access to higher forms of education. These goods are essential for citizens to engage in "strategic coordination," which includes activities such as recruiting and organizing party members, selecting leaders, holding meetings and demonstrations, and disseminating information (2005, 80). Transparency can be

considered as a coordination good because it allows for political coordination and protest, helping to solve the collective action problem. Autocracies are able to sever connections between growth and strategic coordination, allowing greater economic growth without giving more democratic rights to its citizens. For example, China has experienced high levels of economic growth for years despite the fact that the Chinese people have severely restricted political and civil rights such as the freedom of speech and media. The Chinese government does this by carefully rationing the amount of coordination goods given to the public, while also investing heavily in standard public goods, such as public transportation, public health, and primary/secondary education. These public goods are essential to economic growth and do not pose much of a threat to the regime (2005, 81).

If transparency is a coordination good that can contribute to increased information flow within a society, can it lead to democratization? For our democratic transition variable, we will use the Polity2 scores from the PolityIV project. As previously stated, the PolityIV project codes the authority characteristics of states in the world system for analysis.

I include several controls in my analysis. I control for GDP per capita, as it can relate to the ability of governments to collect and disseminate policy-relevant data. Since democracies typically have higher incomes than non-democracies, controlling for GDP per capita prevents the upward bias of the coefficient on my democracy measure. Since the World Bank concentrates on developing countries, I also control for GDP per capita to nullify the downward bias that can be caused from devoting greater attention and effort for collecting data from developing countries. As the IMF requires governments that receive support to publish relevant economic data, which can bias my coefficient of interest, I control for IMF participation. I also run regressions with country and time fixed-effects to make sure that there is no spurious correlation between transparency and democracy.

IV. Hypothesis

H0 : There is no relationship between transparency and democratization.

H1 : Greater transparency leads to a likelier chance of democratization.

V. Data

The dataset for this paper is a combination of the Polity2 dataset and the transparency dataset. For the majority of countries, there is data available from 1960-2008 for transparency and the Polity2 score, meaning that there is a transparency and

Polity2 measure for each country-year. For others, such as states that were part of the USSR, data is available for a specific set of years, depending on when they came into existence.

Rosendorff and Vreeland (2006) created a transparency data set using the World Bank's World Development Indicators annual data series by coding for the presence and absence of policy-relevant data, specifically credible measures of inflation and unemployment. The transparency variable is a fraction between 0 and 1, indicating the percentage of World Bank WDI data that was reported. They specifically relied on the variables related to "Economic Policy and Debt" in the WDI database (2006). There are 172 variables in that category that were consistently measured between 1960 and 2008, and the transparency variable is the fraction of these variables. This fraction is the measure of transparency reported in a given country-year. The World Bank obtains this data from other international organizations, such as the IMF or the International Labour Organization, who receive their data from national governments themselves. Much of the data is missing, and some data isn't available due to the failure of several governments to report, or because the data was questionable and had to be deleted. The transparency measure also captures the government's decision to release or withhold data, which is integral to our theoretical analysis. Other transparency measures, such as newspaper circulation (Besly and Burgess 2002), or the Freedom House's Freedom of the Press index, captures the flow of information, but does not capture the government's willingness to share this information. The Freedom House index also takes into account subjective decisions based on a country's laws and regulations that influence media, degree of political control over the media, and the structure of media ownership.

Countries vary substantially in the extent of their reporting. A histogram of the transparency measure we use is displayed in Figure 1.

Figure 1: Histogram of Transparency
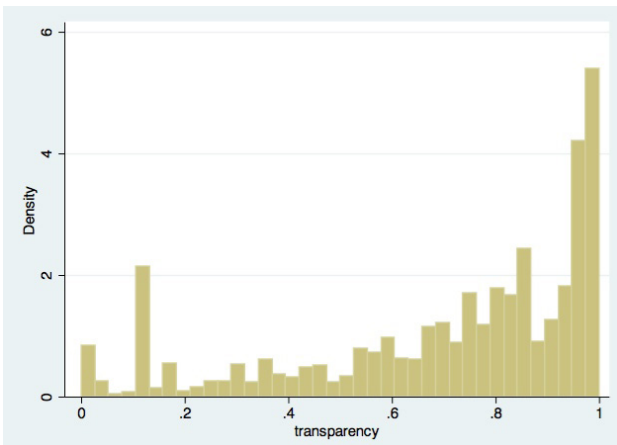
A histogram of the fraction of WDI variables with non-missing data across country years. The x-axis reports the fraction of WDI variables with non-missing data, while the y-axis reports the density of observations with a given transparency score.

For our democracy measure, we use the Polity2 measure from the PolityIV project. The Polity score "examines the concomitant qualities of democratic and autocratic authority in governing institutions, rather than discreet and mutually exclusive forms of governance." The Polity scheme is composed of six measures that take into account key qualities of executive recruitment, constraints on executive authority, and political competition. It also records changes in the institutionalized qualities of governing authority. It only includes information on the central government and the political groups acting within that authority, not on groups or territories that are separated from the authority. Figure 2 displays a histogram of the Polity2 data across country-years.

The measure has a recommended range of governing authority that goes from fully institutionalized autocracies (-10 to -6), to mixed authority regimes, termed anocracies (-5 to +5), to fully institutionalized democracies (+6 to +10), though this is not the only way the Polity2 measure can be divided. For my study, I split the Polity2 range differently in order to measure stepwise increases to democracy from an increase of transparency. I generated a new measure, deemed PolityGap, broken down as follows:
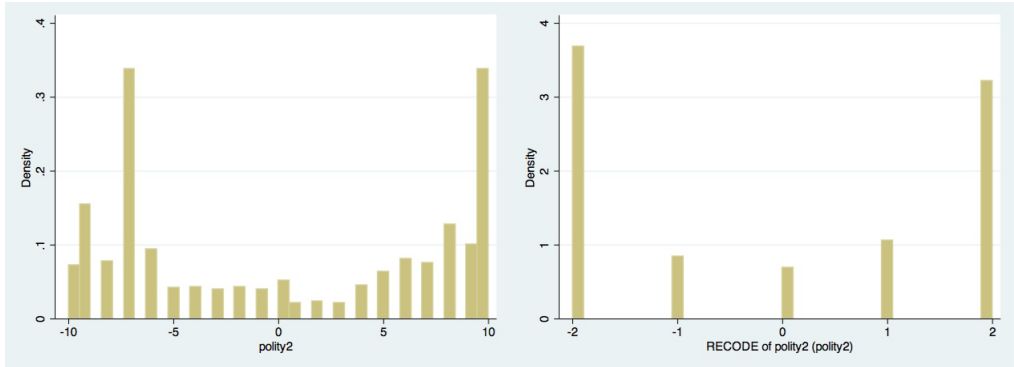
-10 to -6 = **-2**

-5 to -2 = **-1**

-1 to 2 = **0**

3 to 6 = **1**

and 7 to 10 = **2**

This allowed me to see steps, or a leap, towards democratization more easily than a continuous measure from -10 to 10. Figure 3 displays a histogram of the PolityGap data across country-years.

Figures 2 and 3: Histograms of Polity2 (Left) and PolityGap (Right)

Histograms of Polity2 and PolityGap across country-years, where the x-axis reports the Polity2 or PolityGap score and the y-axis denotes the density of observations of a given Polity2 or PolityGap score.

The Polity2 and PolityGap measures of democracies are better for my study than other measures of democracy, such as the Freedom House Index and the bivariate democracy measure. Freedom House creates an index based on two broad categories: political rights and civil liberties, and takes into account how freedom is affected by non-state actors, such as insurgents and armed groups, which is not suitable for this study. An example of a bivariate democracy measure is the Democracy-Dictatorship (DD) variable created by Cheibub et al. (2009) in their Democracy and Dictatorship Revisited paper. This minimalist, dichotomous variable measures whether a regime has governmental offices that are filled as a consequence of contested elections. This measure isn't suitable for this study because many countries make the shift from 0 (non-democracy) to 1 (democracy) only once, so there aren't enough instances within the dataset to clearly decipher the effect of transparency on democratization.

Since I also intended to do regressions with transparency2 (see estimation procedure for further informaion), I generated a new variable called sqtrans, which is equal to transparency2.

The controls in this study were chosen carefully. One is GDP per capita, which is drawn from the World Bank. GDP per capita likely relates to the ability of governments to collect and disseminate high-quality statistical data, and since democracies typically have higher incomes than non-democracies, I have controlled for GDP per capita because it may bias the coefficient on my democracy measures upwards. Since the World Bank concentrates on developing countries, I have controlled for GDP per capita due to the chance that the World Bank devotes greater attention and effort for collecting data from developing countries, which would cause a downward bias on the association

between democracy and transparency. I have controlled for IMF participation, because the IMF requires that governments that receive IMF support publish their relevant economic data, which could bias my coefficient of interest. I also ran regressions with country and time fixed effects, with clustering around country codes.

Other useful values are also available in the dataset. Apart from the PolityGap variable, there is a six-fold regime classification value that is useful for the post-analysis of the data to see if there are any trends with the type of democracies/dictatorships and their transparency value. The classification system is as follows:

0.   Parliamentary democracy

1.   Mixed (semi-presidential) democracy

2.   Presidential democracy

3.   Civilian Dictatorship

4.   Military dictatorship

5.   Royal dictatorship

Other values in the dataset are either dummy variables or extraneous information (nominal or actual head of office, age of regime, etc.) about the state during that specific year.

Estimation Procedure:

We used OLS regressions on panel data to test the relationship between transparency and democratization, with transparency as the independent variable, and democratization (Polity2 or PolityGap) as the dependent variable. We also used different models (first differences, lagged independent variable) to analyze the effect of transparency on democratization from different angles.

We did seven different models of regressions with both the PolityGap and Polity2 scores. The models are as follows:

1)   With Controls

2)   Lagged Independent Polity variable, fixed effects with Clustered (at the country level) Standard Errors

3)   Fixed Effects with Clustered (country level) Standard Errors

4)   Fixed Effects with Country and Year Fixed Effects

5)   Lagged Independent Transparency variable, fixed effects with Clustered

(country level) Standard Errors

6)   First Differences Equation with Robust Standard Errors

7)   First Differences Equation with fixed effects and Clustered (country level) Standard Errors

I included model 1 simply as a base point to see the relationship between transparency and democratization. All other models also included controls. Fixed effects with the command xtreg (models 2, 3, 4, 5, 7) allowed me to view the estimate within-group variation by computing the differences between observed values and their means. I accounted for clustered (country level) standard errors in models 2, 3, 5, 7 so that I could account for correlation within groups at the country level, and have the standard errors clustered at the country-level. Model 6 accounted for robust standard errors. I applied country and year fixed effects in model 4 to account for those controls.

I lagged the independent variable in model 5 because I wished to account for the idea that making steps toward democracies takes time - a country could have years of higher transparency before there is a marked improvement in democracy. By lagging transparency in this model, I was able to see if this was the case. I also lagged the Polity variable (democracy) in model 2 to help disprove the possibility that the results I obtained were the result of autocorrelation.

The first differences models (models 6 and 7) were the most important models in this study as these dealt directly with the relationship between transparency and the change in democracy. By running transparency against the change in democracy, and accounting for robust and clustered standard errors, I could clearly see the effect transparency has on democratization.

I also performed several regressions with transparency2. I wanted to see the output if I ran regressions with the change in PolityGap against transparency and transparency2. This was done to see if the relationship between transparency and democratization could be described more adequately by random-effects GLS regression.

I also conducted the Wooldridge test for autocorrelation, so that I would see if there was any autocorrelation for which I would subsequently need to account.

Lastly, I also attempted to find an instrumental variable that identifies a causal link between transparency and democratization. I decided to do IMF concessional loans, as those loans often have requirements for the recipient states to increase transparency. I ran 2SLS (1) and GMM regressions (2) to determine whether IMF concessional loans could be an instrumental variable in this study.

VI. Analysis

Table 1: Analyses of Determinants of Transition to Democracy (Polity2)

	(1) polity2	(2) polity2	(3) polity2	(4) polity2	(5) polity2	(6) polity2	(7) polity2
transparency	5.38***	1.44***	5.37***	3.63***	-2.06	0.465*	0.947***
	(8.61)	(4.51)	(3.77)	(3.50)	(-1.55)	(2.50)	(3.46)
gdp	0.000970***	0.0000751**	0.000942***		0.000832***	-0.0000219	-0.0000315*
	(15.33)	(3.20)	(4.87)		(4.50)	(-1.89)	(-2.15)
gdp_growth	0.0162	-0.00327	0.0174		0.0143	-0.00774	-0.00581
	(1.32)	(-0.55)	(1.22)		(0.99)	(-1.28)	(-0.88)
IMF_credit	2.99e-10***	4.36e-11	3.00e-10		2.77e-10	1.94e-11	1.22e-11
	(5.45)	(1.52)	(1.94)		(1.84)	(1.95)	(0.59)
L.polity2		0.890***					
		(87.32)					
L.transparency					8.970***		
					(5.37)		
Constant	-6.06***	-1.23***	-6.13***	-2.59***	-7.28***	-0.216	-0.621**
	(-8.88)	(-4.42)	(-4.95)	(-4.20)	(-5.54)	(-1.32)	(-2.66)
Observations	3526	3519	3526	6799	3521	3519	3519

Note: Table shows the results of the OLS regressions of the fraction of WDI variables reported in a given country-year against the Polity2 measure of democracy along with controls. The numbers in parentheses represents the Z-scores. * denotes significance at the 95% level, ** denotes significance at the 99% level, and *** denotes significance at the 99.9% level. Models correspond to the descriptions in the estimation procedure section. Models 2-5 and 7 have standard errors clustered at the country-level. Model 6 accounts for robust standard errors. Model 4 accounts for country and year fixed effects. Controls are also present.

I start by looking at Table 1. The model numbers correspond to the type of model described in the Estimation Procedures Section. In Table 1, I am analyzing the relationship between Polity2 and transparency. I find that for models 1, 2, 3, 4, 6, and 7, and the lag transparency variable for model 5, the relationship between transparency and democracy is statistically significant at the 95 - 99.9% level. GDP per capita is also statistically significant at the 95 - 99.9% level for models 1, 2, 3, 5 and 7, while

IMF participation (IMF_credit) is statistically significant in model 1. GDP_growth is not statistically significant in any model. Controlling for GDP and IMF participation was therefore necessary. The Z-scores for transparency are also much higher or lower than one standard deviation away from the mean, meaning that the pattern that is exhibited is too unusual to be just the result of random chance. The range of Z-scores that would indicate that it could be another version of random chance at the 99.9% significance level is -2.576 to +2.576. Since the Z-scores are outside that range for models 1 – 4 and 7, and for the lag transparency variable in model 5, I can reject the null hypothesis that states that there is no significant relationship between transparency and democratization. The coefficients are positive for models 1 - 4 and 6 - 7, and for lagged transparency in model 5, indicating a positive association between transparency and democratization.

Model 5, where I lagged transparency, reveals some aspects of the relationship between transparency and democratization. Transparency and the benefits and signaling that come with it needs time to take effect. A few years of transparency can bring about more informed citizens who are able to advocate for democracy, leading to an increase in the polity2 score. This relationship and the time effect are buttressed by model 5.

But the most significant models are models 6 and 7, which show directly that transparency has a positive, statistically significant relationship with the change in democracy, even when accounting for robust (6) or clustered (7) standard errors. When transparency increases, there is a positive change in democracy.

Could this relationship be because of autocorrelation? The results of the Woolridge test indicated that there is autocorrelation. I accounted for this by including a lagged Polity variable in model 2 and a lagged transparency variable in model 5. I observed that the lagged Polity2 variable and transparency were still statistically significant in model 2, and that lagged transparency was statistically significant in model 5. This indicates that the correlation observed could not just be due to autocorrelation, as the relationship also depends on the statistics (levels of transparency and democracy) of years past.

The R2 scores are also low (below .25, lower for most), indicating that there isn't a significant effect of multicollinearity. Figure 4 also shows the positive relationship between transparency and democratization through a margins plot.

Figure 4: Margins plot of Model 1, Table 1 (Polity2)
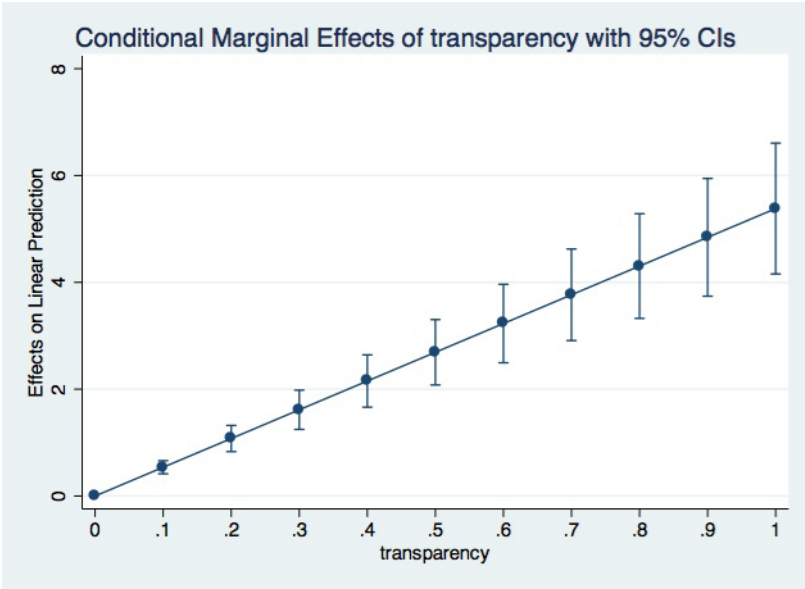
A Margins Plot that shows the predicted marginal effects of transparency on democracy (Polity2). The x-axis represents the fraction of transparency, while the y-axis shows the range of effect (which gets larger) on democracy as transparency increases.

## Table 2: Analyses of Determinants of Transition to Democracy (PolityGap)

	(1) RECODE of polity2 (polity2)	(2) RECODE of polity2 (polity2)	(3) RECODE of polity2 (polity2)	(4) RECODE of polity2 (polity2)	(5) RECODE of polity2 (polity2)	(6) RECODE of polity2 (polity2)	(7) RECODE of polity2 (polity2)
transparency	1.26***	0.364***	1.26***	0.855**	-0.531	0.124**	0.243***
	(7.98)	(4.49)	(3.49)	(3.28)	(-1.52)	(2.69)	(3.72)
gdp	0.000243***	0.0000204***	0.000235***		0.000208***	-0.00000598*	-0.00000791*
	(13.23)	(3.47)	(4.81)		(4.25)	(-2.09)	(-2.20)
gdp_growth	0.00305	-0.00150	0.00339		0.00266	-0.00264	-0.00215
	(0.98)	(-0.92)	(0.92)		(0.71)	(-1.67)	(-1.23)
IMF_credit	7.90e-11***	1.03e-11	7.91e-11*		7.37e-11*	4.21e-12	1.28e-12
	(5.71)	(1.42)	(2.25)		(2.16)	(1.08)	(0.23)
L.RECODE of polity2 (polity2)		0.884***					
		(84.05)					
Ltransparency					2.16***		
					(4.95)		
Constant	-1.58***	-0.329***	-1.59***	-0.730***	-1.87***	-0.0593	-0.159**
	(-9.31)	(-4.65)	(-5.11)	(-4.70)	(-5.66)	(-1.46)	(-2.86)
Observations	3526	3519	3526	6799	3521	3519	3519

Note: Table shows the results of the OLS regressions of the fraction of WDI variables reported in a given country-year against the PolityGap measure of democracy along with controls. The numbers in parentheses represents the Z-scores. * denotes significance at the 95% level, ** denotes significance at the 99% level, and *** denotes significance at the 99.9% level. Models correspond to the descriptions in the Estimation Procedure section. Models 2-5 and 7 have standard errors clustered at the country-level. Model 6 accounts for robust standard errors. Model 4 accounts for country and year fixed effects. Controls are also present.

Table 2 tells a similar story, but for the variable PolityGap. Models 1 – 4, 6 and 7, along with the lagged transparency variable in model 5 show that the relationship between transparency and democracy is statistically significant at the 99 - 99.9% level. The coefficients are all still positive, meaning that transparency and democracy have a positive correlation, but are smaller than they were for the polity2 regressions. This makes sense as the Polity2 range is much larger (-10 to 10) while PolityGap is smaller (-2 to 2). When looking at the coefficients of Polity2 (5.38, 3.63) and the coefficients of PolityGap (1.26, .855), I observe that they represent a similar relationship, but for different scales. GDP was also statistically significant for models 1-3 and 5-7, while IMF participation was statistically significant for models 1, 3, and 5. Model 5, where I lagged transparency, also shows that transparency and the benefits and signaling that come with it needs time to take effect, just as in Table 1.

I lagged PolityGap in model 2, and I find that a lagged PolityGap variable has a 99.9% statistically significant, positive relationship. This makes sense, as the level of democracy of past years should affect the level of democracy in any given year. Once again, the Z-scores are out of the -2.576 to +2.576 range for models 1-4 and 6-7, along with the lagged transparency variable in model 5, indicating that the patterns I observe in the table are too unusual to simply be the result of random chance.

The first differences models (model 6 and 7) still directly show the significant, positive relationship between transparency and democratization (the change in democracy). The R^2 scores are also low (below .25, lower for most), indicating that there isn't a significant effect of multicollinearity. Figure 5 below shows the positive association between transparency and democratization through a margins plot.

Figure 5: Margins Plot, Model 1 Table 2 (PolityGap)
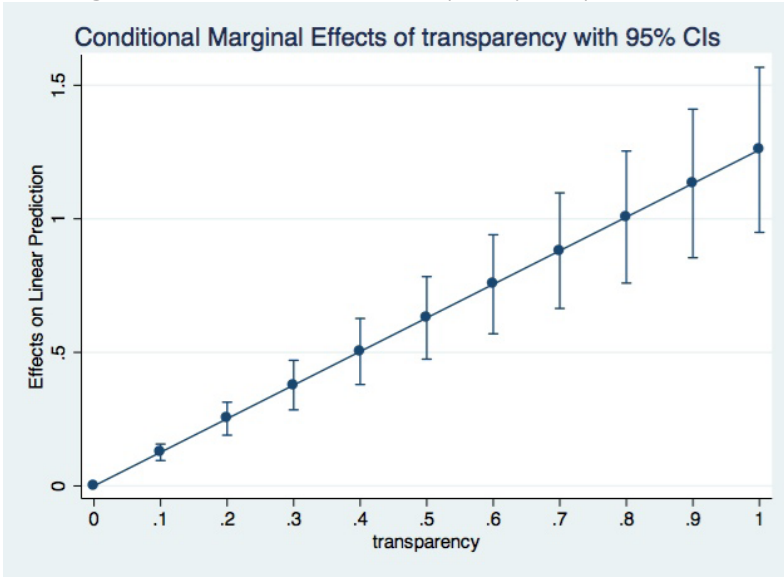
A Margins Plot that shows the predicted marginal effects of transparency on democracy (PolityGap). The x-axis represents the fraction of transparency, while the y-axis shows the range of effect (which gets larger) on democracy as transparency increases.

The results of the Woolridge test indicated that there was autocorrelation with the PolityGap measure and transparency. I accounted for this in the same way described above, showing that the relationship between transparency and democracy depends on the relationship of the years prior.

I see that transparency has a positive relationship with democracy in every model for both PolityGap and Polity2 variables, and show that transparency leads to democratization in models 6 and 7. This positive association is present at statistically significant levels even when accounting for fixed effects, clustered or robust standard errors, country and fixed effects, and lagging variables. I conclude that the estimates and the coefficients in Tables 1 and 2 show support for my theory.

Table 3: Instrumental Variable Testing (Polity2)

	(1) 2SLS polity2	(2) GMM polity2
transparency	123.6 (0.19)	-54.63 (-0.14)
Constant	-89.48 (-0.18)	44.47 (0.14)
Observations	3784	3784

Note: Table shows the results of the 2SLS and GMM regressions of transparency to find if IMF concessional loans are a valid instrumental variable. * denotes significance at the 95% level, ** denotes significance at the 99% level, and *** denotes significance at the 99.9% level. Standard errors are in parentheses. F-stat > 10

Table 4: Instrumental Variable Testing (PolityGap)

	(1) 2SLS RECODE of polity2 (polity2)	(2) GMM RECODE of polity2 (polity2)
transparency	32.09 (0.19)	-12.50 (-0.13)
Constant	-23.45 (-0.18)	10.04 (0.13)
Observations	3784	3784

Note: Table shows the results of the 2SLS and GMM regressions of transparency to find if IMF concessional loans are a valid instrumental variable. * denotes significance at the 95% level, ** denotes significance at the 99% level, and *** denotes significance at the 99.9% level. Standard errors are in parentheses. F-stat > 10

My instrumental variable testing (Tables 3 and 4) shows that IMF concessional loans can make a good instrumental variable to prove the causality between transparency and democracy. The F-stat reported in Stata for the regressions was above 10, meaning that it has a valid first stage and that concessional loans significantly influence the level of transparency. Transparency is also highly significant in tables (though it is positive for 2SLS and negative for GMM) as dividing the coefficient by the standard error generates an extremely high t-value (indicated by the presence of several asterisks). Therefore, IMF concessional loans could identify a causal link between transparency and democratization.

Table 5: Transparency^2 Table (sqtrans)

	(1) D.polity2	(2) D.RECODE of polity2 (polity2)
transparency	-0.934 (-0.66)	-0.229 (-0.62)
sqtrans	0.960 (1.00)	0.242 (0.97)
gdp	-0.0000239 (-1.03)	-0.00000649 (-1.07)
gdp_growth	-0.00770 (-1.41)	-0.00263 (-1.84)
IMF_credit	1.84e-11 (0.90)	3.96e-12 (0.74)
Constant	0.255 (0.50)	0.0595 (0.45)
Observat	3519	3519

Note: Table shows the results of the GLS regression of transparency2 on the change in democracy for both Polity2 (1) and PolityGap(2). * denotes significance at the 95% level, ** denotes significance at the 99% level, and *** denotes significance at the 99.9% level. Z-scores are in parentheses.

Lastly, my transparency2 testing (Table 5) shows that the relationship between transparency2, transparency, and democratization isn't statistically significant at any level. The Z-scores were also very low. I conclude that this wasn't the proper model for my study. Figures 5 and 6 below show the inaccuracy of the model.

Figures 5 and 6: Margins plot of Transparency2 testing (Polity2 Top; PolityGap Bottom)
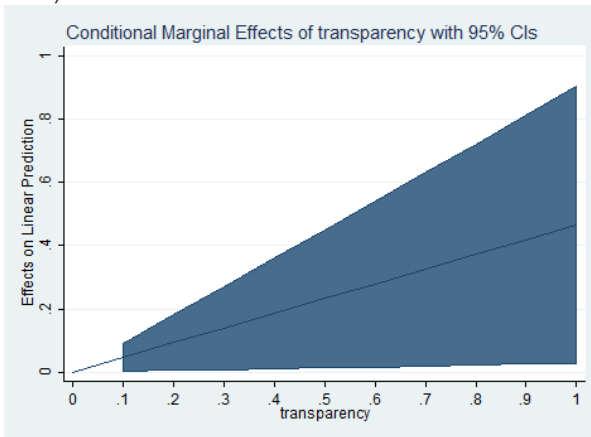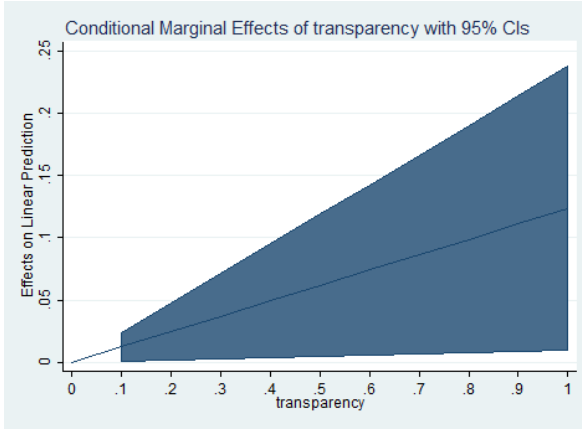
These margins plots show the predicted marginal effects of transparency and transparency2 on democracy (PolityGap). The x-axis represents the fraction of transparency, while the y-axis shows the range of effect (which gets larger) on democracy as transparency increases.

VII. Conclusion

I conclude that government transparency is indeed positively correlated to democratization. I have provided the theoretical argument as well as relevant data (Tables 1 and 2, Models 6 and 7 specifically) to come to this conclusion. Greater transparency leads to positive changes in democracy.

This has implications for how we look at the relationship between transparency and democracy. The more transparent a government is, the more likely it will undergo the process of democratization. Transparency is a coordination good that contributes to the increased information flow within a society, and it lowers the cost of signaling to others by providing information to citizens that helps them decide whether they want to protest. Researchers have concentrated before on how democracies increase transparency, but with the global age of transparency, in which media, technology, NGOs and more have given citizens access to endless information, we must look at how transparency affects the governance of a nation.

There are some issues with my study that could be explored further. I could not be completely certain that I had a suitable instrumental variable to solve the problem of causality, and this could have affected my study and conclusions. My transparency variable was also created by only looking at missing data from the "Economic Policy and Debt" series from the World Bank. Yet the transparency of a government deals with much more than the reporting of their economic data to the World Bank. Transparency, in essence, is the free flow of information from institutions to the public who can then

judge those institutions, and an idea for further study is to find a transparency variable that more effectively captures this idea.

Most importantly, this study should encourage even greater transparency measures for countries. Organizations such as the United Nations or IMF could implement measures that require the countries with which they are involved to increase their transparency. This could lead to gradual increases in political and civil rights for people around the world.

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Understanding Sunni Opposition to Palestinian Resettlement in Lebanon in the Context of Confessional Politics

Zainab Qureshi

The great variation of different Christian and Muslim sects in Lebanon has led to the country's adoption of confessionalism, a system in which political power is distributed proportionally among religious communities, as its political arrangement. This has left the system of government extremely vulnerable to any change in the nation's demographics. The influx of Palestinian refugees due to the Israeli-Palestinian conflict has served as a primary example of this vulnerability, as the issue of Palestinian permanent settlement in Lebanon has been met by popular opposition and sparked furious debate. The Sunni Muslim makeup of the Palestinian refugee population has deepened sectarian rifts in the country. Despite the boost to their demographic weight that would result from Palestinian resettlement, even the Sunni Lebanese population opposes their permanent assimilation into Lebanon. This paper argues that the opposition of Lebanese Sunni Muslims to Palestinian resettlement in Lebanon is rooted deeply in their strict belief in the principle of the Palestinian right of return. Beginning with a discussion of confessionalism and its history and practice in Lebanon, I discuss Sunni-Lebanese attitudes towards resettlement, statements made by prominent Sunni Lebanese politicians, anti-Israeli sentiments in Lebanon, and a discussion of Sunni Lebanese support of Palestinians against their own country as factors pertinent to Sunni adherence to the "right of return."

I. Introduction

Lebanon is a nation of extreme religious diversity, comprised of twelve different Christian sects and six different groups of adherents to the Muslim faith - Shia, Sunni, Druze, Ismaeli, Alawite and Nusayri, This great variation in different faiths has led Lebanon to adopt a form of confessionalism as its political arrangement - a system in which political power is distributed proportionally among religious communities. This has left the system of government extremely vulnerable to any change in the nation's demographics, as exemplified by the recent influx of Palestinian refugees due to the Israeli/Palestinian conflict. The issue of the refugees' permanent settlement in Lebanon has sparked furious debate and been met by popular opposition. The Sunni Muslim makeup of the Palestinian refugee population has deepened sectarian rifts in the country. Despite the boost to Lebanon's demographic weight that would result from Palestinian resettlement, even the Sunni Lebanese population opposes permanent

Palestinian assimilation in Lebanon.

This paper will argue that Sunni opposition to resettlement is rooted deeply in their strict belief in the principle of the Palestinian right of return. In order to understand what makes Sunni opposition surprising, it is necessary to grasp confessionalism and its history and practice in Lebanon. A study conducted by Hilal Khashan, Associate Professor of Political Science at the American University in Beirut, which reveals Sunni-Lebanese attitudes towards resettlement, and an explanation of the "right of return" principle that influences Sunni-Lebanese thought will also clarify the nuanced opposition.

II. Confessionalism

Confessionalism is a form of consociationalism. According to policy think tank The Reut Institute, consociationalism is a form of democracy that regulates the sharing of power in a state that is composed of diverse ethnic, religious, political, national, or linguistic groups, by allocating these groups' collective rights. The shared allocation of power allows the state to function durably despite these internal divisions, and is mainly characterized by proportional representation, veto rights, and segmental autonomy for minority groups. Confessionalism distributes political and institutional power proportionately amongst religious sub-communities. For example, if the population of Country X is 75% Christian and 25% Buddhist, Christians and Buddhists would be represented in a confessional government by a 3:1 ratio.

While a seemingly effective way to ensure peaceful co-existence in a country encompassing a multitude of diverse religious communities, confessionalism is not without fault. Often, such a system exacerbates conflict between religious groups, as the majority group that holds the most political power favors its own members over those of other sects. Furthermore, it is possible that the demographics of a country may change over the years, in which case the proportion of power given to the different religious communities will no longer accurately reflect their population size. This particular issue of changing demographics has plagued Lebanese politics throughout the years.

III. The History and Practice of Confessionalism in Lebanon

The current practice of confessionalism in Lebanon began in August 1920, after World War I and the dismemberment of the Ottoman Empire by France and Great Britain. Lebanon and Syria were collectively referred to as the "Levant," and a movement to consolidate what would become Lebanon with neighboring regions created friction. Syrian and Lebanese Muslims strongly opposed this movement, arguing that these lands should remain under Syrian control. However, the Christian

Maronites disagreed, resulting in a stalemate and enmity that did not end until the 1940s, when the shared interest between the two sides to declare independence from French colonial rule outweighed any animosity they held toward each other.   The French relented under pressure from their united front and Great Britain, and allowed newly independent Syria and Lebanon to create constitutions and hold elections.

As a result of the Lebanese elections, Bishara al-Khuri, a Maronite, became President and chose Riyadh al-Sulh, a Sunni Muslim, as his Prime Minister. Together, they reached a compromise with regard to the landed conflict between the Maronites and the Muslims. In what became known as the National Pact of 1943, the Christian community "accepted Lebanon's Arabness" and the Muslims agreed to abandon their effort to consolidate Lebanon with other states.

In addition to this, the Pact elucidated a formula for sectarian representation. The formula was based on the results of the census of 1932, which determined that the population of all the Christian sects was greater than that of all the Muslim sects by a ratio of 6:5. Political power was distributed according to this ratio. For every six Christian deputies, there were five of Muslim faith. Sectarian divisions were taken into account: Maronites and Sunni Muslims were guaranteed two to three positions, while minority sects were entitled to one position each. It is important to note here that no further census was taken and representation continued to be based on these 1932 figures despite significant changes in Lebanese demographics.

Confessionalism was originally meant to be a temporary solution in Lebanon: "proportional representation among the confessional groups within each of the two religious communities" would exist only "until such time as the Chamber enacts new electoral laws on a non-confessional basis," but it has remained the system of government in the nation for over eighty years, causing major disruptions in peace and fighting between various sectarian alliances and leaving the political system with little room to accommodate the arrival of three hundred thousand Palestinian refugees.

IV. The Outbreak of Civil War and the Influx of Palestinians into Lebanon

The National Pact of 1943 served Lebanon well for over three decades until its collapse in 1975. For fourteen years, from 1975-1989, Lebanon was engulfed in a civil war spurred by shifting sectarian alliances and divisions. Following the June 1967 Arab-Israeli War, three hundred thousand Palestinian refugees arrived in Lebanon, disrupting the demographic balance. Palestinian commando organizations, supervised by the Palestinian Liberation Organization, moved their base of operations into southern Lebanon. Their raids into Israel led to Israeli retaliatory actions that endangered not only the Palestinians occupying Lebanon, but many of the Shia villagers residing in

the same region. It was these retaliatory actions, such as the attack by Israel on Beirut International Airport and the murder of three Palestinian leaders in Lebanon, that triggered an outcry from the Lebanese people. The people of Lebanon remained divided, as they could not agree on whether or not Lebanese forces should retain the Palestinian commandos, or allow them to continue with their attacks on Israel knowing full well that Israel would respond with counterattacks.   Apart from the angered Shia community who demanded that the government intervene to restrain the Palestinian forces and put an end to Israeli attacks, these attacks also fueled Sunni Muslim anger toward Israel as well, playing a factor in the Sunnis later motivation to side with displaced Palestinians and their right of return to Israel.

The economic and social woes of the Muslims - both Sunnis who lacked basic social services, and Shiites who remained underrepresented in parliament - led Lebanese Muslims to support Palestinians against Israeli attacks. Kamal Jumblatt, recognizing the changes in Lebanese demographics and the country's need to assume a position in the Arab-Israeli conflict, joined together a group of frustrated Muslims to form the Lebanese National Movement. This force was committed to the abolition of confessionalism and freedom of action for the Palestinian commandos, and it was a "major factor in the civil war."

Having been allocated more power under the confessionalist system, the Maronite Christians stood opposed to the Lebanese National Movement. Two of these Maronite leaders, Pierre Gemayel and Camille Chamoun, led the Lebanese Phalange Party. A round of fighting following a Phalange attack on Palestinians ended in a ceasefire, but worsened divisions amongst the Lebanese people. Muslim and Christian militias continued to engage in fighting, which intensified as the Phalange began to expel Muslims from certain areas of Beirut and launch an offensive on the Palestinian refugee camp of Tal al-Za'tar.

V. The Taif Accord

Syria eventually intervened and came to the aid of the Christian militias. On October 18, 1976, Syria and the Palestinian Liberation Organization reached a ceasefire agreement. The war was over, yet the confessional system was neither abandoned nor amended. Following this ceasefire agreement, Israel, allied with Bashir Gemayel, a leader of the Lebanese Phalange, launched a plan to remove the PLO as a threat, clear out the Syrian occupying troops, and forge an alliance with the Maronites. They invaded Lebanon on June 6, 1982, but kept their true objective of destroying PLO infrastructure and ensuring Bashir Gemayel's election a secret. According to Cleveland, this "deliberate misleading" was one of the reasons for the strong reaction against the invasion. An evacuation agreement was eventually drawn up, and in 1983, the Israelis

finally left Lebanon.

Following this evacuation, the Shia population began to gather and rally in attempt to achieve their political goals. The major obstacle to political reform was the misallocation of power to the various religious communities, which was no longer reflective of Lebanon's demographic situation. The Muslims were now the majority, but the Maronites were not willing to give up any of the power they relished. So adamant were the Maronites on this matter that they would have preferred the establishment of a separate, Maronite state rather than forgo any portion of their control to the Muslims.

Finally, the Arab League brought members of the last Lebanese parliament together in Taif, Saudi Arabia, with the goal of reconciling these differences among the Muslims and Maronite groups. The most significant change resulting from the Taif Accords was the transfer of some of the powers of the President (a Maronite) to the Prime Minister (a Muslim), which reflected the increase in the Muslim population. Furthermore, the 6:5 power ratio in parliament between Christians and Muslims was tweaked to provide an equal number of seats for both sects. Nine new Muslim seats were added, three of which were allocated to the Shia population.

The Taif Accords reinforced confessionalist politics in Lebanon by "vigorously affirming religious identity as the core of Lebanese politics." However, the deepening of sectarian identities and animosity among the various ethno-religious groups, as well as Shia opposition to PLO autonomy, threatened the stability that the Taif Accords had worked to achieve. The delicate confessional balance makes Lebanon extremely sensitive to any internal or external changes. As such, the influx of Palestinian refugees into Lebanon has triggered instability and local discontent.

VI. Hilal Khashan's Study into Lebanese Attitudes Towards Palestinian Resettlement

The arrival of Palestinian refugees into Lebanon has further confused a preexisting, complex political situation. The permanent resettlement of the Palestinians into Lebanon is seen by the Lebanese as both an economical and political threat, and has therefore been a significant topic in Lebanese news and political discourse. Hilal Khashan, Associate Professor of Political Science at the American University of Beirut, conducted a study in 1993 that revealed Lebanese views concerning the controversial issue of resettling Palestinian refugees. For the purposes of this research paper, I will analyze the results of his surveys pertaining to how the Lebanese perceive the impact of Palestinian resettlement on Lebanon as a whole and on the country's individual sectarian groups. The results are based on a random sample of 986 Lebanese adults.

Khashan's study found that 75% of Lebanese people would reject resettlement

if it were to be imposed. Of the remaining 25%, only 11% said they would accept it; the other 14% remained unsure.

Attitudes Towards Resettlement	Sunnis n=262%	Shiites n=210%	Druze n=72%	Maronites n=220%	Orthodox n=93%	Catholic n=80%
Accept	19	8	17	5	12	7
Reject	63	78	71	87	78	78
Unsure	18	14	12	8	10	15

It is important to note that anti-resettlement sentiments were found across the various religious denominations. True, there are some slight variations in the number willing to accept Palestinian naturalization, especially between the Sunni Muslims and the Maronites, but on the whole, opposition to Palestinian resettlement is seen across sectarian boundaries. The Sunnis displayed the greatest tendency towards acceptance, but even among the sect with which most Sunni Palestinians identify, only 19% responded that they would be willing to accept resettlement of the refugees. The acceptance rate for the rest of the religious denominations was even lower:

Further on in his study, Khashan asks the respondents what they believe the projected impact of Palestinian settlement would have on the respondents' own religious groups, both politically and economically:

Projected Political Impact of Resettlement	Sunnis n=258%	Shiites n=203%	Druze n=67%	Maronites n=220%	Orthodox n=92%	Catholic n=78%
Positive	45	14	30	8	15	9
Negative	29	69	37	74	51	65
Unsure	26	17	33	18	34	26

Projected Economic Impact of Resettlement	Sunnis n=249%	Shiites n=191%	Druze n=68%	Maronites n=213%	Orthodox n=91%	Catholic n=76%
Positive	40	23	22	11	18	21
Negative	27	52	35	52	36	43
Unsure	33	25	43	37	46	36

In the case of each religious sect except the Sunnis, the overwhelmingly negative sentiment towards settlement (seen in the results on the first table) can be explained by the findings in these tables. Within each group, a greater percentage of the demographic felt that resettlement would have negative consequences rather than positive. The large gap between the percentages of people believing the impact would be negative and those believing it would be positive in the Christian and Shiite communities is easily explained. The Christian sects are mostly likely to view Palestinian resettlement as a threat to the political power they have enjoyed for the past eighty years. The influx of a large Muslim population will sway the demographics of the country in their favor, giving Muslims more seats in Parliament and therefore more power than the Christians. For the Shia community, opposition and the perceived negative impact of resettlement is due to tension between the Shiites and Palestinians that resulted from the Palestinian resettlement and the subsequent large displacement of Shiites, as well as the Israeli attacks on the region precipitated by Palestinian raids into Israel. Furthermore, Khashan writes that there is a concern that resettlement will cause the Taif Agreement to lose influence by diminishing the percentage of Lebanese Shia in proportional representation. This is especially threatening to the Shia who gained leverage in government as a result of the agreement. Added to these worries is the fear that Shia opposition to Palestinian naturalization could result in resumption of civil war.

It is interesting to note that 45% of Sunni Muslims in Lebanon believe that the resettlement of the Palestinian refugees would have a positive political impact towards their own group, and 40% believed the resettlement would have a positive economic impact, yet earlier we noted that only 19% of them favored resettlement. Despite what the Sunni Muslims stand to gain by the incorporation of the Palestinian Muslims into their confessional society, the majority (63%) reject resettlement. The rest of this paper will discuss reasons for Lebanese-Sunni rejection of resettlement despite the perceived favorable impact it may have for them.

VII. The Effects of Arab Nationalist Ideology, The Right of Return on the Sunni Perception of Resettlement

In a study similar to Hilal Khashan's, but conducted a decade later in 2005, Simon Haddad conducted a series of polls to gauge Lebanese sentiments towards resettlement and found results that paralleled those of Khashan: the majority of the Lebanese public (72%) was opposed to resettlement, and although the group with the least opposition is Sunni Muslims, the majority of them also stand against the permanent settlement of Palestinian refugees in Lebanon. He discusses three different factors that create popular opposition to Palestinian naturalization. The first consideration is the effect that the Palestinians would have on the current economic situation in Lebanon. Lebanon has few resources and a growing population, which puts a strain

on the economy and job market. This situation has been exacerbated by the large number of Palestinian refugees – approximately 400,000 - which has increased the country's population by 25%. The second consideration is the unfavorable Lebanese attitude towards Palestinians. Palestinians are held responsible for the Lebanese civil wars, and the harsh memories of the violence cause the Lebanese to feel they have already sacrificed too much for their Palestinian brethren, and will not give up more by accepting them into their state.

The third factor, the negation of the right of return, aids more in explaining why Sunnis, who stand to gain the most by the integration of the refugees into Lebanese society, oppose their permanent settlement. Our previous discussion of Khashan's study proves that it cannot be just economic repercussions that sway the Sunnis into taking an issue with resettlement, as only a relatively small number of Sunnis (27%) believe resettlement will have a negative economic impact on their group. It is also not sectarian reasons that underlie Sunni opposition, since the addition of Sunni Palestinians into society would favor Sunnis in Lebanon. The principle of the right of return is a firmly held belief among Sunni Muslims that pervades the Middle East. The displacement of Palestinian refugees coupled with dismissal of Israeli claims to the land lead Sunni Lebanese to advocate a right of return above all. Acceptance of Palestinian naturalization on their part would seem like a tacit negation of this right. Sunni dedication to this principle contributes to their support of the refugees against the Israeli state and is clearly present in the opinions of prominent Lebanese Muslim politicians criticizing Israel's legitimacy.

The Palestinian right to return is a political position that demands the right for displaced Palestinian refugees and their descendants to be able to return to their homeland and to be returned any property that they or their ancestors were forced to abandon. Staunch supporters of this belief, predominately Sunni Muslims, hold that this right is sacred and should be honored. Sunnis heavily support the cause of the Palestinians because of their shared Sunni identity. Over 75% of Palestinians are Sunni Muslim, and approximately 85% of the Palestinian refugee population in Lebanon identify with Sunni Islam.

Religious identification is very important for most Lebanese. This is partly due to the exacerbation of sectarian divisions in the confessional system of government, but also due to the inherent conflict in Islam between religion and nationalism; the Qur'an explicitly rejects the basis of nationalism because Islam is the only criteria required for unity. Khashan writes that in Lebanon, religious identification is given precedent over identification with the state, citing the violence in the 1960s and 1970s as evidence of Sunni support for the Palestinian cause. During this period Lebanese Sunnis sided with Palestinian co-religionists, who were attacking Israel from bases in Southern Lebanon, against their own government, whichwas trying to control the

armed Palestinian presence in the country. Khashan writes that the behavior of the Sunnis indicates that they are not yet ready to give up the loss of the Arab cause in Palestine, and naturalization is seen by many Sunnis in the region as an admission of final defeat.

The official position of the country of Lebanon is support of the Palestinian right of return. A previous Lebanese Prime Minister and Sunni Muslim, Salim Al-Hoss, stood against resettlement on the grounds that it contradicts the right of the Palestinians to return to their home. Muhammad al-Juzu, the Sunni Mufti of Mount Lebanon, insists that the Muslims "will not accept Palestinian settlement in Lebanon... not because the Palestinians are unwanted, but because [the] Zionist danger will increase if the Palestine question is given up." This is a widely held view not only in Lebanon, but throughout the Middle East and in Muslim communities beyond. Hezbollah Secretary-General Hasan Hasrallah is quoted as saying that although the Palestinians "are our dear brothers" they must reject resettlement plans because "the natural thing is for Palestinians to return to their land in Palestine." Lebanese Sunni Muslim politicians have consistently and repeatedly stressed the need to grant Palestinians the right to return. While these are statements made by political leaders, these politicians are elected by the Lebanese public. Their unwillingness to compromise on the right of return reflects the opinions of the Lebanese people who voted to place them in their offices.

It is important to understand the fervor and passion among Sunni Muslims for the defeat of Israel and the return of Palestinians to their homeland in order to comprehend their opposition to resettlement in Lebanon. It is an issue that transcends all national boundaries and stirs the heart of not only Arab Muslims, but also Muslims all over the world. A recent poll commissioned by The Israel Project showed that over 99% of those surveyed displayed strong antipathy towards Israel and Israeli causes. This unanimity reflects the widespread and strongly held nature of this sentiment and attests to its power to unite the Muslim Arab world. Secretary of Iran's Supreme National Security Council Saeed Jalil goes so far as to say that Palestine is the "axis of unity" among Muslims.

VIII. Conclusion

The Palestinian refugee problem has been complicated by the confessionalist system of government in Lebanon, in which power is allocated proportionally among the religious communities. Strong opposition to resettlement by the Lebanese Christian community, leading to their refusal to incorporate four hundred thousand Sunni Muslims into their society, is based on this system, which has tipped political power into the hands of the Muslim community. It would therefore seem logical for the Sunni

Muslim population in Lebanon to be in support of Palestinian resettlement. However, this is not the case. Although they stand to gain political power from resettlement, the majority of the Sunni Muslim population in Lebanon opposes such a move, based on their belief in the Palestinian right of return to their homeland. The unity of the Lebanese Sunni population with the Palestinians is evidenced by their support for Palestinians over the state, the positions of Lebanese politicians, and their anti-Israeli sentiment.

NOTES ON CONTRIBUTORS

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Caroline Dzeba is a second-year masters student at the Center for Global Affairs at New York University. As a first generation Croatian-American, her interest in and passion for international affairs was formed by a multicultural childhood traveling between Akron, Ohio and Zagreb, Croatia. A graduate of Northwestern University, where she studied political science and psychology, Caroline's early academic research focused on corporate social responsibility at Northwestern Law's Center for International Human Rights. She hopes to focus her masters thesis research on partnerships between the public and private sectors and the political economy of international humanitarian aid. She works at the United States Fund for UNICEF in New York City.

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Sabeeh Jameel is a senior at NYU studying History (Honors), Hebrew & Judaic Studies, and German at the College of Arts and Sciences. His research focuses on the history of Muslim diasporas in the United States and Europe, paying particular attention to their relationships with Jewish communities. In 2012, Sabeeh was awarded the Benjamin A. Gilman International Scholarship, which allowed him to conduct research on Islamophobia while studying in Germany. In 2013, he was awarded a research assistantship at Tel Aviv University to study similar trends within Israel. He is currently writing his senior thesis on Muslim-Jewish community relations in New York City during the early twentieth century.

CAITLIN KALDANY

Caitlin Kaldany graduated in May 2013 cum laude with honors in International Relations and Economics and a gold certificate from the Alexander Hamilton Center of Political Economy. She currently works for Compass Lexecon, the economic consulting branch of FTI Consulting. Her work was inspired by her semester abroad in Beirut, Lebanon, where she experienced varying levels of discrimination against women. Her work as the Under Secretary-General of Administration in New York University Model United Nations Conference IV exemplified her interests and dedication to international affairs. Additionally, as the former President of the Roosevelt Institute at NYU, Caitlin worked on bringing public policy discourses to college students. She currently lives in New York City and continues to stay involved with NYU.

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Justina Lee graduated in May 2013 summa cum laude with honors in politics and a second major in journalism. Her work, winner of the Best Politics Thesis prize in her graduating class, was inspired by her deep interest in America politics and experience covering financial markets as an intern for Reuters and Bloomberg. She is now a reporter for Bloomberg, where she writes about credit and currency markets in the greater China region. She currently lives in her hometown Hong Kong.

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Darshan Patel graduated in May 2013 with honors in International Relations. He is currently pursuing a M.D. with a Distinction in Global Health at the University of Texas at Southwestern in Dallas, Texas. His various trips to India, Ghana, Mexico and his experience growing up in South Texas led him to pursue a career in International Health. His thesis was inspired by a perceived role of government transparency during the so-called Arab Spring His future endeavors include medical mission trips and working with organizations that pursue the improvement of healthcare in impoverished regions of the world. He currently lives in Dallas, TX.

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Zainab Qureshi is a senior at New York University majoring in Middle Eastern and Islamic Studies with a minor in History in the College of Arts and Sciences. She will begin law school in the Fall of 2014 where she will concentrate in Criminal and/or Constitutional Law in the hopes of pursuing a career in government and public service. Zainab is currently researching and writing a paper on the impact of Iran's nuclear program on the Middle East, paying particular attention to the possibilities it creates of war with Israel and the proliferation of nuclear weapons to other countries in the region not formally recognized by the Treaty on the Nonproliferation of Nuclear Weapons.