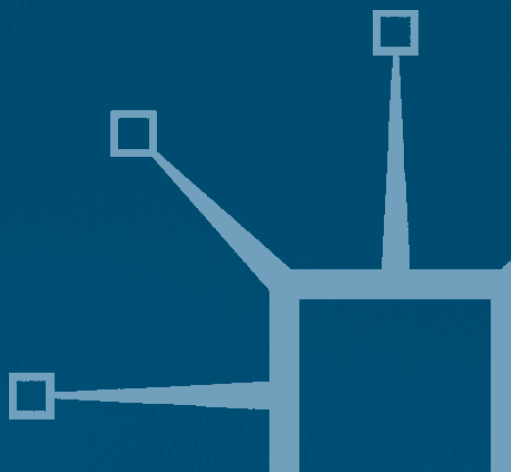


# Authoritarianism and Democracy in Europe, 1919-39

Comparative Analyses

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Edited by  
Dirk Berg-Schlosser and Jeremy Mitchell



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# Authoritarianism and Democracy in Europe, 1919–39

## Comparative Analyses

Edited by

Dirk Berg-Schlosser

*Professor of Political Science*

*Philipps-University*

*Marburg*

*Germany*

and

Jeremy Mitchell

*Lecturer in Government*

*The Open University*

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# Notes on the Contributors

**Dirk Berg-Schlosser**, Professor Institute of Political Science, Philipps-University, Marburg, Germany

**Gisèle De Meur**, Professor, Université Libre de Bruxelles, Belgium

**Stephen Fischer-Galati**, Professor Emeritus, Bradenton, USA

**Jerzy Holzer**, Professor, Polish Academy of Sciences, Warsaw, Poland

**Lauri Karvonen**, Professor, Department of Comparative Politics, Abo Academy, Finland

**Gerhard Kümmel**, PhD, Sozialwissenschaftliches Institut der Bundeswehr, Strausberg, Germany

**Jeremy Mitchell**, PhD, Lecturer in Government, The Open University, Milton Keynes, England

**Sven Quenter**, PhD, former research assistant, Institute of Political Science, Philipps-University, Marburg, Germany

**Thomas Saalfeld**, PhD, Department of Politics and International Relations, University of Kent at Canterbury, England

**John D. Stephens**, Professor, Department of Political Science, University of North Carolina at Chapel Hill, USA

**Marco Tarchi**, Professor, Department of Political Science, University of Florence, Italy

**Mark R. Thompson**, Professor, Universität Erlangen, Erlangen, Germany

**Allan Zink**, PhD, former research assistant, Institute of Political Science, Marburg, Germany

# Preface

This is the second volume of a long-term enterprise which covers the systematic cross-cutting analyses of the 18 cases presented within a common framework and with much greater detail and historical depth in Berg-Schlosser and Mitchell, 2000. Conditions of democracy, favourable and unfavourable ones, have again come to the centre of attention of increasing numbers of political scientists, but also many practising politicians after the 'Third Wave' of democratization in the wake of the events of 1989/90 and the breakdown of previously totalitarian or authoritarian regimes in many parts of the world (see also Huntington 1991). In contrast, the cases and the period presented in this and the previous volume deal with what Huntington has called the 'first reverse wave' of democratization in Europe in the time between the two World Wars. A comprehensive and systematic investigation of the conditions of the survival or breakdown of democracy in this period, such as ours, certainly has its own intrinsic merits, in particular because it may help to better understand the fatal consequences of these developments in Italy, Germany and elsewhere with the resulting most dramatic and (still for a long time to come) traumatic events of the Second World War, the Holocaust and its aftermath. But it may also serve as an important backdrop for a better assessment of present developments and some of the problems and risks involved concerning the prospects of democratic consolidation (see also Linz and Stepan 1996) or a potential reversal of the last wave in Eastern Europe, the territories of the former Soviet Union and other regions of the world (compare, for example, Diamond et al. 1997).

The history of our research project and our continuing interest in these matters precede, however, the more recent events by far (for a more detailed account see also the Introduction to *Conditions of Democracy*. Here we can only acknowledge the manifold intellectual and material supports we have received over all the years. While the first are more difficult to attribute in an ever-changing academic environment and are mentioned in the text in greater detail, the latter include funding at various stages by the European Consortium for Political Research, the Christian-Michelsen-Institute at Bergen, the Norwegian Science Foundation, the Nuffield Foundation and a number of universities hosting our meetings, to all of which we wish to express our sincere gratitude.

The final stages of production of this volume also benefited greatly from the data collecting and computing skills of Sven Quenter, and the linguistic and typing skills of our always cheerful and supportive secretary, Karin Sattler.

Marburg and Oxford

Dirk Berg-Schlosser and Jeremy Mitchell

# List of Abbreviations

DNVP	Deutsch-Nationale Volkspartei (German National People's Party)
DVP	Deutsche Volkspartei (German People's Party)
DDP/DSP	Deutsche Demokratische Partei (Germany Democratic Party)
DHV	Deutscher Handels- und Industrieangestelltenverband (German Union of Trade and Industry Employees)
FPTP	First Past the Post, British plurality electoral system
GDP	Gross Domestic Product
IKL	Isaenmaalinen Kansanliike, Finnish Fascist Party
MP	Member of Parliament
MDSO	Most different systems same outcome
MSDO	Most similar systems – different outcome
NSB	Nationaal-Socialistische Beweging (National Socialist Movement)
NSDAP	Nationalsozialistische Deutsche Arbeiter Partei (National Socialist German Workers Party)
NDP	National Domestic Product
PNF	Partito Nazionale Fascista (National Fascist Party)
PSF	Parti Social Français (French Social Party)
PPF	Parti Populaire Français
PR	Proportional representation
QCA	Qualitative Comparative Analysis
SNP	Socialist National People's Party
SPSS	Statistical Package for the Social Sciences
VNV	Vlaams Nationaal Verbond (Flemish National Union)

# Introduction

*Dirk Berg-Schlosser*

In view of the economic and political crises which are now affecting many parts of the world there has been renewed interest in the question of how major countries and regions previously faced such challenges, in order to learn as much as possible from these experiences. The end of the Cold War and the wave of democratization it entailed in many East European and Third World countries has, in the absence of overriding superpower rivalry and influence, also directed attention to the internal factors which have shaped these developments (see, for example, Hadenius 1992; Held 1993; Huntington 1991; Vanhanen 1990). So an analysis of the social and political reactions to the Great Depression during the interwar period in Europe may not only reveal some insights which are pertinent to crisis theory (Almond et al. 1973, Dobry 1986) and an empirical theory of democracy in general (see in particular Dahl 1989), but may also be relevant for contemporary political concerns.

The interwar period in Europe seems to be particularly interesting in this respect because it most closely resembles what can be called a 'quasi-experimental' research design which is, for ethical or practical reasons, relatively rare in the social sciences (Mill 1843). The cases to be considered share many socio-economic and political-cultural characteristics. Their history is relatively well researched and documented. The period is clearly demarcated by common events – the two World Wars – which significantly altered the internal and external political landscapes and set it apart from earlier and later developments. All cases could initially be termed parliamentary democracies, some of them having been established for a relatively long time, and others of comparatively recent origin and more democratic in form than in substance. These countries were then affected by a common external stimulus: the world economic crisis of the late 1920s and early 1930s. Some parliamentary regimes survived while others turned to a more authoritarian form of rule and, in particular, to fascism.

This period has, of course, been discussed and analysed from a large variety of research perspectives. (for a critical review and a test of major hypotheses

see Berg-Schlosser and De Meur 1994; Berg-Schlosser and Mitchell 2000). Our concern here is not so much with the economic aspects of the crisis and the impact of the various economic policies pursued (although these must also be assessed within our overall context) since they have been largely discussed by economic historians and economists (see, for example, Kindleberger 1973; Schulz 1985; Gourevitch 1986; Eichengreen 1991). Rather, we are concerned with the social and political reactions to the crisis and the factors which contributed to the final outcome of the regimes, that is, the survival or breakdown of democratic systems.

Our overall approach has been outlined more fully in the introduction of Berg-Schlosser and Mitchell (2000). This also served as the common framework for the detailed case studies in that volume, in which the analysis in each case began with a brief discussion of the social bases of politics. These were then related to the particular formation of interest groups, social movements and political parties, including their respective political cultural aspects, at the intermediate level. Against this background the actual political dynamics during the period concerned were examined. These included socio-economic changes, electoral results, and the actual coalitions formed, but also international factors and particular 'moves' during the climax of the crisis. The outcomes and their repercussions for the political and social system at large were then put back into our comparative context. All this was done as much as possible with quantifiable data, but qualitative assessments and interpretations (including some of former actors as well) were necessary at some points.

The cases dealt with in that volume included Austria, Belgium, Czechoslovakia, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, the Netherlands, Poland, Portugal, Romania, Spain, Sweden and the United Kingdom. In this way all the major 'breakdown' cases and their various patterns and the major 'survivors', including some of the smaller countries which often tend to be overlooked, were considered. Such a vast enterprise could successfully be tackled only by a combination of interests and skills (such as profound historical knowledge of each case, including the use of indigenous sources and languages, elaborate social scientific concepts, sophisticated comparative research techniques, and so on) which go far beyond the capabilities of any individual researcher. We were fortunate to have assembled a group of like-minded colleagues who combined extensive knowledge and research of individual cases with distinct overarching substantive and theoretical interests and methodological skills, which made for a unique combination of talents for this task. The authors of the case studies were: Frank Aarebrot (Bergen): the Netherlands; Folko Arends/Gerhard Kümmel (Marburg): Germany; Walter Bernecker (Erlangen): Spain; John Bradley (Prague): Czechoslovakia; Gisèle De Meur (Brussels)/Dirk Berg-Schlosser (Marburg): Belgium; Michel Dobry (Paris): France; Stephen Fischer-Galati (Boulder): Romania; Peter Gerlich/David

Campbell (Vienna): Austria; Jerzy Holzer (Warsaw): Poland; Gabriella Ilonszki (Budapest): Hungary; Lauri Karvonen (Abo): Finland; Ulf Lindstrom (Umea): Sweden; Jeremy Mitchell (Open University): United Kingdom; Antonio Costa Pinto (Lisbon): Portugal; Marco Tarchi (Florence): Italy; Toomas Varrak (Tallinn): Estonia; Allan Zink (Marburg): Greece, and Ireland. In addition, Stein Berglund (Abo), Bernt Hagtvet (Oslo), Juan Linz (Yale), Peter Merkl (Santa Barbara), Anne Morelli (Brussels), Sven Quenter (Marburg), Thomas Saalfeld (Kent), John Stephens (North Carolina), Henry Teune (Pennsylvania), Mark Thompson (Erlangen) and Ekkart Zimmermann (Dresden) helped to discuss the case studies and have contributed to the comparative analyses. The project has also benefited from the advice and criticisms of a greater number of colleagues at various symposia, international conferences, etc. who cannot all be listed here.

Cooperation in this project has been extended over a period of more than 10 years and, in many ways, it almost has become a 'family affair', sharing all kinds of joys and sorrows over a considerable span of time. In addition to support for some meetings by the Volkswagen Foundation, we have received some funding at various stages from the European Consortium for Political Research, the Christian-Michelsen-Institute at Bergen, the Norwegian Science Foundation, the Nuffield Foundation and our respective universities, for all of which we wish to express our sincere gratitude.

The present volume now presents the major cross-cutting and systematic comparative aspects of these cases. We begin in Part I with an overview of some of the more general historical and social background conditions. We first describe the specific consequences of the First World War for our cases. Their ethnic, religious and social structural composition and developments are subsequently discussed in greater detail. This is followed by a review of some of the political cultural traditions, in particular as far as forms of authoritarianism in Eastern and Southeastern Europe are concerned.

Part II examines some of the major forces and collective actors. These include, in particular, organized interest groups and fascist and similar movements. Part III deals with the political arena of our cases in a narrower sense. It discusses electoral systems, the fragmentation of party systems and possible resulting patterns of government instability, particular institutional problems and the external environment of the world economy and international politics including specific policy reactions to the Great Depression. While each of these chapters deals with some important cross-cutting aspect, each one of them remains somewhat inconclusive as far as the overall causes and the distinct patterns of the breakdowns of the democratic systems or the conditions of their survival are concerned.

Part IV, therefore, examines these aspects in a comprehensive manner, also looking at some of their dynamic interactions over time. This is done, first, by systematically establishing the respective similarities and dissimilarities of our cases and matching and contrasting them on this basis in



order to control for variables which are not relevant for the respective outcome. Second, the overall complexity of our 'systems' perspective is then reduced by a number of systematic outcome-related procedures, which establish the overall background conditions of the cases. To these the effects of the major phases of the interwar period, the immediate post-war crisis, the phase of relative stabilization, and the impact of the Great Depression are then added together with the actions and reactions of the major social forces, political groups and leading personalities. A concluding section then discusses the major implications of these findings for current empirical theories of democracy, and also some of the practical political lessons to be learned from this period.

In this way, we are taking a bird's eye view of the period and the events analysed which must necessarily neglect many historical details and specific actions. Metaphorically speaking, we are designing a pilot's map on an intermediate scale which may help us to orient ourselves by sight according to the major contours and landmarks on the ground (Moore 1966: xiv employs a similar metaphor). Accordingly, this map will be able to serve the purposes neither of the ordinary historian who has to find his way among the details of each case 'on foot', nor of the grand theoretician who may remain much 'above the clouds' with his abstract design (as Luhmann 1984, for example, implies). Still, if it is to fulfil its purpose, this intermediate level of analysis and orientation must remain consistent with both more detailed hikers' maps and more encompassing theoretical concerns. By necessity, such an overview must also focus on the more formalized and analytical aspects of the events described. It thus cannot possibly convey the effects which these events had on the daily lives of hundreds of millions of people. Most of the misery, the personal drama and the 'sweat', as Charles Kindleberger (1973: 16) once put it, will therefore have to be disregarded. However, by focusing on the former and being aware of the latter, it is hoped to be able to contribute to the prevention of similar sufferings in the future!

# **Part I**

## **Historical and Social Background**



# 1

## The Heritage of the First World War

*Jerzy Holzer*

The First World War had numerous consequences which both directly and indirectly affected the fate of European democracy, that is the relationship between democratic and anti-democratic developments.

### 1 The harbingers of change

Until 1914, the world was eurocentric (or more precisely Western Europe occupied the dominant position). The dynamic and free Occident stood opposed to the stagnating, oppressed Orient; the cultural centre which represented the Old World stood opposed to the New World (America), which felt robbed of its own cultural independence; and finally civilized Europe stood in opposition to barbaric Africa and Oceania.

Over the past fifty years nearly all historians who have written about the decade preceding the First World War have agreed that this period represents the pinnacle of European world hegemony, and although the threatening harbingers of crisis were present, little notice was taken. Arnold J. Toynbee (1949), who concluded that in 1914 Europe was the uncontested leading world power, ascribed this position to two centuries of specific cultural tradition. Jaques Pirenne (1955) refers to the prestige with which the political systems of Western Europe were viewed in the rest of the world. Maurice Crouzet (Crouzet 1961: 7) emphasizes European dominance in all spheres: military, material, technical and financial as well as intellectual. European world hegemony expressed itself in the fact that the continents of Africa, Asia and Australia were, almost without exception, subordinated to the large European metropolises, and that Turkey, China and Persia were also subordinated, albeit more informally. The only country that remained independent from the European powers was Japan. Indeed, Japan attempted to emulate the European powers in that it aimed to create its own sphere of influence in Asia, although this emulation was often carried out under the motto, 'learn from the West in order to conquer it', which in itself is further evidence of European hegemony (Romein 1958: 104). However, one

important limitation of European hegemony was not perceived, or rather was underestimated. The United States had for many decades achieved a position of full independence in the economic, political and, to a certain degree, cultural sphere, too. Thus, at the beginning of the twentieth century it was already economically the leading power in the world. In the nineteenth century, nearly the whole of the American continent was subordinate to the United States, both politically and economically. In addition to this, the idea of a specific 'American way of life' was formed which not only emphasized its difference to the European, but also its superiority (Bloom 1961: 479). But in Europe only the United States' European roots were perceived.

In spite of this, Europe dominated the world economy until the beginning of the twentieth century. European geographic and political realities corresponded to the needs of a technology which had developed in the period between the fifteenth and nineteenth centuries. At the same time, the European standard proved itself to be lacking in respect to the technological achievements of the twentieth century (Morazé 1955: 49). The revolution in the raw materials market also played an important role. So the twentieth century civilization, based on oil, evolved from a nineteenth century civilization based on coal and iron.

The economic strength of Great Britain, and in a more limited way that of other leading European states, was fashioned in conditions of economic liberalism, which left large areas of economic activity, including those in the international arena, in hands of private capital. These conditions experienced a fatal blow as the system based on peaceful competition was destroyed. Under the influence of experiences in war, John Maynard Keynes wrote in 1919: 'Very few of us realise with conviction the intensely unusual, unstable, complicated, unreliable, temporary nature of the economic organisation by which Western Europe has lived for the last half century. We assume some of the most peculiar and temporary of our late advantages as natural, permanent, and to be depended on, and we lay our plans accordingly' (Keynes 1920: 3).

In the sphere of intellectual achievement, Europe preserved its supremacy until the beginning of the twentieth century. Research, which would lastingly decide modern science's direction of development, was carried out in Europe. Albert Einstein's Theory of Relativity and Sigmund Freud's Theory of Psychoanalysis were formulated in Europe. German, British and French institutes of higher education disseminated knowledge of the highest level possible for the time, both in the natural sciences and the arts.

The great achievements of European Science at the end of the nineteenth and at the start of the twentieth century put in question the basis of knowledge that had been acquired about Man and the Universe up to that point. Fernand Braudel writes that Newton's System collapses 'in face of Einstein's revolution' (Braudel 1969: 52). Frank Kermode notes with regard to the

works of Freud, Husserl, Russel and Planck which appeared in 1900, that one must accept a lack of security from now on, that 'this does not lie in the nature of man, but rather in the nature of things' (Kermode 1966: 98).

Similar manifestations became evident in art, an area in which Europe continued to occupy the leading role. Around this time, artists, sculptors, musicians and writers began to reject the accepted aesthetic norms. They sought to free themselves from an order which was defined by time and space, and from a human psyche defined by conscience. With this vision, art anticipated the destruction of the hitherto political, social and economic order even though until 1914 it still seemed to be stable, if not to bloom.

Even without emphasizing the various factors which already before 1914 heralded the questioning of Europe's role in international and European order, it is true to say that the First World War acted as a catalyst for the process. Only after the war did these factors become fully apparent as part of the syndrome of European crisis.

## **2 Political changes**

The war years made themselves felt in political life in three ways. The first was the initial triumph of nationalism, both in the political parties and in the wide mass of their supporters, in nearly all the countries waging war. Although later a certain weakening of the nationalist atmosphere appeared in some of the powers involved, a wave of nationalism swept over the smaller countries towards the end of the war, especially if these countries had been denied their own statehood up to this point. The weakening of the great powers Russia, Germany and Austria-Hungary brought about the realization of the national aspirations of the smaller states, that is of stateless peoples. The aspirations of these peoples led to conflicts of interest with each other (Poles vs. Ukraines, Lithuanians vs. Poles, Romanians vs. Ukrainians).

A second phenomenon was the crisis in the socialist movement. The war had weakened its principles of class struggle and internationalism. This led to a reaction within the movement at first in a limited way, later ever more widely and violently, that positioned itself in opposition to the politics of war and led back to the tradition of class conflict and internationalism – hoping to replace war with revolution. This led to the formation of the communist movement. Although the communist movement came to light only after the war, the split which led to the formation of socialists and communists, and also the birth of communism itself, were inalienably related to the experiences of the war. Communism fought against the re-erection of the pre-war order, since it held this responsible for the outbreak of the war. This in turn meant that the movement was against the ending of the war along the lines of an agreement between the great powers, and was also against treaties dictated by the victors, which the defeated would have to accept.

The third phenomenon was the appearance of a psychological war effort directed by the military apparatus, which paralleled conflicts at the front. These activities displayed themselves in a variety of ways: in the psychological mobilization of one's own people, in the influencing of the population in enemy states, and also in the attempt to gain sympathy for oneself and antipathy for the enemy in neutral states.

The internal psychological mobilization was of particular importance, and was also influential as a model for post-war European politics. Internal mobilization in the German Reich was carried out under the slogan *Burgfrieden* and in France under *union sacrée*. At first the Germans carried out this mobilization fairly well, as they could base the policy on the subservient spirit of the people which had developed in the preceding decades, although an effective central body to oversee the influence of propaganda was lacking, and this shortcoming could not be overcome even by censorship (Lasswell 1927: 22). Great Britain was in possession of a better-organized apparatus for the psychological war effort. Step by step state institutions were founded whose task was to coordinate the effort. This began with the founding of the small Propaganda Department in 1914, progressed to the more developed Information Department in 1917 and ended with the world's first Ministry of Propaganda founded at the start of 1918 (Squires 1935: 31–77).

The effects of the psychological war effort are difficult to measure. However there can be no doubt that in the last years of the war it contributed to the growth of a war weariness among the civil population and soldiers of the enemy countries, while at the same time increasing the will to hold out on their own. The experiences of the First World War were in total a not quite successful, but an important attempt, to give war the character of an ideal and moral conflict both in the states concerned and also on a European and world level. European states strove to make use of these experiences in the post-war period within their own borders as well as in international politics.

The end of the war produced two victories. The revolution triumphed. First, it dealt a fatal blow to the Russian empire. The revolution led to Russia's internal collapse, to the Bolshevik takeover of power (the Bolsheviks beginning shortly afterwards to organize the Communist International) and finally to defeat and to withdrawal from the war. Revolution also gripped the Habsburg monarchy in autumn 1918. The monarchy collapsed and the multinational empire fell apart. Similarly, the monarchy was deposed in Germany following the outbreak of revolution. A republic was proclaimed and the reorganization of society was announced.

At the same time, the great powers in the West emerged from war militarily victorious. Thus, after the capitulation of the German Reich on 11 November 1918, it was up to them to construct the post-war order, even if they had to take into account certain irreversible realities: that is the victory

of the Russian revolution, the revolutionary wave sweeping the defeated Central European powers, and the formation of new states in east-central and south-eastern Europe.

On the one hand, the western Allies' victory proved their policies in the domestic political arena, while on the other, the revolutions pointed to new developing choices in the organization of the state system. Instead of the alternative between a parliamentary democracy (whether monarchy or republic) or a monarchy with more or less distinctive elements of autocracy, a new alternative appeared, that between 'parliamentary democracy' and the power of the 'workers' and soldiers' councils. Parliamentary democracy was chosen everywhere apart from Russia (together with the Ukraine and Belarus).

In the area of international politics, the war and its end led to some fundamental changes. The first was the exclusion of Russia from taking part in the Versailles post-war order (named after the place where the most important peace treaty was concluded on 28 June 1919 between the Allies and the German Reich). This new order was aimed at isolating Russia from the rest of Europe, at preventing the spread of the Revolution and finally at toppling the communist regime. The last task was not to be fulfilled. Soviet Russia (from 1922 the Soviet Union) therefore became a consistent opponent of the Versailles order, which in the final analysis led to its liquidation (Fisera 1987: 379).

The second change, which was accepted by those in the Versailles system, was the formation of nine new states from the ruins of the Habsburg Monarchy and of the edges of the former Tsarist empire. These were: Yugoslavia, Austria, Hungary, Czechoslovakia, Poland, Lithuania, Latvia, Estonia and Finland. This entailed the complete disintegration of the eastern part of Europe together with the Balkans, in which a few small states had previously existed, but whose borders were now moved. The reorganization of the states in eastern Europe was accompanied by the nationalist tendencies already mentioned and by the idea of the nation-state. In fact the states were born with numerous unsolved national conflicts. The determination of borders was decided mostly by the law of strength; borders with a specific ethnic character were hardly represented in this part of Europe. So 1918 heralded the end of war, but only in western Europe, while in contrast, eastern Europe embarked upon a large number of localized wars. The majority of European states were unstable creations which found themselves in a threatening environment and were susceptible to external pressure.

These two facts limited the ability for the victorious Allies to solve the difficult tasks they had set themselves. One of these tasks was deciding the place that Germany should take in post-war Europe. So that Germany did not enter an alliance with Russia against the treaty of Versailles, it had to be placed either under direct military pressure from the Allies, or would



have to occupy a position which would promise its future role as a great power. France wanted to see Germany eliminated from the great powers' circle altogether. Great Britain feared that this would merely serve to increase the political disintegration of Europe and would lead to an excessive increase in the power of France, which would be left as the only continental power. But Britain's fears about the radicalization of Germany, which the spread of revolution over the whole of Europe had threatened to invoke, were just as strong.

The decisions taken after the war were half-hearted and inconsistent. They led neither to a generous reconciliation between the victors and the vanquished, nor to a questioning of the basis for the rebuilding of German great power status. In spite of a loss of territory and population, Germany was, in respect of population, the largest country in Europe (if one left the isolated Russia out of the equation), and remained second after France as the largest European state in respect to surface area. Its economic potential had not been completely destroyed, even though it was burdened with reparation payments.

In spite of all its losses and the limitations imposed on it, Germany remained the most powerful state east of the Rhine and could exert pressure in many ways on the fragmented eastern part of Europe. The imbalance between the real strength of Germany and its formal exclusion from the circle of great powers combined with its demeaning treatment on the international stage led to Germany opposing the Versailles system. In turn this led to revanchist policies from a Germany, defeated, but not robbed of all its military or other resources (Beaumont 1960: 72). To the extent that the international Versailles system was identified in Germany with parliamentary democracy on the domestic political scene, this entailed a threat for the state order of the Weimar Republic.

Yet the weakness of the Versailles system extended further. The First World War had forced all continents to cooperate in the interests of Europe. The outcome of the war had been most influenced by events in Russia and by the economic (and limited military) contribution of the United States. In view of this, the idea of a 'small Europe' had once more gained currency. Russia remained outside this scenario, and the United States avoided taking responsibility and retreated once more into isolationism immediately after the end of the war.

As a result of the war, the United States had become in a political as well as in economic sense the leading world power. However, the limitations of American political thought, but mostly the political consciousness of the majority of the American population, did not permit the state to accept a responsibility more in keeping with its real strength (Link 1962: 233). The preservation of the Versailles system remained a purely European task. As a result Europe allowed itself to be deceived into believing that the Eurocentric power relations in the world would continue.

Insofar as the Versailles system determined the new form of Europe, it followed completely the principles upon which the relationship between the European metropolises and their extra-European relationships were based. Indeed, colonialism expanded itself territorially. The victors divided between themselves not only the German colonial territories, but also those Arabic regions which had been to date under Turkish rule (although in this case it was formally an exercise of mandatory power devised by the League of Nations). In reality, a far reaching reorganization of the relationship between the metropolises and their colonies ensued. War had discredited Europe and taken away the aura of supremacy. It had removed the aura of infallibility from the white man. The metropolises had sent colonial armies to the front against the enemy. Hundreds of thousands of coloured soldiers had learned to kill whites on behalf of other whites. Calling on the colonies for support during the war, and the freely given promises in return, were quickly forgotten after the war. The most developed colonies demanded that the promises be kept.

Europe was far too weak to stabilize its internal order and to maintain its domination over the world. However, it retained enough importance to ensure that its next crisis took on worldwide proportions (Bracher 1985).

### **3 Social changes**

The First World War had produced armies which were larger than any seen before. During the course of the war a total of 15.8 million men in Russia, 11 million in Germany, 9 million in Austria-Hungary, 7.9 million in France (not counting overseas colonies), 5.7 million in Great Britain (once again not counting overseas colonies), and 5 million in Italy had been called up for military service (Siliagin 1956: 55). In France, Germany and Austria-Hungary 40 per cent of adult males were in the army. If one takes simply the age-group of those actually employed (discounting the retired population), then the proportion rises to 60 per cent. Thus, in a sizeable part of Europe, two generations of men experienced the war as active participants. Never before in history had a war effort led to the active participation of such a large group of people over so many years.

However, this did not mean that everyone was at the front and actively engaging the enemy for the whole period. It is true to say that the soldiers were torn out of their normal lives, and were cheated of the opportunity to practice a job (many of them did not even have the opportunity to learn a vocation); they were separated from their families, and distanced from their normal social environment. In this sense, this was already a total war, although during the First World War, and in contrast to the Second World War, it was almost entirely the armies which fought each other. This sharpened the differences between the military and the civil population, which was not victim to destructive attacks, even if it was from time to time

caught in artillery fire. The war led to huge losses of life. Through death, injury and prisoners of war Germany lost approximately 68 per cent of its mobilized men; Russia lost 61 per cent; Austria-Hungary 58 per cent; France 56 per cent and Great Britain 38 per cent. In total approximately 9.5 million soldiers lost their lives in the war (Urlanis 1965: 349).

The number of the injured who became war invalids was greatest in Germany and France, each having approximately 1.5 million. Great Britain had 900,000, Italy 800,000 and Russia 750,000. The war brought not only mourning for the dead, but also for the heavy burden of hundreds of thousands, perhaps even millions, of people who remained excluded from normal life. No one was in a position to measure the permanent psychological damage which had been caused by the experiences of war. The damage caused by years of having to cope with death, having to get used to murder and violence and the blind terror of a poisonous gas attack at the front.

The soldiers of the First World War, and most of all the younger generation whose consciousness had been formed in the army, had grown accustomed to order and discipline and had internalized the feeling of solidarity experienced by fighting together. However, in the same way, they had also grown accustomed to the use of raw violence, the continual presence of death and the killing of others. A brutality had developed and spread itself in human relations. One effect of all this was the increase in crime and the crime rate. The most important result, however, was the transference of violence into political and social life. Violence in these areas was viewed both as morally justifiable and as effective (Mosse 1987: 137–8). These were the preconditions which in the interwar period were to facilitate a change from war between states and peoples, to civil wars (Hertz 1994: 1–266; Nolte 1987).

As the war came to its end, a societal contradiction came into being, which was to play an important role in the interwar period. On the one hand was the emphasis of nationalist slogans and national solidarity, on the other disappointment over the policies of one's own state and ruling elites. This contradiction expressed itself in the call for socio-political changes and in socialist slogans. Over the next twenty years, instability of voting patterns and uncertainty about political attitudes facilitated the activities of demagogues, who promised to overcome this social contradiction.

During the war social structures had changed considerably. The governments of states involved in the war called upon all citizens to support the war effort. A specific form of democracy was proclaimed in the form of a universal duty to support the state with one's blood and work. From the start of the war different reforms were announced which would diminish social contradictions, or at least contain them. The reconstruction and the democratization of social life was therefore not only a postulate of the lower classes, but also an officially announced state principle. During the war at least the appearance of social equality was achieved. The war led to both workers and peasants considering themselves full citizens, rather than

people without a homeland, marginalized at the edge of society (Hurwitz 1949: 164; Wehler 1983: 211–12). Remnants of social differentiation, such as traditional estates, were limited and noble titles lost their meaning.

The statism which was introduced during the war had important social consequences too. Statism placed economic and social relations as well as culture under the control, and partly under the right of disposal, of the state. The authority of state administration increased. The administrative apparatus acquired a stronger autonomous position. This meant that the process of building a modern bureaucracy was accelerated (Winkler 1974: 21).

The fact that millions of men had been torn from their normal existence was of utmost importance for social changes. Familial and social bonds which had been valid were superseded by military camaraderie and combatant bonds. These bonds were unusually strong. They stemmed from the months or even years spent together in the trenches, from the experience of acute danger together, from the feeling of responsibility for the life of your comrade, from the experience that a comrade had saved your own life. So it is hardly surprising that in many European states over the next two decades these bonds of military camaraderie remained especially strong (Stern 1972: 136).

The nineteenth century had passed and with it the meaning of old traditions, the behaviour patterns of the nobility, and also in the second half of the century, the dominating behaviour pattern of the bourgeoisie. The feeling of stability had disappeared. The forms of social relations, food and even the manner of dress underwent a change too.

The relationship between the younger and the older generation changed as well. The paternalism still felt strongly in many familial relationships began to falter. Adult sons became soldiers, while adolescents and girls worked. They all operated not merely as members of a family dominated by the father, but rather as independent people who themselves decided their place in society (Kocka 1973: 105).

Where the head of the family was taken into military service, the wife often took over the responsibility for her own fate and that of her children, and also for earning enough money to live on and for its use. The duties of married women increased considerably, but on the other hand, so did the area of their independent activity. This was connected with the fact that women practised professional activities, that is, on their own they ran a farm, a workshop or a shop. For the women who lost their husbands in the war, or whose husbands returned disabled, the independence forced on them by the war became a permanent necessity. In many cases however, this independence was fleeting; it ended when the husband returned from the war or was released from a prisoner of war camp (House 1987: 105).

In a way that was unforeseen, the emancipatory ideal of the feminists was realized. Together with the growth of women present in the workplace, the war led to major advances in securing equal rights for women, and in

the acceptance of women as citizens. As a consequence of the war, women in many states were afforded a passive and active right to vote, as well as other civil rights (Marwick 1984: 18–19).

#### 4 Economic changes

Neither side had prepared itself for war nor for an enduring battle of strength in the economic arena. It had been presupposed that in respect of economic demands, the war would last no longer than a few months. Once this assumption turned out to be wrong, each side developed a basic strategy, which was applied to the economic front. This entailed the exhaustion of the opponent via a blockade aimed at curtailing the supply of raw materials, foodstuffs and war requisites.

The decision to impose a blockade on Germany had been taken as early as July 1914 in France and Great Britain, although its realization remained at first more symbolic in nature. The blockade was intensified in 1915 and 1916, but was only rigorously imposed from 1917, after the United States entered the war. Another element was the partial disintegration of the blockade which followed Russia's retreat from the war. The blockade was without doubt an instrument of all-out war. In its aim it was distinct from the continental blockade during the Napoleonic wars. The most dangerous result for Germany was the cutting off of food supplies and the ensuing general starvation. Although noticeable, the lack of raw materials remained limited, and it was possible to take remedial action in various ways. The lack of food was incomparably worse. It was in the most part the civilian population that suffered starvation, since the needs of the army had priority.

Plans for a German blockade in retaliation were relatively late in coming. In February 1915 an all-out submarine war was proclaimed, but this was more of a deterrent, aimed at forcing the Allies into lifting their blockade and entering into peace negotiations (Birnbäum 1958: 24–5). Under pressure from the United States, Germany quickly limited its actions. An all-out submarine war was only introduced in February 1917, but it ended in a complete fiasco. Soon after the United States entered the war the Allies were in control of the situation and the German U-boat fleet suffered great losses.

The submarine war was, in the same way as the blockade, an instrument of total war, but it evinced far more outrage, since it was viewed as an act of atrocity aimed at sailors and civilian passengers, which included citizens from neutral states. Yet it strove to reach the same goal as that of the Allies, with their less brutal policy, that is the disruption of economic life and the starvation of the enemy population.

Despite the relative failure of the blockade and the submarine war, these measures dealt a severe blow to the economies of the enemy states. However, nowhere, apart from Russia, which was not affected by the policy, did signs of economic collapse emerge. This was avoided by methodical use

of economic potential, by placing all possible reserves at the disposal of the state, and by the discovery of hitherto unknown reserves, for example using substitutes for various things. This economic mobilization was, although different in form to the blockade, also one of the conditions of total war.

In all the countries involved, the economy was subordinated to the needs of war, albeit in varying forms of intensity. This entailed financial guarantees covering war expenses, the creation of a state supply system, a state distribution network for raw materials and an administrative system for the workforce. Financial guarantees covering war expenses did not demand any specific innovation; money was produced at an inflationary rate, taxes were raised and war and foreign loans were taken out. The effect of this policy was different in each country, depending on its economic potential. There were however no precedents for the other measures relating to food and raw material distribution and work force organization (Craig 1978: 354–8).

Similar problems were faced by the neutral European states. The effects of the blockade and the submarine war on the economies of Scandinavia, the Netherlands and Switzerland posed particularly serious problems in the food and raw materials area. Thus the state apparatus in these countries was forced to take over various organizational tasks in the economic arena. In this way the war brought to the European states their first experiences of a state controlled economy. Although after the war state control and regulation was abolished, in a few states the process lasted many years, but the results proved to be highly unsatisfactory. Thus, due to various factors the equilibrium of the European economic system was destroyed.

The most immediate symptom of the breakdown was the financial chaos in individual countries and in international relations. During the war all the European states, including the neutrals, had experienced inflation. This continued in many countries after the war, especially in the defeated and newly formed states. Inflation, and even hyperinflation, hindered efforts at stabilization. Chaos in the financial world was closely related to reparations payments and war debts. The costs of the war had to be borne in the most part by Germany, and in order to meet its reparations payments a massive increase in exports was necessary. However, this was not in the interests of those who had won the war.

As a result of the war, the United States had become creditor to nearly the whole of Europe. The United States introduced a consistent policy of protectionism and ensured that no European goods came onto the American market. As a result, Europe did not merely remain indebted to the United States, its indebtedness actually increased. Almost as soon as the peace treaties were signed, Keynes proposed a sweeping solution for the international financial problems in the form of a general debt forgiveness scheme for the allied states, and a major reduction of German obligations, which

stemmed from the reparations payments (Keynes 1920: 262–9). The costs of this operation were to be borne by the United States.

Great Britain's financial situation had deteriorated after the war, although its foreign capital investments still exceeded its debts. In contrast, France had lost half its foreign investments (the Russian revolution was the main cause of this loss) and was burdened with war debts. Still worse was the situation in Italy, Belgium and the newly formed states in the eastern part of Europe (Kindleberger 1973: 40–1). In addition, Germany was burdened with the prospect of many years of reparations payments. This morass of international debt undermined faith in European economic stabilization.

The structural crisis in the European economy was linked to decisive changes which, as a result of the war, made themselves felt on the European and extra-European markets. Before the war, Europe dominated world trade. In 1913, it accounted for 59 per cent; in 1924 only approximately 50 per cent of world trade. In addition, the European share of world production had decreased (Hardach 1973: 294). Correspondingly, the US and Japan, as well as a few economically dependent states and colonies, increased their share. In the latter, the raw materials market had developed, encouraged by the needs of war and consumer production for their internal markets, which had been deprived of deliveries from Europe (Youngson 1967: 51). Following the end of the war, pressure from local producers led to domestic industry in these countries being shielded by protective tariffs (Drummond 1972: 123).

Similar developments can be observed in the whole of Europe, especially in the neutrals and states founded after the war. During the war, the neutral states had experienced an excellent economic situation which, even if it had not always gone hand in hand with modernization, had ensured future competitiveness. Spain experienced considerable economic growth right up to 1918. Once the war was over, the economy collapsed. The Scandinavian countries secured for themselves a more stable position.

The emergence of new states in the eastern part of Europe combined with the segregation of Russia from the European market destroyed the system of markets which had existed until then. The length of customs borders in Europe increased by over 6000 km. The new states strove to strengthen their economic independence by controlling imports and exports, imposing protectionist tariffs and awarding state contracts to domestic industry – especially in the case of arms deliveries (Rànki and Tomaszewski 1980: 5).

Agriculture proved to be an especially weak element in the European post-war economy. During the war, agricultural production in the European states waging war had suffered major setbacks, resulting from the lack of labourers, tractors and fertilizer, and from the destruction caused by the war. The neutral European states exploited their export potential and increased their production, as did overseas states, in this case especially the United States.

Once the war was over attempts were made to reach the pre-war level once more in the areas in which production had declined. In the areas

where production had been increased, attempts were made to maintain that level of production. Experiences during the war had shown that at the very least a partial autarky in the area of food supply and agricultural raw materials could prove strategically important. Based on this argument, protectionist policies dealt the interests of European exporters of agricultural products a blow which was especially felt in the less industrialized countries in the eastern part of Europe.

## **5 Conclusion**

The First World War exercised both a direct and an indirect influence over the European states and thus also over their political fate and the stability of democratic systems. The fact that the war had seriously destabilized all areas of European life is fundamentally important as is the fact that there was no single comprehensive stabilization programme, either in a geographical or a substantive sense. 'The Great War, in short, had no winners. All of humankind was on the losing side' (Wilson 1990: 10). This was to be a particular burden on those countries in which the basis of the democratic system was weakest and the phenomenon of destabilization at its strongest.



# 2

## Building Nations and Crafting Democracies – Competing Legitimacies in Interwar Eastern Europe

*Mark R. Thompson*

The leaders of the interwar East European states undertook a dual task of political engineering: to build nations and to craft democracies. Freed from the autocratic empires that had controlled most of the region before (and all of it during) the First World War, politicians of the successor states attempted to achieve national self-determination within a democratic political framework. The widespread optimism of the time about the compatibility of nationalism and democracy seems naive in hindsight. We have learned of the dangers extreme nationalism poses to democratic rule which were not yet clear to most of those living in that era. But our scepticism today should not lead us to overlook the high hopes then (Walters 1988: 150–1). Many of the political elites of these countries were confident that the Western model of the democratic nation-state could be applied to their countries. Much of nineteenth and early twentieth century European history seemed to show that democracy and nationalism were not only compatible but often reinforcing. Greek independence, the revolutions of 1848–9, and the unification of Italy appeared to demonstrate that the fight for freedom from foreign rule naturally entailed calls for individual liberty. More importantly, the ‘oppressed’ peoples of Eastern Europe, particularly in the Habsburg empire, had emphasized peaceful and often parliamentary struggle for independence. It seemed natural, therefore, that national sovereignty should be combined with the establishment of democratic government. Genuine popular rule would be achieved: the nation constituted the people who would then elect their leaders democratically. This was the political promised land for many East Europeans, whose national identity had been repressed and who had previously enjoyed no or only limited democratic rights.

This chapter explores why efforts at nation-building in interwar Eastern Europe nonetheless weakened efforts to establish stable democratic governments in the region. The argument presented here is of limited scope. It will

not be suggested that nation-building in interwar Eastern Europe made the collapse of democracy inevitable – despite extreme polarization along national lines Czechoslovak democracy survived until the Munich treaty. Rather, it will be suggested that it made political compromise and consensus formation that is the key to crafting successful democracies much more difficult (Di Palma 1990). Other factors, particularly class conflict, precipitated the political crises that led to democratic collapse. But the vulnerability of the body politic to such pressures would have been reduced had there been less extreme ‘national’ problems in these states. Nation-building, as it was conducted by the states of interwar Eastern Europe, greatly reduced the chances of successful democratization. Ethnonationalism and liberal democracy are not necessarily contradictory if the nation and state correspond (or come to be seen as congruent) and societal pluralism is acknowledged. But in interwar Eastern Europe national and democratic legitimacy competed against one another because nations did not fit easily into the states meant to house them. Instead of recognizing this reality, many interwar Eastern European leaders remained committed to the ‘ideal’ of the nation-state and nationalism: that the political unit should correspond to the national group (Gellner 1983: 1). But the actually existing interwar states of Eastern Europe were far from this utopia. They were, from a nationalist perspective, either ‘too large’, that is multinational, or ‘too small’, such as rump states. Thus, nation-building – the attempt to make national loyalties and state boundaries correspond – ran into the awkward problem of ethnic minorities. Either minorities within the state stood in the way of a national ‘homogeneity’ or they lived outside the boundaries of the ‘mother state’ with which they shared a common nationality. (Obviously, these two kinds of minorities often overlapped, that is, an ethnic minority in a multinational state that was of the same nationality as the dominant group in an adjoining country). Nation-building in an ‘oversized’ (multinational) state faced the danger of degenerating into outright suppression of ethnic minorities in the name of national unity. On the other hand, nationalist pressure in ‘undersized’ (or rump) states could result in revisionist pressures on political leaders to re-incorporate their nationals living in bordering states. Such extreme forms of nation-building threatened minority rights as well as international borders.

Aside from the problem of nations not closely matching state boundaries, excessive emphasis on nation-building often encouraged the rise of extreme nationalism that was unfavourable for the development of democratic government, to put it mildly. Political democracy requires the acceptance of societal pluralism. Extreme nationalism, on the other hand, claims a common interest based on shared nationality that overrides all other social divisions. When a nation-building project leads to conflict with national minorities or with neighbouring countries, it tends to create an environment in which all internal opposition is considered anti-national,

and thus nothing less than treason. When national unity is stressed at the expense of political pluralism, a democratic polity is severely weakened.

In what follows, it will be examined how political legitimization derived from nation-building can undermine the stability of democratic government. Then the five interwar East European countries analysed in this chapter – Austria, Czechoslovakia, Hungary, Poland and Romania – will be grouped into two categories. The first category consists of ‘oversized’ or multinational states (Czechoslovakia, Poland and Romania) and the second of ‘undersized’ or rump states (Austria, Hungary). It must be stressed at the outset that the difference between ‘over’ and ‘undersized’ states is not absolute. The focus of this analysis is on the *most politically significant* national cleavage. In ‘oversized’ Poland, the unity of a state in which one third of the population was non-Polish constituted the dominant political issue in nation-building. Austria is a special case of a rump state because its ‘irredentism’ was based not just on its fellow nationals who were minorities in neighbouring countries (the so called Sudeten Germans in Czechoslovakia and the Germans of South Tyrol in Italy), but also the desire of most Austrians to unify with Germany. Despite this quantitative difference between pan-German Austrians and the desire of Hungarian nationalists for a ‘greater Hungary’ the principle remained the same: the desire for an expanded state to incorporate all nationals under one political roof (on pan-movements see Arendt 1966: 222–65).

Finally, this chapter will attempt to demonstrate how the *timing* of democratic breakdowns in interwar Eastern Europe was chiefly dependent on the success or failure of class compromise. When a country was polarized along class lines, national issues were often *instrumentalized* by the conservative opponents of social change. In the name of nationalism, democracy was destroyed to defend socio-economic privileges. On the other hand, where class compromise was achieved, grave national tensions could be overcome, at least temporarily. Thus, while not the primary cause of failed democratic rule, the theory and practice of ‘nation-building’ was often one of the chief weapons in the anti-democrats’ armoury. Crafting democracy was made much more difficult by the competing legitimacy of nationalism.

## 1 Incomplete nation-states and democratic rule

The Greek word *demokratía* literally means the ‘rule of the people’. But the people cannot rule until it is decided who the people are (Jennings 1956: 56). Robert Dahl has analysed the problem this way:

The fact is that one cannot decide from within democratic theory what constitutes a proper unit for the democratic process... [T]he democratic process presupposes a unit. The criteria of the democratic process

presuppose the rightfulness of the unit itself. If the unit itself is not a proper or rightful unit then it cannot be made rightful simply by democratic procedures.

(Dahl 1986: 122, cited in Linz, 1992: 199)

In the contemporary world, the nation-state has become the dominant way of defining what the proper unit of rule is. But what occurs when the nation does not correspond to the state? 'Nation-building' in such a situation can have negative consequences for democracy. There are three variations of nation-building under democratic government in a territorial unit lacking full 'nation-stateness'.

*Extend the nation to cover the state.* This was the strategy employed by 'over-sized' or multinational states in interwar Eastern Europe. In the modern world, nation-building through cultural assimilation without the use of force is extremely difficult, if not impossible (Linz 1978: 62). This means that unless ethnic minorities are offered, and can be persuaded to accept, cultural autonomy, a federal state, or a 'consociational' democratic system (Lijphart 1977), the legitimacy of democratic rule will be severely weakened in their eyes. Because 'nation-building' ethnic groups in interwar Eastern Europe insisted upon majoritarian rule, parties of ethnic minorities – which tended to form along national lines and were not based primarily on socio-economic interests – often found themselves permanently excluded from government coalitions. Since a centralized state form was chosen, minorities found little political space for their local political concerns as well as the cultivation of their linguistic, religious, and other traditions. Under such conditions, 'nation-building' will inevitably involve the exclusion of alienated minorities or, worse, violent state suppression of their demands, or even ultimately, as in former Yugoslavia today, lead to 'ethnic cleansing' and genocide.

*Secede as a nation from the state.* This is a non-governmental form of nation-building, as an ethnic minority group strives for secession from an unwanted state. (Viewed from the government's perspective, this is a treasonous reaction to attempted nation-building by the multinational state.) The government is rejected not because of the regime form (although this may be disliked as well), but because the state is seen as illegitimate, as it is dominated by another national group. Thus, the degree of democracy in the multinational state may not necessarily affect the intensity of the secessionist drive. An important variation among ethnic minorities in a multinational state is whether they, as a group, reject the new political unit from the outset. As will be shown below, in interwar Eastern Europe many minority groups were dominated by *rejectionists*. Rejectionists opposed the multinational state unrelentingly. For them there was no room for compromise with their hated 'foreign' rulers. They demanded nothing less than

their own separate nation-state. But even here the issue of political crafting was not irrelevant. Some minority groups were – either from the outset or after a period of failed rejectionism – predominantly *instrumentalist*. That meant that they sought the best possible conditions for themselves within the existing multinational state. They only became (or returned) to a primarily rejectionist stance when the multinational state hardened its attitude towards them, and/or if external events prompted such a shift (international economic crisis and the rise of Hitler led to renewed rejectionism in the case of the Sudeten Germans in Czechoslovakia, for example). In some cases, instrumentalists masked themselves as rejectionists, hoping to strengthen their bargaining position until they finally chose to compromise with the state.

*Extend the state to cover the nation.* This stance entails an aggressive, ‘revisionist’ foreign policy by an ‘undersized’ state directed at countries in which members of their coethnics live under ‘foreign rule’ (a partial exception is interwar Austria, where revisionism involved the desire of most Austrians to merge their state with Germany, which the Allied powers had forbidden). A rump state makes claims on territories where it is argued significant numbers of the national group reside. Neighbouring states inevitably resist such demands. The result is not only international tension – often involving terrorism and even war – but also the transformation of such irredentism into the defining political issue of the ‘undersized’ state.

How had the nation-state become the definition of a legitimate political unit in interwar Eastern Europe which was so far removed from this ideal? It was a relatively recent development, with nationalism only replacing dynasticism in the late nineteenth century in most of the region as the basis of state legitimacy (Anderson 1983, chapter 4). Despite strong nationalist movements, kings and emperors in the region received the loyalty of most of their subjects right up to the First World War. A clear example is the Habsburg empire before the outbreak of the war in which ‘oppressed peoples’ such as the Czechs hoped for little more than autonomy within the empire, much as the Hungarians had earlier achieved (Kahn 1980: 326–41, 379–88; Rothschild 1974: 76). Most German speakers in the Habsburg empire, despite having a strong ethnic identity, remained loyal to the emperor and his dynastic claims (Hoor 1966: 11–14). The outbreak of the First World War changed this situation dramatically. Czech leaders, for example, began demanding (and ultimately received) independence while Germans of the ex-Habsburg empire found themselves largely concentrated into the new republic of Austria in which pan-German sentiment was dominant from the outset (Simon 1978; Hoor 1966). Nationalism became the explicit *raison d’être* of the East European states that were either republics, or, if still officially kingdoms, then headed by monarchs expected to serve national not dynastic interests.

How was the nation to be defined? In comparative perspective, this question has several answers (for a good overview see Alter 1985). In Switzerland, for example a *multi-ethnic civic* identity has been developed in a nationally plural society (Horowitz 1985: 18). In the Second Austrian Republic after the Second World War, an 'Austrian identity' developed based on a *non-ethnic particularistic* definition of the nation that was confined to the state's boundaries despite the country's 'German' ethnicity (Bluhm 1973). In interwar Eastern Europe, however, neither multi-ethnic civic nor non-ethnic particularistic identities were formed. Rather, nations were defined almost entirely on an ethnic basis. Unlike German and Italian unification in the nineteenth century – where ethnically identical (or at least highly similar) states were merged – the Eastern European states of the interwar period did not correspond at all closely to ethnically defined nations (Schieder 1991: 7–16, 65–86). The new states were either 'too big' as multinational or 'too small' as rump states. Thus national had replaced dynastic identity either without applying to all of the citizens of a particular state (because it was multinational), or a national identity was also shared by many people outside of the state's borders (because it was a rump state). In short, national identity did not provide an adequate basis for state loyalty which, in turn, is a prerequisite of stable democracy.

Put another way, the alternative of *state-building* to nation-building (Linz 1993) – in which a multinational population accepts a common, nationally neutral state, or an ethnic group spread between different countries accepts non-ethnically defined states – was not seriously considered by political elites. Leaders of the titular nationalities of multinational states were unwilling to abandon their long-awaited chance to realize their own long-suppressed nationalism. For example, although Eduard Beneš promised Czechoslovakia would become the Switzerland of Eastern Europe, the policies of the otherwise enlightened Czech leadership were largely guided by the goals of ethnic nationalism which had early been subsumed in the Habsburg empire. Thus promises of minority autonomy by Czechoslovak leaders went largely unfulfilled (Rothschild 1974: 137 ff.). The option of state-building instead of nation-building was also not considered by most leaders of the rump states of interwar East Central Europe. State-building in this latter context is a particularistic strategy, in which the 'pan' goal of joining a wider ethno-linguistic civilization is dropped in favour of identification with a regional, administrative territory. Because of a widespread 'German' identity among most politicians (and much of the population), Austria has been called 'the state that nobody wanted' (Andics 1962). In Hungary, political leaders – both left and right – responded to the call for accepting the country's shrunken borders (that left many 'Hungarians' outside the state) with the slogan 'no, no, never'. The nation-building of the interwar period made the rule of the people in the 'undersized' state problematic due to the loyalty given to a nation that extended beyond the state's borders.

## 2 Nationalism and pluralism

Democracy can only be crafted on a pluralist view of society. Yet anti-pluralist or monist ideas found fertile ground in interwar Eastern Europe's 'nation-stateness' problems – that is the lack of a single, exclusive national identity in a particular state. The anti-pluralists' contention that society had a single will based on a common interest which could only be interpreted by an elite (a vanguard party or a leader) was held against the pluralists' belief that cleavages along class, religious, geographical and other lines led to different viewpoints which could only be resolved through competitive elections and political compromise (see, for example, Sontheimer 1994; Schmitt 1991 is a classic illustration of this kind of thinking). When nationalists are frustrated by an 'over'- or 'undersized' state, the call for national unity has a particularly strong appeal. Other social conflicts are seen to distract from the national struggle, or more perniciously, to have been artificially and conspiratorially created to keep the nation permanently subordinated. The tolerance of loyal opposition, which is at the heart of democratic politics, is difficult in a climate in which the regime and/or opposition justify their behaviour in defence of the nation and accuse their enemies of treason.

What can be called *anti-state nationalism* developed among groups who felt their goal of full nationhood had been thwarted. The 'rump' states of Austria and Hungary, which were the chief losers in the territorial settlement following the First World War, and the minorities of the new multinational states, who also felt disadvantaged by the Paris treaties, were most susceptible to this form of anti-pluralism. The Henleinists among the German minority in Czechoslovakia are perhaps the clearest example of this latter phenomenon because they combined thinly veiled secessionist demands with a political programme with strong fascist/National Socialist tendencies. Intense class polarization or the advent of economic depression often set such anti-pluralist politics in motion. When these precipitating factors were present, the pragmatic compromises that allowed the functioning of democracy were washed away. Even groups whose belief in the legitimacy of a 'wrong-sized' state was weak often gave the regime provisional, instrumental support under favourable socio-economic circumstances. But intense social struggle or economic crisis undermined such arrangements. Anti-pluralism tended to triumph among those groups for which the state was illegitimate due to frustrated nationalist aspirations.

A *state-saving nationalism* developed as reaction to 'treason' by national minorities. It was most often traditional and authoritarian in character but, if the threat to the state appeared grave, could also develop fascist tendencies. *Staatsvölker* (peoples of state) were determined to protect 'their' state. Nation-building became a programme for the advancement of a particular national group in a multinational state. The dominance of the civilian

bureaucracy and the military, and the social and political prestige that went with running a 'national' state became valued goods of the ruling nationality which they were unwilling to surrender without a fight. This placed a limit on how much democracy they were prepared to allow. An electoral outcome which voted out the parties of the 'ruling nation' was unthinkable for nationalists and even a government which held office with the help of minority votes was often considered intolerable. When perceived minority attacks on the state could be institutionally controlled, then the 'national question' did not necessarily become a cause for the development of undemocratic attitudes. But a constant sense of threat often set the groundwork for acts of terror, traditional dictatorships, or even fascist movements, all in the name of the nation and 'its' state.

### 3 'Oversized' states

Nation-building by the titular nationality in Czechoslovakia, Poland and Romania excluded most national minorities from effective political participation through official discrimination and/or informal means. Whether the behavior of the *Staatsvolk* was merely exclusive (the Czech political elite) or openly fascist (the Romanian Iron Guard) largely depended on perceived dangers to control over 'their' state as well as the degree of class polarization, discussed below. The attitudes of minorities to the state whose national identity they did not share also varied. One group of minorities were predominantly rejectionist: opposing the state in principle even when they sometimes cooperated with the authorities in practice. The chief examples are the Sudeten Germans in Czechoslovakia. Their struggles with the Czechs were dominant issues in the interwar politics. Although both Czechs and Slovaks were declared to be members of the same nation, it soon became clear that Slovaks considered themselves a separate group and complained of discrimination by the government. Many Slovaks too ultimately became 'rejectionists'. Ukrainians and other East Slav groups as well as Germans in Poland were also to a large extent rejectionist, although division between the East Slav groups and the relatively small size of the German minority limited the significance of these conflicts. The attitude of the Hungarian minority in Romania was also often rejectionist (as was to a lesser extent that of ethnic Hungarians in Czechoslovakia).

Other minorities in these multinational states were instrumentalist: that is they cooperated with the regime and remained in large part loyal to the state in exchange for patronage or autonomy (for example the Ruthenians of Czechoslovakia). But they were not the largest minorities in either country and their cooperative stance could not overcome the conflictual posture of the Sudeten Germans. Ethnic Germans in Romania were treated relatively well and were correspondingly cooperative with the state, but this paled against the Romanian government's discriminatory policies towards



ethnic Hungarians and other 'foreigners', as they were derisively termed (Crampton 1994: 108).

A third position taken by national minorities aside from rejectionist and instrumentalist was *accommodationist*. Here a minority group sought to be left alone by the state and protected, when necessary, from a hostile general population. This was the position characteristic of most of the Jewish minorities in East European countries. Jews who did stress their distinct identity either did so religio-culturally – which posed no political challenge to the state – or through Zionism, which also was no threat because it involved emigration to Palestine. This, of course, did not save the Jews from being made into scapegoats for a wide range of societal problems. Anti-Semitism is a tragic common denominator in the Eastern European countries analysed here.

The Czechs, Poles and Romanians were the main beneficiaries of the territorial settlements following the First World War. Demand for national determination had been the cry of the stateless Czech and Polish leaders during the war and was also a major element of the nationalist programme of pre-war Romanian statesmen. But national freedom from 'alien' rule for all Czechs and Poles as well as those Romanians and Southern Slavs who had lived under the authority of the Habsburgs turned the claim of national self-determination on its head. Now instead of their living under a state dominated by another national group, they were the titular nationality ruling over national minorities. As Joseph Rothschild has pointed out, these new *Staatsvölker* justified their rule over a territory with a multinational population by switching from an argument for national self-determination to a historic claim that underlined their right to rule over a 'greater' Czechoslovakia or Romania (Rothschild 1974). No longer the pawns of the great powers of the region, they had become the masters of new mini-empires. Table 2.1 shows the titular nationalities, the major minorities as a percentage of population, and the predominant attitude of the minorities towards the multinational state.

Instead of granting autonomy through a federalist state structure and political power through a kind of 'consensual democracy' with federalist and consociational elements as described by Arend Lijphart, the 'nation-builders' of these multinational states opted for centralized states and majoritarian democracies (Lijphart 1984). In setting the ground rules for the new state, they made sure national minorities were only partially represented or fully excluded. Such discrimination often extended to social policy, particularly land reform – one of the key issues in largely agrarian Eastern Europe.

In Czechoslovakia, often praised as the model democracy of the region, the Constituent National Assembly was made up of Czech delegates, selected according to the strength of Czech parties in the 1911 *Reichsrat* elections as well as Slovak representatives who had been appointed by pro-Czech Slovak leaders. The boycott by Sudeten German politicians led to an

*Table 2.1* Titular nationalities and major minorities as a percentage of population with the dominant stance of the minorities towards multinational interwar East European states

Country (4% or more)	Titular nationality of minority towards multinational states	Major minorities	Dominant stance
Czechoslovakia	Czecho-Slovak <sup>a</sup> (66%)	German (23%) Hungarian (5%) Ruthenian (4%)	rejectionist rejectionist instrumentalist
Poland	Poles (66%)	Ukrainian/East Slav (19%) Jewish (10%)	rejectionist accommodationist
Romania	Romanian (72%)	German (4%) Hungarian (9%) German (4%) Jewish (4%)	rejectionist rejectionist instrumentalist accommodationist

<sup>a</sup> Census figures counted Czechs and Slovaks together.

Source: compiled from data in Rothschild (1974).

'institutional *fait accompli*' in which Czechs (and to some extent Slovaks) dominated the state bureaucracy, while promises of autonomy for minorities went largely unfulfilled (Rothschild 1974: 92–3). Ethnic Germans were not accorded the same legal treatment as Czechs, Slovaks and Ruthenians and were discriminated against in the Land Reform Act in which large German estates were often transferred to Czech farmers (Bradley 2000: 90 and Kitchen 1988: 125). As will be discussed below, the loyalty of the German minority to the Czechoslovak state was in doubt from the beginning. Nonetheless, as John Bradley has phrased it, '[w]hatever valid excuses the Czechs might have had, Czechoslovakia was from the beginning *their* state, run for *them* from Prague' (Bradley 2000: 90; emphasis added).

The 1920 royal *coup d'état* in Romania – which not only ended a brief period of democratic rule but also removed the only government in the interwar period that attempted to achieve reconciliation with the national minorities – was justified by the 'treachery' ethnic compromise supposedly constituted against Romanian interests (Fischer-Galati 1991: 34–5). A highly centralized governmental structure was adopted in the new constitution of 1923. This hurt minority parties seeking federal representation and a local patronage base (Walters 1988: 231). (The power of parliamentary government was in any case highly restricted and elections generally rigged, with the partial exception of the 1928 and 1937 polls.) As in Czechoslovakia, a land reform programme in Romania was implemented largely at the expense of minority groups. Russian and Hungarian nobles lost their possessions in the newly acquired territories of Bessarabia and Transylvania, respectively. However, in the pre-1918 old kingdom (*regat*) ethnic Romanian

landlords were left untouched (Walters 1988: 153). But 'ethnic' conflicts within the expanded Romanian state were not confined to those between Romanians and non-Romanians. Ethnic Romanians in Transylvania tended to be more culturally and politically sophisticated than those who had lived in the old *regat*. These 'new' Romanians were highly critical of the lower standards of administration and political culture in the 'greater Romanian' state than they had been accustomed to in the Hungarian state before the First World War (Crampton 1994: 108). The weakness of democracy in Romania was directly linked to 'the failure of the Romanian ruling classes to resolve the essential problem of integration and assimilation of the various provinces acquired at the end of World War I from neighboring countries' into greater Romania (Fischer-Galati 2000: 381).

Even in Poland, where minorities were divided among themselves and had a weaker sense of national identity, which limited polarization along ethnic lines, the 'national' question contributed to the weakening of Polish democracy. Unlike in Czechoslovakia, minorities in Poland were even denied the opportunity to study in their own language schools (Walters 1988: 182). The constitution of 1921 provided for an extreme form of proportional representation that benefited minority political parties (Holzer 2000: 344). But like the Czechoslovakian, Romanian, and Yugoslavian constitutions, it was written largely without the participation of ethnic minorities, weakening its legitimacy among these excluded groups (Okey 1991: 165). Moreover, the right-wing National Democrats – who favoured a highly centralized state, opposed minority rights, and were openly anti-Semitic – were the dominant political party in the early years of the new Polish state (Walters 1988: 183). The most tragic incident in Polish-minority relations occurred when President Gabriel Narutowicz was assassinated by a fanatical nationalist in late 1922. Polish extremists accused him of treason because he had won the election for the presidency in the *Sejm* with the support of ethnic minority political parties (Polonsky 1972, chapter 3).

While the titular nationalities of 'oversized' states saw to it that they dominated constitution-making and the administrative apparatus, several major minority groups in these multi-ethnic countries rejected the legitimacy of democratic governments there. In Czechoslovakia, there was a rebellion by Sudeten Germans shortly after the state's founding (Wandruszka 1992: 830). There was also considerable unhappiness among the Hungarian population in Transylvania which had been newly integrated into Romania, although this seldom led to violent protests. The Sudeten Germans generally looked down on the Czechs while most ethnic Hungarians were contemptuous of Romanians. Both groups had previously been members of the 'ruling people' in the Austrian and Hungarian halves of the Habsburg monarchy, respectively. This made the subordination of these minorities to an 'inferior' national group in these new states particularly bitter, even if they were treated better than their group had once handled minorities when they had

the upper hand in a multinational empire. Promises of democracy rang hollow to national groups excluded from state-forming processes. But the cultural arrogance of the largest minorities made them less receptive to political compromise with those they did not consider their equals. The intolerance of the dominant nation-builders was often confronted by the equal inflexibility of major national minorities. The nation-building position of the titular nationality and the rejectionist stance of the largest minority explains why party politics in these 'oversized' states during the early interwar period often increased ethnic tensions while postponing social change.

In Czechoslovakia, the coalition of five Czech parties in various cabinets up to 1925, known as the *petka*, showed 'the continuing primacy of national solidarity over ideological or class solidarity' (Rothschild 1974: 103; also see Karvonen 1993: 118–22). As long as this was the case, majority rule was seen as tyranny by the country's ethnic minorities. Instead of being based on shifting majorities based on economic cleavages and social issues, Czechoslovak politics in this period largely consisted of ethnic Czech parties crossing class-lines and bridging social differences within their national group in order to create a seemingly unassailable majority. The chance to establish a 'consociational democracy' with representation for minorities in a ruling coalition was squandered as Czechoslovakia implemented a form of *de facto* Czech majoritarian rule.

In Poland, a large peasantry (an estimated 60 per cent of the population) failed to translate into a corresponding peasant vote largely because of the divisive issue of national minorities: the so-called Piast peasant party failed to widen its base beyond the former areas of the Habsburg empire because it was opposed to minority interests, while the Wyzwolenie (Liberation) party failed to draw a substantial vote from Poles who objected to its appeals to non-Polish peasants. As a result, the Polish peasant vote often went to right-wing, polanizing parties while the electoral block of national minorities had virtually no voice in governmental affairs (Walters 1988: 175 and 183–4). In Romania, the National Liberal Party, which dominated the country's politics for much of the interwar period, was able to deflect demands for greater political representation by accusing rival parties, particularly the National Peasant party, of catering to elements 'ideologically and ethnically incompatible with traditional Romanian nationalism' (Fischer-Galati 2000: 387).

The excesses of nation-building can be linked to the rise of fascism in Eastern Europe. On the one hand, minorities' sense of being 'imprisoned peoples' prompted the growth of fascist movements there among Sudeten Germans in Czechoslovakia and Croats in Yugoslavia. This represented a new level of political polarization, in which fascist leaders of minority groups declared war on the 'foreign' state in which they lived and appealed for help of friendly powers to destroy it. The situation in Czechoslovakia was particularly extreme because of widespread extreme nationalism

among Sudeten Germans and the support they received from Nazi Germany in the 1930s. The Sudeten Germans had been the strongest *Deutschnational* supporters in the Habsburg empire, in large part because of their conflict with rising Czech nationalism. After a period of cooperation by pragmatic Sudeten German leaders following instrumentalist tactics with the Czech state, this minority group went over almost entirely to the rejectionist fascist camp after the rise of Hitler encouraged their hopes of the destruction of Czechoslovakia (Rothschild 1974: 80–2; also see Jaworski 1977).

Fascism could also arise among the dominant national group. The popularity of the so-called Iron Guard in Romania, the strongest fascist movement in interwar Eastern Europe, is attributable in large part to its ability to 'outbid' traditional parties in nationalism and virulent anti-Semitism (the Iron Guard leader Codreanu had risen to prominence at the head of a student strike against the new constitution which granted Romanian citizenship to Jews: see Crampton 1994: 114). This represented the counterpoint of secessionist fascism: while Sudeten German fascists called for the forcible destruction of the state, greater Romanian fascism used terror to keep a multinational country together at all costs.

#### 4 'Undersized' states

While 'peoples of the state' invoked national principles to preserve the borders of multinational countries, the 'rump' states of former empires used nationalism to press for territorial revisions. This kind of 'nation-building' did not mean keeping political minorities out of the affairs of state, but rather bringing fellow nationals into an expanded territory. The irredentist claims made by these rump states were very different: most Austrians wanted to merge with Germany (as well as reclaim the Sudetenland from Czechoslovakia and South Tyrol from Italy), many Hungarians pressed for the return of their lost empire. But what all these revisionist states shared was the demand that all members of their respective nationality be united in a single state. This is not to say that principle was pure. Hungary claimed historic Hungary, which included many peoples of non-Hungarian descent (compared to post-World War I Hungary which was ethnically very homogenous). Nonetheless, the rhetoric of revision was that of nation and not empire, showing that here too dynastic had been replaced by national legitimation. Table 2.2 shows the irredentist claims of these two Eastern European states.

Politicians in all of these 'rump' states felt the pressure of territorial revisionism. Regardless of one's political colour – socialist, Catholic social, or German nationalist – popular opinion in Austria forced consensus on the issue of 'German unity'. The first article of the Austrian Constitution, approved with only one dissenting vote by an assembly representing all three major political camps in the country (the socialists, conservatives and

Table 2.2 Irredentism in interwar East Central Europe

Country	'Revisionist' claim	Fascist or para-military group involved
Austria	Merger with Germany, Sudetenland, South Tyrol	<i>Heimwehr</i>
Hungary	Transylvania, Slovakia, Vojvodina	Arrow Cross

nationalists), called for a merger with Germany (Simon 1978: 83). (The provision had to be withdrawn after protest from the allied powers.) This consensus in favour of unification with Germany only broke down in the 1930s when Hitler's rise to power led the socialists to oppose merger with Germany while the Christian socialists attempted to build an authoritarian alternative to Nazism based on a separate Austrian identity. Nonetheless, Hitler's *Anschluss* of Austria in 1938 led to 'open and audible jubilation on the part of most of the Austrian population' (Wandruszka 1992: 869). Looking back on the First Austrian Republic, one historian has termed it 'the state nobody wanted' (Andics 1962).

In Hungary, Count Karoly's brief rule in late 1918 to early 1919 – the most democratic of the interwar period – was undermined when the victorious Allies made it clear they planned to deprive historic Hungary of much of its territory. It is often forgotten that the chief crusade of Béla Kun – the social revolutionary who seized power in March (and was toppled in August) 1919 – was a failed attempt to restore 'greater Hungary' through a military campaign against the country's neighbours. Although it was the ideological opposite of the Hungarian Soviet Republic, the conservative Horthy government (which took power in November 1919) retained Kun's irredentist tactics, even if it no longer tried to fulfil them militarily. '*Nem, Nem, Soha*' ('No, No, Never') was the ritualistic slogan of frequent political rallies called to denounce Hungary's truncated post-war borders (Kitchen 1988: 116). Furthermore, flags were flown at half-mast on the borders to demonstrate Hungary's territorial claims. The authoritarian regime skilfully instrumentalized revisionism which had been the 'virtually universal response' to a peace treaty that was seen to have robbed Hungary of two-thirds of its historic territory (Walters 1988: 224; Rothschild 1974: 155).

Fascist and other paramilitary movements flourished in these 'unsatiated' nations. The right-wing *Heimwehr* (home guard) paramilitary group in Austria sprang up following the collapse of the Habsburg empire in an attempt to protect Germans from Slav, Hungarian and Italian incursions (Polonsky 1975: 68). However, growth continued even after the borders were secured and Austria's ethnic homogeneity established. As was the case with the Nazis in Germany and the Henleinists in Czechoslovakia, the *Heimwehr* was identified by nationalist-minded Austrians as the militant

wedge of the fight for the pan-German cause. In Hungary, the Arrow Cross movement was used as a tool by the aristocratic ruling class against the left. But it often pushed conservatives further on the 'national question' than they originally intended to go, which in turn radicalized Hungarian politics. Although in Hungary traditional elites eventually crushed or won control over internal fascist challenges, it nonetheless allied with Nazi Germany largely because of Berlin's promise to support Hungarian revisionism.

## 5 Class conflict and failed democratic transitions

The discussion of 'oversized' and 'undersized' states shows why democratic crafting and nation-building were in conflict in interwar Eastern Europe, but it cannot explain the timing of the breakdown of democracy. *When* democracies broke down was most decisively influenced by the degree of class conflict, which in most of these countries primarily involved disputes between landlords and peasants. The more intense agrarian or other forms of class struggle was, the earlier democracy collapsed. The most 'feudal' countries – Hungary and Romania – had the shortest periods of democratic government. Temporary compromise on peasant issues helped Polish democracy survive somewhat longer. With more advanced socio-economic structures and greater means of political compromise, Austrian democracy survived until the early 1930s and Czechoslovak democracy until the Nazis dismantled its state.

Although the 'mismatch' of state and nation in Hungary and Romania was not the precipitating factor in failed democratic transitions, opponents of social reform found that nationalist arguments came in handy as a means to repress challenges to the status quo. If they had not been able to manipulate such nationalist symbolism, conservatives would have had to proclaim their backward looking socio-economic interests openly in their campaigns against the democratic order. Problems of nation-stateness were a convenient way to combat democratic reformists without admitting to having such reactionary aims.

In Romania, a multi-ethnic peasant coalition won the first post-war elections in 1919. What the old guard Liberal Party led by Ion Bratianu, which lost in the balloting, really feared was the political and economic consequences of a thorough agrarian reform. But they attempted to delegitimize the elected government with denunciations of 'foreigners' (that is, national minorities) and 'traitors' in high office. Stephen Fischer-Galati describes the background to the royal coup against the government in 1920. The peasant coalition government advocated first

a comprehensive program of land expropriation and social reform in the village; second it professed national reconciliation through observance of the incorporation agreements (of non-Romanians in 'Greater' Romania) and of the provisions of the so-called Minorities Treaty... These

'treacherous' acts were branded as incompatible with the national interest by Bratianu and his entourage and, perhaps even more significantly, by the monarchy. Acting in consort with conservatives and nationalists, King Ferdinand dismissed the Vaida government in March 1920 at the moment when parliamentary approval of a play for agrarian reform that would have indeed satisfied the demands of the peasantry and consolidated the rule of pro-peasant or peasant parties...

(Fischer-Galati 1991)

The Karolyi government in Hungary had advocated class compromise and had won the trust of many minorities inside the country's borders before the First World War (Kitchen 1988: 113). But when the victorious allied powers carved up Hungary's territory, Karolyi resigned. He was replaced by Béla Kun who destroyed the country's nascent democracy both in the name of nationalism and revolution. The conservative forces led by Admiral Miklós Horthy, who took power after the Romanian defeat of Kun's revolutionary and irredentist army, justified their own authoritarian rule in Hungary with a national revisionist platform. Non-democratic rule in its counter-revolutionary phase was claimed to be necessary for creating the societal unity necessary for the successful recovery of lost Hungarian territory. Divisions within Hungarian society were not acceptable when the Hungarian nation itself was seen as divided between different states.

The destruction of democracy in the name of the nation was precipitated by intense class conflict in Hungary and Romania. Where such social divisions were slower to manifest themselves democracy was able to survive (somewhat) longer even if 'nation-stateness' problems were equally severe. Under conditions of societal peace, pragmatic solutions to national issues became more likely. But when social problems again worsened, national issues were again instrumentalized.

The assassination of Gabriel Narutowicz on 16 December 1922 for his 'treasonous' cooperation with minority parties, and the demand by the National Democrats that governments have a 'Polish majority', poisoned the atmosphere of interwar Polish politics and reinforced minorities' sense of exclusion (Walters 1988: 183–4). Still, when a centre-left coalition government won conservative support for a land reform proposal in May 1923 as part of the so called Lanckorona pact, Polish democracy stabilized temporarily. The *Sejm* adopted a Land Reform bill in July 1925, which, though far from adequate, was a first step in reducing Poland's most serious source of class tension (Polonsky 1972: 112–20). But even the limited land reform proposal passed by parliament further aggravated conflicts between the nationalities as it was largely directed at foreign, particularly German, landowners while excluding the Polish gentry whose land was worked by non-Polish peasants. This gave a peculiar twist to ethnic and class-based conflicts in the country, with proposed solutions to the latter contributing



to the growing intensity of the former (there was a parallel to this phenomenon in Romania, Yugoslavia and Czechoslovakia, where land reform also added to the sense of alienation of minority landlords who felt unfairly targeted). The constant irritation of the 'national question' and conflicts over social reform which hampered political compromise combined with an economic crisis that further undermined governmental legitimacy, paving the way in 1926 for Pilsudski's coup that ended Poland's interwar democratic experiment (Kitchen 1988: 108–9).

In Austria, Socialists only participated in government for a short period after the end of the First World War. Although the Austrian Socialists were excluded from power after 1920, a package of social legislation – including an eight-hour day, guaranteed worker holidays, collective bargaining, and health insurance – won left-wing support for the Austrian state. In addition, the federalist character of the Austrian constitution allowed the Socialists to use their majority in Vienna to achieve far reaching reforms (Polonsky 1975: 65). Austrian democracy might have been saved if conservative governments had been willing to coalesce with the Social Democrats, the most consistently democratic party in the country in the interwar period (Gerlich and Campbell 2000; more generally see Wandruszka 1992: 828–52). But after the July 1927 bloody clashes in Vienna between protesting workers and the *Heimwehr* that left nearly a hundred dead, the government looked instead to the paramilitary right to help suppress the socialists. As the *Heimwehr* and other nationalist forces began to destabilize the state, Chancellor Dollfuss, though not ideologically opposed to democracy, still refused, like Seipel before him, to consider a political pact with the Social Democrats. He turned instead to authoritarian rule, disbanding the Social Democratic party in February 1934 and defeating their paramilitary forces in a four-day civil war (Bluhm 1973: 35). Dollfuss's authoritarian Christian corporatist state was conceived as a 'German Austria' which was meant to create an alternative to the identification of German nationalism with the Nazis (Bluhm 1973: 35–6). Dollfuss played the nationalist card (though with an increasingly Austrian emphasis) instead of seeking an alliance with the socialists against the Nazis.

Ekkart Zimmermann and Thomas Saalfeld's argument about the political reactions to the world depression is relevant here. They argue that 'national consensus formation provides the distinguishing variable' for the collapse of Weimar and Austrian democracy as opposed to its survival elsewhere in Western Europe and North America (Zimmermann and Saalfeld 1988). Under the extreme conditions of depression, Austrian and Weimar German elites were unable to achieve adequate class consensus to stave off political polarization and democratic collapse. But it needs to be pointed out that in Austria (and for a shorter period in Weimar Germany) some class consensus had *already* been achieved. Yet this social compromise was buried under the economic collapse. That this was not the case elsewhere

in Western Europe or North America should lead us to put more emphasis on the word *national* when we talk of consensus formation. With legitimization weakened by the 'national issue' (in the eyes of pan-German nationalists Austria's and Weimar Germany's states were 'undersized'), the state was less able to withstand economic crisis and renewed class conflict.

The loyalty of almost all Austrians to the state was provisional. But as long as economic conditions were favourable, pragmatic accommodation with this reality seemed advisable. When the depression occurred, the rise of fascist German nationalist parties led to an irreconcilable gap between the political camps of the country. (The Socialists even finally accepted the Austrian state, as merger with Nazi Germany was unthinkable for them.) The outward expression of this polarization was mounting politically motivated street violence. In the Western European and North American countries where 'nation-stateness' was not problematic, such radical nationalists had much less electoral success and anti-state violence was minimal. In the case of Austria, then, it was radical nationalism, unleashed by economic crisis, that drove societal conflict and not the other way around as we have seen in Hungary and Romania.

Unlike in Austria, Hungary and Romania, a workable form of class compromise enabled democracy to survive in Czechoslovakia. Even though 'nation-stateness' was as tenuous there as elsewhere in the region, political consensus across class lines – first among Czechs and later between ethnic groups – allowed this issue to be temporarily de-politicized. But with the onset of the great depression, the rise of fascism among Sudeten Germans and other minorities weakened democratic rule in Czechoslovakia.

Social stability in Czechoslovakia allowed the 'national' questions to be bracketed. In Czechoslovakia, the *petka* was a grand coalition of Czech parties from social democrats to conservatives (Karvonen 1993: 118–22). This class stability (in contrast to the revolutionary upheavals of Germany) and Czechoslovakia's economic prosperity convinced many Sudeten German politicians to work pragmatically within the political system of a state they continued to reject in principle. Two 'activist' (as opposed to 'rejectionist') German parties joined the cabinet in 1925. In Austria, all three political camps – the social democrats, pro-clerical conservative, and the German nationalists – agreed to work within existing state boundaries after their demands for unification with Germany were blocked by the allied powers. For more than a decade these groups co-existed relatively well together in and outside of government.

But the word depression set off a series of events that radicalized the Sudeten Germans (as well as the Slovaks) of Czechoslovakia. Zimmermann and Saalfeld's 'master case' for democratic survival is Sweden, where a cross-government coalition was established after the onset of the economic depression (Zimmermann and Saalfeld 1988). In a sense, among the Czech population, Czechoslovakia resembled Sweden. We have already discussed

how the *petka* governments created the social stability that allowed the integration of the instrumentalist (known as 'activist') German parties in the mid-1920s. Even when these German moderates virtually vanished from the political scene with the rise of Henlein's fascists in the 1930s, Czechoslovak democracy survived because of continued class consensus within the titular nationality. So while the lack of state legitimacy among the Sudeten Germans (and many Slovaks) led to their radicalization under the economic depression which made political 'arrangements' with the state appear meaningless, the nationally satisfied Czechs preserved their cross-class coalitions which were wide enough to save democracy.

## 6 Conclusion

Unlike in Western Europe, where nations (roughly) came to correspond with states, in interwar East Europe states were multinational or 'rump' in character. This broke the positive 'French connection' between nationalism and democratic development that has characterized much, but not all of France and West European history generally (Germany and Italy excepted of course). Attempts by 'oversized' states in interwar Eastern Europe to promote national interests were often perceived as discriminatory by minorities; nationalism in 'undersized' states usually led to irredentist claims against (or, in the case of Austria, hopes for merger with) a neighbouring state or states. At the end of the interwar era the dream of democratic nation-building had been fully discredited. Had state been given preference over nation-building – that is, had civic or non-ethnic particularist identities been encouraged over ethnic-based nationalism and 'consociational' institutions established in place of strictly majoritarian ones – then the loss of legitimacy in these 'wrong-sized' states (as measured by nationalist standards!) might have been more limited. Instead, titular nationalists dominated the writing of constitutions and elections while revisionism carried the day in the rump states. The political implications of this national legitimation crisis were evident whenever social consensus broke down. The degree of class conflict explains the timing of democratic breakdown, but the 'national question' was a blunt instrument that could be used to combat social change by conservative elites.

# 3

## Class Structure and Democratization

*John D. Stephens and Gerhard Kimmel*

In previous works, the senior author of this chapter and his co-authors have analysed the development of democracy within the framework of a theory which posits that the development and breakdown of democracy is the product of the interaction of three clusters of power: the balance of class power, the balance of power between the state and civil society, and transnational structures of power (Stephens 1989; Rueschemeyer et al. 1992; Huber, Rueschemeyer and Stephens 1998; Huber and Stephens forthcoming). Our analyses covered over forty countries, including all the countries of Western Europe which became democratic by the interwar period. We excluded, however, the countries of Eastern Europe which arose out of the ashes of the three great empires covering the region. Several of the countries in this region, Finland, Estonia and Czechoslovakia, fit our criteria for inclusion. Towards the end of the chapter of *Capitalist Development and Democracy* which covers the West European cases, we briefly speculate how the inclusion of more of the East European cases, including those that did not become fully democratic, might have changed our analysis of European development. In this chapter, we turn to that task.

### 1 The theory of democratic development

Democracy is a matter of power and power sharing. This premise led us to focus on three clusters of power as shaping the conditions for democratization as well as the maintenance of formal democracy. These were: (1) the balance of class power as the most important aspect of the balance of power in civil society, (2) the structure of the state and state-society relations, which shape the balance of power between state and civil society and also influence the balance of power within society, and (3) transnational structures of power that are grounded in the international economy and the system of states; these modify the balance of power within society, affect state-society relations, and constrain political decision-making.

Shifts in the balance of power in society, and in particular in the balance of power among social classes, are the major explanation for the overall relationship between capitalist development and democracy. Capitalist development, we found, reduces the power of landlords and strengthens subordinate classes. The working and the middle classes – unlike other subordinate classes in history – gain an unprecedented capacity for self-organization due to such developments as urbanization, factory production, and new forms of communication and transportation. And collective organization in associations, unions and parties is the major power resource of the many who lack power based on property, coercion, social status, or cultural hegemony. It is these changes in the balance of class power that link democracy to development, even though the particular outcomes vary across countries due to differences in the politics of mobilization and class alliances.

The structure of the state and state–society relations are also of critical importance for the chances of democracy. The state needs to be strong and autonomous enough to ensure the rule of law and avoid being the captive of the interests of dominant groups. However, the power of the state needs to be counterbalanced by the organizational strength of civil society to make democracy viable. The state must not be so strong and autonomous from all social forces as to overpower civil society and rule without accountability. The different parts of the state, in particular the security forces, must be sufficiently under presidential and/or parliamentary control to insure *de facto* accountability. International power relations are equally important for the chances of democracy. Aside from the impact of war (typically creating a need for mass support and discrediting ruling groups in case of defeat), power relations grounded in the changing constellations of world politics and the world economy can have a very strong impact on the structure and capacity of the state, on the constraints faced by state policy makers, on state–society relations, and even on the balance of class power within society.

## **2 The analysis of breakdowns in interwar Europe: the Moore thesis**

In our analysis of Western Europe, we focused almost entirely on the first power cluster, the balance of class power. For our analysis of the breakdown of democracy in interwar Europe, we turned to Barrington Moore's (1966) study. He tries to 'explain the varied political roles played by the landed upper classes and the peasantry in the transformation from agrarian societies [...] to modern industrial ones. Somewhat more specifically, it is an attempt to discover the range of historical conditions under which either or both of these rural groups have become important forces behind the emergence of Western parliamentary versions of democracy, and dictatorships of the right or the left, that is, fascist and communist regimes' (Moore 1966: viii). On the

basis of research on eight countries (England, France, the United States of America, Japan, India, China, Germany and Russia), Moore identifies three distinct paths of development. His basic finding is that it is the particular way in which a given society moved from feudalism to modernity that shaped later events and contributed to the development of communism, fascism, or parliamentary democracy.

Here we are concerned with his analysis of the social and historical origins of modern capitalist authoritarianism. In his book this *authoritarian-reactionary route* is represented by Germany and Japan which later turned to fascism. The critical condition for the development of modern capitalist authoritarianism is the development of a coalition of large landowners, the crown (the monarch, bureaucracy, and military – that is, the state), and a politically dependent bourgeoisie of medium strength. The following factors lead to the development of such a coalition:

- 1 The landed upper classes must be the politically dominant force in the modern era (that is, late nineteenth century) and must retain a significant amount of power in a 'democratic interlude'.
- 2 The maintenance of peasant agriculture under landlords oriented to the market but employing political rather than market control of labour (labour-repressive agriculture in Moore's terms) in the modern era is a second essential feature of the path to authoritarianism. The method of labour control leads the landlords to seek an alliance with those in control of the means of coercion, the state, and it accounts for the strong anti-democratic impulse of the aristocracy (Moore 1966: 435).
- 3 The country has to have experienced sufficient industrialization so that the bourgeoisie is a politically significant actor, but it cannot be more politically powerful than the landed classes. Thus, the bourgeoisie is the weaker, dependent partner in the coalition.
- 4 The bourgeoisie is kept in a politically dependent position as industrialization is aided, and to some extent directed, by the state through protection, state credits to industrialists, state development of infrastructure, promotion of modern skills, and even state development of enterprises later handed over to private entrepreneurs. This is the core element of a 'revolution from above' by a strong state, and it could occur only after the English development demonstrated the possibility of capitalist industrialization. Militarism, and thus armaments production, seal the bourgeoisie into the state-landlord dominated coalition and its reactionary and imperialistic politics. Furthermore, a state with a sufficient capacity to repress social unrest, that is, peasant (and worker) protest, is an essential element of the authoritarian coalition of social forces.
- 5 Finally, there must have been no previous revolutionary break with the past. Thus, peasant revolutionary potential must be low (for the opposite reasons mentioned in the case of the peasant revolutions), or else the

whole process, in particular the power of the landlords, would have been broken earlier.

It should be noted, however, that while the coalition of the state, labour-repressive landlords, and a dependent bourgeoisie seems to be an essential feature of the authoritarian path, these five factors may simply contribute to the outcome, that is, may make it more probable, without being deterministic. In developing this list, we have focused on elements which come closest to being necessary conditions, but other contributing conditions could have been added.

Two final points on Moore's argument involve the problematic characterization of the outcome 'fascism' and the path from traditional pre-democratic authoritarian regimes (ruled by Moore's authoritarian coalition) to the interwar fascist regimes. In his chapter on fascism Moore's treatment of this period is extremely brief and is based largely on the German case. His argument is as follows: Fascism required mass mobilization. What developed initially was not fascism but royal authoritarianism, in which there was some mobilization but mostly against the regime, not by it. In this period, the landed class successfully promoted its authoritarian ideology among the peasantry. This royal authoritarianism was broken by the First World War, the subsequent democratic regime was not due to internal developments. The landed upper class retained a substantial amount of power in this democratic interlude not only in the countryside but also in the bureaucracy, the judiciary, and the army (that is, the state). It allied with fascism, which was based in the urban middle class and the independent peasantry, who felt squeezed between labour and capital and who were open to fascism's extreme nationalist and authoritarian ideology in part because of the previous indoctrination by the landed upper class.

Now, if one were to suggest that a country had to fit this description for Moore's thesis to be correct, only Germany would really support his argument, leaving other cases like Italy or Austria aside. A less strict and more useful test of Moore's thesis may look like the following: does the existence of certain pre-industrial agrarian class relations (labour-repressive agriculture) in general, and more specifically the presence of the state-landlord-dependent bourgeoisie coalition, distinguish the countries that succumbed to modern capitalist authoritarianism (fascist or otherwise) in the interwar period from those where democracy survived? Can difficulties in the initial transition to democracy and the events leading to the subsequent breakdown – be it more generally in the authoritarian variant or more specifically in the fascist – be traced to the pattern of class-state relations identified by Moore? In order to answer these questions we follow the advice of Juan Linz (1976) who consistently argued for the inclusion of the broadest range of comparable cases in order to increase the variation in the possible explanatory variables and to increase the possibility of control for confounding

factors. This implies that we also look at the smaller countries Moore ignored, contending that the 'decisive causes of their politics lie outside their own boundaries' (Moore 1966: xiii).

In contrast to our previous studies (Stephens 1989; Rueschemeyer, Stephens and Stephens 1992), we include here all the states covered in the *Crisis, Compromise, Collapse* research project, a number of which had not been sovereign states in the late nineteenth century but incorporated in other states. This applies to both later democratic and authoritarian cases. Within the former group there are Finland, which had been part of Tsarist Russia in the nineteenth century; Ireland, which had belonged to the United Kingdom; and Czechoslovakia, which had been incorporated in the Habsburg empire. Among the authoritarian cases are Hungary and Austria, which also had been part of the Habsburg monarchy; Estonia, which had been Russian territory; and Poland, which had been divided between Russia, Prussia/Germany and the Austrian-Hungarian monarchy. All these countries emerged from the turmoil of the First World War as sovereign states. Moreover, Greece and Romania experienced major changes in territory concurrent with the end of the war or shortly afterwards. We also include in this analysis Portugal, which was a parliamentary competitive regime but not a full democracy.

The inclusion of Eastern Europe complicates our analysis not simply because we now have to deal with the problems of state consolidation, but also because in contrast to the national states of Western Europe, these countries did not have long-standing identities as *nation-states*. Thus, we are dealing with unconsolidated states, polities and nations, which problematizes any explanation that posits the primacy of class structure in explaining the political outcomes. On the positive side, the addition of cases, by increasing the range of variation on independent variables such as state and nation consolidation and level of development, provides a more severe test for the robustness of our theory.

### 3 The transition to democracy in Western Europe

The definition of democracy we employ in our analysis is in line with the formal and institutional one by Robert Dahl (1971). Accordingly, a polity is democratic if (1) representatives are elected by universal (male, at least) suffrage; (2) the government is held responsible through cabinet responsibility to parliament or a popularly elected presidency, and (3) there are provisions guaranteeing freedom of political activity (freedom of association, secret ballot, freedom of the press, and so on). In 1870, only one country in Europe was democratic according to these criteria. By 1920, the overwhelming majority were. Two decades later, democratic rule had crumbled again in a number of these countries. What had brought democracy about? What separated the democratic survivors from the cases of breakdown?



Moore's analysis focuses heavily on the type of agricultural arrangements and labour-force control adopted by the landed aristocracy. Had Moore included the smaller European countries, his analysis would certainly have begun with the existence (or absence) of a politically powerful landed class. This, in turn, is largely a product of the pattern of concentration of landholdings itself: in all of the small countries, there were too few large estates to support the development of a politically significant class of large landowners. This factor already prevents the development of the class coalition that Moore argues is fatal for democracy. In fact, the correlation between the strength of large landlords and the survival or breakdown of democracy in the interwar period (Table 3.1) indicates that this factor provides a powerful explanation for the survival or demise of democracy. It should be noted, however, that large landholdings may not be 'dominant' in a statistical sense. In Germany, the west and south, the major portion of the country in land area, were dominated by small farming, as was the north of Italy (except for the Po valley). Spain and Austria-Hungary also contained regions in which small landholding was dominant. The critical

*Table 3.1 Agrarian elites and political outcomes*

Political outcome by the end of the interwar period	Strength of agrarian elite in late nineteenth century	
	Weak	Strong
Democracy	Belgium Finland <sup>a</sup> France Ireland <sup>b</sup> Netherlands Sweden	UK Czechoslovakia <sup>c</sup>
Authoritarian regime	Greece	Poland <sup>d</sup> Portugal Spain Austria <sup>c</sup> Estonia <sup>e</sup> Germany Hungary <sup>c</sup> Italy Romania

<sup>a</sup> No sovereign state in the nineteenth century, part of Russia.

<sup>b</sup> No sovereign state in the nineteenth century, part of the UK.

<sup>c</sup> No sovereign state in the nineteenth century, part of Austria-Hungary.

<sup>d</sup> No sovereign state in the nineteenth century, divided between Russia, Prussia/Germany and Austria-Hungary.

<sup>e</sup> No sovereign state in the nineteenth century, part of Russia.

factor here is that in all these countries there was a sufficient number of large estates to give rise to the formation of a politically powerful landed elite. In many of the small countries, by contrast, small-to-moderate holdings were the dominant form of land ownership and no large agrarian elite existed.

Before proceeding further a few remarks on the strength of the agrarian elites indicated in Table 3.1 must be made. Historically, the French agrarian elite had been very powerful, but the revolution had broken its power. By the late nineteenth century, the French countryside was dominated by small peasants, and the landed upper classes were no longer the powerful political actors they had been a century earlier. Thus, the revolutionary break from the past that Moore hypothesizes as a necessary feature for democratic development was essential in the French case. However, as Katzenstein (1985) points out, most of the small states in Europe did not experience a revolutionary break but nonetheless developed in a democratic direction. Moore's analysis, therefore, is flawed by the exclusion of the small states. The virtually perfect correlation between country size and landlord strength is no accident. As Tilly (1975: 40–4) emphasizes, military success was one factor that distinguished the successful state builders from the unsuccessful ones, and success in war was greatly facilitated by strong coalitions between the central power and major segments of the agrarian elite. The small states avoided being swallowed up only by reason of geography, the operation of the interstate system from the Treaty of Westphalia onward, or both.

Britain stands out as one deviant case in terms of landholding, and a resort to Moore's emphasis on the type of commercialized agriculture as an explanatory factor is necessary to bring this case into line (see Table 3.2). It is also accurate to classify the authoritarian cases – with the notable exception of Greece – Austria, Estonia, Hungary, Poland, Portugal, Romania, Spain, Germany and Italy as cases in which 'labour-repressive' agriculture dominated. On the other hand, Czechoslovakia has all the antecedent characteristics identified by Moore yet it ends the interwar period as a democracy. Nevertheless, predicting 16 of 18 cases correctly on the basis of agrarian class relations alone is impressive. Still, while the correlations presented here are suggestive of the causes of breakdown, we must examine the individual cases in our sample to uncover what social forces produced democracy and what forces and dynamics appear to explain the relationship between landed class strength and the political outcome.

By the eve of the First World War, a handful of countries had become democratic: Switzerland (1848) was the trailblazer, followed by France (1877) and Norway (1898). In 1915, Denmark joined this group. These are all nations of smallholders, urban petty bourgeoisie, and with a significant though not nearly dominant industrial sector (and therefore significant working and capitalist classes) at the time of democratization. As we shall see repeatedly in this chapter, autonomous and successful intervention on the part of small farmers only occurs in countries without a powerful landed

*Table 3.2* The social and historical constellation (1850–1900) and political outcome in the interwar period<sup>a</sup>

	Agrarian elite politically very significant	Agrarian elite engaged in labour-repressive agriculture	Bourgeoisie politically significant but less powerful than agrarian elite	Bourgeoisie dependent partner in coalition	Revolutionary break from the past
<b>Democratic outcome</b>					
Belgium	no	no	no	no	no
Czechoslovakia	yes	yes	yes?	no	no
Finland	no	no	no	no	no
France	no	no	no	no	yes
Ireland	no	no	no	no	no
Netherlands	no	no	no	no	no
Sweden	no	no	no	no	no
United Kingdom	yes	no	no	no	yes
<b>Authoritarian outcome</b>					
Austria	yes	yes	yes	yes	no
Estonia	yes	yes	yes	no	no
Germany	yes	yes	yes?	yes	no
Greece	no	no	no	no	no
Hungary	yes	yes	yes	yes	no
Italy	yes	yes	no	no	no
Poland	yes	yes	yes	yes	no
Portugal	yes	yes	yes	yes	no
Romania	yes	yes	yes	no	no
Spain	yes	yes	yes	yes	no

<sup>a</sup> All evaluations of strength of the various forces etc. are for the last half of the nineteenth century.*Sources:* Stephens (1989) and the respective case studies in Berg-Schlosser and Mitchell (2000).

upper class and it is certainly this characteristic of the social structure that was responsible for the early political influence of farmers. The industrial working class was quite small at the time of the democratic transition and played little or no role in the transition. These were agrarian democracies.

In France, the various Republican factions of the late 1860s and 1870s, which provided the final push to democracy, were supported by the working class, the petty bourgeoisie, segments of the peasantry (depending on local economic organization, the influence of the Catholic clergy and revolutionary traditions), and segments of the bourgeoisie, especially in the provinces. The events of the late Second Empire clearly build on earlier democratic advances (particularly 1848) which, though thwarted, continued

to influence the course of events. In these developments, the bourgeois influence was weaker, and rebellions of the largely artisanal working class played a much larger role.

In the rest of Western Europe, but particularly among the antagonists in the war, the social dislocations caused by the war contributed to the breakthrough of democracy. The war and its outcome changed the balance of power in society, strengthening the working class and weakening the upper classes. The ruling class was discredited, particularly in the defeated countries. Labour support was necessary, at home for the production effort, on the front for the first mass mobilization, mass conscription war of this scale and duration. And, finally, the war economy and mass conscription strengthened the hand of labour in the economy, enabling it to extract concessions for the coming period of peace. One indicator of the change in class power was the swell in labour organization from an average pre-war level of 9 per cent of the labour force to a post-war peak of 30 per cent in the antagonists, which experienced the transition to democracy in this period (1918 or 1919). Organization more than doubled in the two non-participants (Sweden and the Netherlands) which experienced the same transition at this time (Stephens 1979: 115). In all these countries the working class played a key, usually the key, role in the transition to democracy. But, as Therborn (1977) notes, the working class was not strong enough alone. It needed allies or unusual conjunctures of events to effect the introduction of democracy. As an indicator of this it could be pointed out that in no case did the working-class parties receive electoral majorities even after the introduction of universal suffrage.

In Sweden, Belgium, the Netherlands, and Ireland, it can be argued that the war only accelerated the introduction of democracy. In each country, the pro-democratic coalition – the parties and the underlying alignment of social forces – had formed before or was in the process of formation. In most cases, this coalition had been responsible for previous suffrage extensions, such as the 1907 reform in Sweden or the 1893 reform in Belgium. In these countries, the agrarian elites were too weak to be a significant political force. In Sweden, the peasantry was split on the question of universal suffrage. It was the Liberals (who were based among the urban middle classes, the dissenting religions, and the small farmers in the north and west) who joined the Social Democrats in the push for suffrage extension. The war stimulated the Conservative capitulation in Sweden, and an interparty compromise, implemented in 1917, followed several decades of political pressure (through strikes, demonstrations, and parliamentary obstruction) by the Social Democrats and the trade unions in cooperation with segments of the middle class. In Belgium, the Workers' Party, after decades of struggle, including six general strikes, found support in the Social Christian wing of the Catholic party, which was based on working-class Catholics (Fitzmaurice 1983; Lorwin 1966; Therborn 1977: 12, 25).

In the Netherlands, similar divisions among the religious parties and the liberals produced possibilities of alliances for the Social Democrats (Daalder 1966: 203–11). It is worth emphasizing that the accounts of the transition in both Low Countries make it clear that the growing importance of the working class created the pressures that moved the non-socialist parties towards a more democratic posture. In part, this pressure was transmitted by workers and artisans, already mobilized by self-help societies and trade unions, who joined these parties, and, in part, the pressure was a result of the efforts of these parties to compete with the Social Democrats for the loyalties of unmobilized workers. In the Irish case it is important to note that the country achieved independence and statehood in 1921 after a long history of British rule; a democratic political system then emerged with the constitution of 1923 and the political landscape in Ireland was largely a result of the positions of the respective social and political groups towards the relationship with the United Kingdom.

The British case is singular in so many ways, in both the antecedents of democracy and the process of democratization, that it is virtually impossible to decide which factor(s) was (were) the most important one(s) in a comparative sense. Various analysts have argued that it was the absence of labour-repressive agriculture (Moore 1966), the absence of a bureaucratic state and standing army (Skocpol 1979), or the independence of the bourgeoisie due to the country's status as an early industrializer (Kurth 1979) that separates Britain from Germany and the other authoritarian cases, because late industrialization was often associated with tariff protection policies for industry and agriculture and state intervention in the economy that facilitated the formation or strengthening of Moore's landlord-state-bourgeoisie coalition (see Senghaas 1985). To these, we may add an argument based on our interpretation of the relationship between development and democracy and combined with Moore's arguments on the role of landlords and the elimination of the 'peasant question' in Britain. Relative to the level of industrialization, and thus the configuration of the class structure, democracy came late to Britain. By the time of the first suffrage extensions to the working class in the late 1860s, less than one-fifth of the labour force was engaged in agriculture, and over two-fifths were in mining, manufacturing, and construction (Mitchell 1978: 51–64). Almost no other European country had such a labour-force profile, and corresponding class structure, until after the First – in some cases the Second World War. Thus, when comparing Britain with other large landholding cases (the authoritarian cases) during this same period, one must keep in mind that the latter were much more agricultural and that the landlords had much more economic power and thus, potentially, political power, and the working class was a much less important potential force in the country.

The prevailing view of suffrage extension in the British case, apparently shared by Moore, argues that the 'peculiarities of English history' (however

specified) meant that segments of the British upper classes had settled into a pattern of peaceful political competition by the mid-nineteenth century, and this extended to competition for working-class votes, which resulted in the suffrage extensions of 1867 and 1884. The comparative analysis of the transition to democracy suggests that in Britain this process in itself, if it were true, would be a peculiarity. In no other case did middle-class-based (and largely upper-class-led) parties unilaterally extend effective suffrage to substantial sections of the working class (except where suffrage was irrelevant to the actual governing of the country because of the lack of parliamentary government, as in Germany, or because of electoral corruption, as in Spain and Italy). At best, some sections of the middle classes (and in France, some segments of the bourgeoisie) allied with the working-class parties for such suffrage extensions.

On deeper examination, this view appears to be flawed. The reforms were in large part a response to working-class pressure beginning at least as early as the Chartist movement, the main demand of which was universal suffrage, and which was extended throughout the nineteenth century. In this regard, the British case bears some resemblance to the French case, as the final transition to democracy was in part a delayed response to earlier working-class agitation that predated the formation of late nineteenth-century social democratic parties. Nonetheless it is a peculiarity that the final political initiation of the reforms came from upper-class-led parties without a strong working-class base. Another part of the explanation lies in the late development of the Labour party itself. The Liberals and the Tories were willing to extend the right to vote to workers only because they hoped to benefit from the votes of the newly enfranchised groups. Had a substantial Labour party already commanded the loyalty of workers, the established parties would certainly have been reluctant to make such a move. If this argument is correct, it also suggests that the absence of a significant socialist working-class party in France in the late 1860s and 1870s may have contributed to the willingness of significant sections of the bourgeoisie to support parliamentary government based on universal male suffrage.

Finally, the reform of 1918, which established universal male suffrage and eliminated all but minor provisions for multiple voting, was the culmination of the Labour-Liberal cooperation that had led to the rise of the Labour party. No one would deny the important role of the working class in this reform. Rather, it is contended that the reform was of minor significance compared with the 1867 and 1884 reforms. Blewett's (1965) careful study demonstrates that this is a mistake. Although 88 per cent of the adult male population would have qualified to vote in 1911 were it not for complications and limitations in the registration procedures, which were biased against the working class, less than two-thirds were on the voting rolls. The importance of these restrictions can be seen from the fact that this figure rose to 95 per cent after the 1918 reforms (Matthew et al. 1976: 731).

Moreover, in 1911, half a million of the eight million voters were plural voters, and needless to say not many of them were working class. The importance of the 1918 reforms is underlined by Matthew et al. (1976), who demonstrate that the reform was critical in allowing Labour to displace the Liberals as the second party in an essentially two-party system.

Portugal is singular among the national states in Western Europe in that it did not make the transition to full democracy in this period. There were literacy qualifications for voting and given the extremely high level of illiteracy, large segments of the adult population were excluded from the political process. Moreover, as one can see from Costa Pinto's (2000) contribution, the parliamentary regime that was established was very unstable (also see Marques 1972). Our theory, building on Moore, offers a straightforward explanation for the political development in Portugal. At this time Portugal was an overwhelmingly agrarian country and the urban working class was numerically weak and poorly organized. Thus, one would expect a weak push for full democracy. Given the agrarian structure, large landholders dependent on cheap labour and coercive methods of labour control, the alternative path to democracy, the agrarian smallholding path of Switzerland and Norway, was closed off also.

What can be said so far concerning the development of democracy in Western Europe as has been outlined here? Therborn's (1977) argument seems to be confirmed. He stresses the important role played by the working class, that is, by its organizational representatives, the trade unions and the socialist parties. One can add the role of artisan agitation and early craft unions in the French and British cases and the role of workers in the confessional parties in the Netherlands and Belgium in pressing those parties towards a more democratic posture. The rapid development of industrial capitalism in the second half of the nineteenth century stimulated working-class organization that first gradually, and then with the war and its outcome, decisively changed the balance of class power in the entire core of the world capitalist system. The change in the underlying class structure in the democratizers (that is, excluding Portugal) as indicated by labour-force figures is significant enough: between 1870 and 1910, the non-agricultural work force grew in these countries by one-third to one-half to an average of 61 per cent (Stephens 1979). The change at the level of class formation and class organization was even more significant: in no country in 1870 were the socialists a significant mass-based party and the trade unions organized a miniscule proportion of the labour force; by the eve of the First World War, the parties affiliated with the Second International garnered an average of 26 per cent of the vote (despite suffrage restrictions in a number of countries) and the trade unions organized an average of 11 per cent of the non-agricultural labour force. In the immediate post-war elections, the socialists' electoral share increased to an average of 32 per cent, while trade union organization grew spectacularly, increasing two-and-a-half-fold. The organized working class was

also the most consistently pro-democratic force in the period under consideration: at the onset of the First World War, European labour movements, all members of the Second International, had converged on an ideology which placed the achievement of universal suffrage and parliamentary government at the centre of their immediate programme (Zolberg 1986).

This interpretation supports our theory and turns on their head Lipset (1960) and all the crossnational studies which followed; the working class, not the middle class, was the driving force behind democracy. It also contradicts Moore, most Marxist analysts, and many liberal social scientists (for example Dahrendorf 1967) who argue that the primary source of democratic impulses was the bourgeoisie. However, Therborn's (1977) focus on the last reforms in the process of democratization leads to an exaggeration of the role of the working class. First, in the two agrarian democracy cases (Switzerland and Norway), the role of the working class was secondary even in the final push to democracy. Second, in other cases, not only did the working class need allies in the final push, in earlier democratic reforms multi-class alliances were responsible for the success of the reform (France, Britain, Denmark, Sweden and Belgium).

However, as the experience of the authoritarian cases shows most clearly, none of these other social classes was as consistently pro-democratic, both across countries and through time, as the working class.<sup>1</sup> The urban middle class and/or segments of the peasantry provided the mass base for authoritarianism in the breakdown cases. The bourgeoisie whose role in the introduction of democracy has been emphasized in so many accounts, from Marxist to liberal, played a positive role in only three cases, Switzerland, Britain and France. Moreover, in Britain and France, it was only segments of the class that cooperated in the push for democracy, and then only after earlier histories of popular agitation for democracy and bourgeois resistance to it. In all the others, the bourgeoisie was one of the centres of resistance to working-class political incorporation. It did make an indirect contribution to the outcome, however. In the cases discussed so far, the bourgeoisie sought entry into the corridors of power and in all cases, except for Denmark and Sweden, it supported the drive for parliamentary government. Bourgeois political forces established parliamentary government with property, tax, or income qualifications for voting – that is democracy for the propertied – a true 'bourgeois democracy' in contrast to the bourgeois democracy of Leninist Marxism. This system then was opened up by successive organized groups demanding entry into the system: the peasantry, the middle class, and finally the working class. There is a certain amount of truth in the extremely crude interpretation that each group worked for its own incorporation and was ambivalent about further extensions of suffrage. The positive contributions of the bourgeoisie were to push for the introduction of parliamentary government and then to capitulate to pressures for further reforms rather than risk civil war.



#### 4 The breakdown of democracy

Thus, the working class needed allies, its power alone was insufficient. Here is where the Moore thesis, revised to accommodate the smaller countries, comes in, as it outlines the social and historical conditions that created the possibilities for alliances. In the cases of coalitions of the landed upper classes, the state, and the bourgeoisie, no alliance strong enough to overcome their opposition could be constructed. It was only the change in the balance of class power caused by the war that allowed for the democratic breakthrough. But, as Maier (1975) argues in his study of Germany, France and Italy, this surge in the strength of labour and the political left was quickly, though not completely, rolled back. A quick glance at union membership and voting statistics indicates that this was a general European pattern. Where this surge of working-class strength was the essential ingredient in the transition to democracy, the working class and its allies (where it had any) were unable to maintain democracy when a new conjuncture of forces presented new problems (the depression, worker and peasant militance, etc.) and new alliance possibilities for the upper classes moved the bourgeoisie and the landlords from passive to active opposition to the democratic regime.

This still leaves us with something of a black box in terms of the mechanism by which the existence of a relatively strong class of landlords actually influenced the political structures and events between 1870 and 1939. One might first ask what difference it makes that landlords were an element of the ruling coalition (as opposed to a simple bourgeoisie–state alliance). Moore gives a straightforward answer to this question: the landlords, who had earlier cemented an alliance with the crown/state, exercised a political and ideological hegemony over the rising bourgeoisie, in which the latter accepted the ideological leadership of the landlords, in part as a result of state support for industrialization. The authoritarian politics of the agrarian elite were transmitted to the bourgeoisie. In tracing the state's motivation, one might hypothesize that initially the crown/state made the alliance with the landlords because, as Tilly (1975) contends, the alliance was militarily strong. This alliance was progressively strengthened as the elements of the state apparatus (the military, bureaucracy and judiciary) were drawn from agrarian elites directly or the occupants of these positions were absorbed through accretion or both. All three groups then retained this authoritarian posture in the democratic interlude. To the extent that the *haute bourgeoisie* was drawn into the authoritarian politics of the agrarian elites, it also participated in the social links with the state apparatus, strengthening the anti-democratic stance of the state.

As pointed out earlier, Kurth (1979) argues that the bourgeoisie in some countries may have had autonomous reasons for adopting anti-democratic politics, and a similar line of argument has been put forward by a number

of historians critical of Moore's view of German developments. The main function of a strong agrarian elite in this perspective is to create an alliance option for the bourgeoisie to pursue anti-democratic politics, an option not present in the smallholding countries. This still leaves a problem for the democratic period because even a highly cohesive upper-class alliance must reach beyond its ranks to influence the political developments in the era of mass politics. Three basic mechanisms can translate the power of landlords and the more general anti-democratic impulses of both segments of the upper classes into influences on the events of the democratic period (and the mass politics of the period immediately before the First World War). The first is conscious action, such as funding authoritarian parties and movements, using political influence to obstruct democratic procedures, and so on.

The second mechanism is what is referred to in Marxist theories of the state as structural determination. In a capitalist society, as is argued by Block (1977), any government must ensure that the basic conditions for capital accumulation are met. The threat of investment slowdown and capital flight is a constraint on any government and forces it to take into account the interests of the owners of the means of production, even in the absence of overt pressure from these classes, if they are to keep the economy on an even keel. Conversely, governments that do not have the confidence of capitalists (and landlords) may find that declining investment, capital flight, etc. add economic difficulties to their other difficulties, resulting in a destabilization of the regime.

The third mechanism is ideological hegemony, in Gramsci's sense. In this view, in advanced capitalist societies the ruling class rules in large part through a historically developed hegemony or ideological domination. In the state- and nation-building process, the state-building alliance (for example, in Germany, the Junker-state alliance) produces, in a non-conspiratorial way an ideology that legitimates its rule and its development project (where such a project is present). This alliance can be referred to as the hegemonic fraction of the overall ruling-class coalition (in Germany, the state-Junker-heavy industry alliance). As more social groups are mobilized, as civil society becomes larger, the ruling ideology is diffused to other groups. This attempt is generally successful, especially in the upper middle classes and more affluent middle strata. However, in cases such as Germany and Austria, the labour movement insulated much of the working class from ruling-class hegemony by building, in a very conscious fashion, a counterhegemony through the development of a dense organizational life – the party, trade unions, workers' education associations, sports clubs, youth and women's organizations, the development of alternative mass media and suchlike. Gramsci prescribed what labour movements should do rather than what they, in fact, had achieved.

However, while there is reason to believe that even the German movement did not inculcate all or even most rank-and-file members of its movement

with a clear concept of an alternative socialist society, it did insulate them from the authoritarian politics of the Imperial German elites. Moreover, it is important to observe that the Catholic Church did something similar; it organized a political submilieu for its adherents. The political orientation of this culture was, however, quite different from that of the working class. At one extreme, when the Church was in a minority position and under attack by the state-building elites, it did insulate its adherents from the ruling-class hegemony and became a possible ally for democratic forces (as in Imperial Germany and later during the Weimar period). At the other extreme, where the church itself allied with the state and the large landed class, the Catholic milieu became a stronghold of ruling-class ideology, as in Spain and elsewhere. For these reasons, the political positions of the urban middle classes and the peasantry were heavily influenced by the respective ruling-class coalitions. Where Moore's authoritarian upper-class coalition was well established, it not only affected the content of the ideology propagated by the ruling classes, that is, a particularly hierarchic, strongly anti-democratic, anti-liberal set of values, but it also affected the extent to which the ruling ideology was accepted by the urban middle classes and, significantly, the peasants.

This way of employing the concept of ideological hegemony can be fruitfully combined with other analyses of political mobilization in Europe (see especially Lipset and Rokkan 1967; Rokkan 1970). As pointed out there, in Protestant smallholding countries, the peasants themselves were the agents of their mobilization, and the political platform that they created was the agrarian parties. In Protestant largeholding countries, the mobilizing agents were the landed upper classes; thus the political weight of the peasants strengthened this political bloc. In Catholic countries (or certain areas, such as southern Germany), the mobilizing agents were Catholic parties. For a full specification of the ideological orientation of these Catholic parties, it is necessary to bring into the analysis both the posture of the state vis-à-vis the Catholic Church in the Catholic countries and the size of the Catholic community in predominantly Protestant countries. The central tendency is clear: the ideological posture of the parties varies according to the landholding structure. Above all, in all countries with a significant landed elite this class was a key force behind the party that mobilized significant sections of the peasantry (Rueschemeyer et al. 1992).

With this last mechanism in mind, the class alliance option argument can be restated. The existence of a strong class of large landholders with close ties to the state not only changed the alliance options of the bourgeoisie. Together, these three groups exercised an ideological influence over segments of the middle class and the peasantry that also pushed these segments in an authoritarian direction or at least prevented them from allying with the working class in the push for democracy, thus reinforcing the viability of the authoritarian option for the bourgeoisie.

One caveat must, however, be added. It is not our intention to attribute, directly or indirectly, all anti-democratic and reactionary impulses in peasant and middle-class politics to the ideological hegemony of the Mooreian coalition. This would be clearly wrong, as the examples of the Lapua movement in Finland, Rexism in Belgium, and Action Française in France demonstrate. Moreover, not all mass support for fascism or other forms of authoritarianism in the breakdown cases can be traced to this source. Rather, we want to argue that the existence of a strong agrarian elite and an allied bourgeoisie significantly increased the appeal of such reactionary ideologies in the other classes. In clarifying the status of these three mechanisms, it is also useful to draw on Stinchcombe's (1968) distinction between historical and constant causes. A historical cause is one that happens at a point (or, in this case, a period) of time in the past, and then the pattern created reproduces itself without the recurrence of the original cause. So, for instance, the *Kulturkampf*, Naval League, and Agrarian League propaganda campaigns in Imperial Germany did not have to be carried on constantly to have an effect on the political attitudes of the peasantry a generation later. The direct action and structural mechanisms are closer to (though not identical with) a constant cause, which is a set of social relationships, activities, etc. which are constant from year to year and produce a constant effect. In our analysis, we are concerned with institutional change rather than stability, but otherwise the argument is the same. The importance of this distinction lies in the fact that the mechanism of ideological hegemony need not have a close relationship with the current economic and political strength of large landlords or with the cohesion of the authoritarian coalition. Of course, the persistence of landlord power or the cohesion of the coalition will serve to maintain the ideological legacy of the past, but that legacy will not decline in a linear relationship with the decline of landlord power or coalition cohesion.

Space constrains us from tracing the sequence of events in the four breakdown cases in Western Europe (Austria, Germany, Spain and Italy). In any case, we have done that elsewhere (Stephens 1989: 1041–64; Rueschemeyer, Stephens and Stephens 1992: 103–21), so suffice it here to summarize the results of our studies of the four cases. In Italy and Spain, active intervention by landlords and capitalists in support of authoritarian outcomes was found to be of great importance. It cannot be overemphasized how critical the role of agrarian elites' attempts to maintain the control of rural labour were in these two cases. In Austria, the legacy of the ideological hegemony of dominant classes was decisive. In Germany, we argued that all three factors mediated the effect of the historic developmental coalition on the interwar events. The contrasting role played by the mechanism of ideological hegemony in the four cases, its importance in Austria and Germany as compared with Spain and Italy, is a function of the level of economic development and thus the strength of civil society.

## 5 Democratic transition and breakdown in Eastern Europe

Late state building, polity formation, and nation building so complicate the analysis of our seven Eastern European cases that even the classification of late nineteenth-century class relations in Table 3.2 are problematic, especially in the cases of Czechoslovakia, Estonia and Poland, where no polity existed before the First World War.<sup>2</sup> Even Greece and Romania, which had existed as autonomous states for a relatively long period, experienced major expansions of territory and population as a result of the First World War and thus major changes in the constitution of the polity. This poses a problem not simply because state and nation building 'get in the way' of class relationships, but also because it is difficult to speak of class relationships until the polity has been defined. Indeed, as Mann (1993) argues, class and nations are mutually constitutive; in the case of classes, the national state defines at the same time the arena of interaction and the target of action. Nonetheless, for the purposes of this analysis, we need to categorize class relations at the starting point, the late nineteenth century, and Tables 3.1 and 3.2 represent our best effort to do so. The tables indicate that one might expect a relatively good fit with our revised version of the Moore thesis in five of the cases and a poor one in two, Czechoslovakia and Greece. Indeed, as qualitative comparative analysis (QCA) reveals in a most minimal form, the prime implicants for the survivor cases including the 'logical remainders' indicate that either there has been a revolutionary break (as in France and the United Kingdom) or the absence of labour-repressive agriculture combined with a political role of the bourgeoisie. Conversely, the breakdown cases can be characterized by a strong agrarian elite and the lack of a revolutionary break with the past. However, Czechoslovakia among the survivors and Greece among the breakdowns are notably exceptions from these patterns. More detailed assessments of the deviations and more complicating factors are, therefore, called for.

When it was transferred to Russian control in 1809, Finland was granted considerable domestic self-governance. Its agrarian class structure was very similar to Sweden's and it too developed an autonomous movement of small farmers. Finnish industrialization began late in the nineteenth century and since it was based on the development of wood and wood products, an unusually high proportion of the nascent working class was rural. In comparison with other European societies, there was a very high degree of freedom of association and organization and the unions movement experienced almost no repression (Alapuro 1988: 101 ff.). This contrasted with the system of representation which was one of the most conservative estate-based parliaments and which had remained virtually unreformed since the constitution of the Grand Duchy, as it could only be changed with the permission of the Tsar. With this freedom of organization, the social democratic party, which was founded in 1899, met with phenomenal success and

coalesced with bourgeois groups to resist the new Russian policy of integration. The 1905 Russian revolution led to a general strike in Finland and ultimately to Russian acquiescence to the demands of the Social Democrats (which had been opposed by the Finnish bourgeois political groupings) for universal suffrage and a unicameral parliament. The 1917 Russian Revolution resulted in Finnish independence, thus completing the process of democratization.

If we end the analysis here, Finnish democratization appears to be very similar to the rest of Scandinavia, that is, the results of struggles of the working class and small farmers, save the greater importance of the role of international developments in the Finnish case. However, the failed revolution of 1918 and the civil war put Finland on a different track. The deep divisions left by the events led to the rise of the radical right Lapua movement and the exclusion of the Communist Party from the political system, and thus a partial eclipse of democracy. However, a competitive parliamentary system did persist which Alapuro and Allardt (1978, also see Alapuro 1988) attribute to the smallholding agrarian class structure. The formation of a Red-Green coalition in 1937 restabilized the system (Karvonen 2000) and the Communists were subsequently allowed back into the political system.

Both Hungary and Romania were 'stillborn' democracies, if they were democracies at all. In Hungary, even the widened franchise passed by the National Assembly of 1920-22 contained educational qualifications for voting which were significant enough for the political system not to qualify as a polyarchy according to Dahl's criteria. Moreover, Bethlen, who became premier under Horthy's regency in April 1921, engineered a constitutionally dubious reversion to the 1913 law under which only 30 per cent of adults were eligible to vote (Janos 1982: 212) in the 1922 election. Perhaps more importantly he reinstalled the pre-war machinery of electoral corruption which enabled the government 'to fix elections and ensure the return of majorities favourable to their own persuasion' (Janos 1982: 212). In Romania, unrest during the last years of the war caused the government to greatly extend suffrage, and then an interim government immediately after the war granted male suffrage. However, by electoral intimidation and fixing elections in rural districts, electoral outcomes could be effectively manipulated by the government. The political outcomes in these two countries are not surprising. Both were backward and agrarian, thus the working class was numerically weak, poorly organized, and subject to repression, and civil society was weak. Pre-war agrarian class relations also predicted difficulties for democracy (see Table 3.2). The Romanian government did carry out a land reform in the immediate post-war period but it applied primarily to the newly acquired territories and thus fell short of a full transformation of rural class relations.

Estonia and Poland would appear to be quite similar to Romania and Hungary in that both pre-war agrarian class relations and the level of

development and thus working-class strength and the strength of civil societies, appear to predict difficulties for democracy. The weakness of the social democratic working-class movement as compared with Western Europe (except Portugal) and Finland undoubtedly did contribute to the outcome in both countries. By contrast, it is more difficult to make a case for the legacies of agrarian class relations. In both countries, national armies were created in the waning moments of the war and these armies were not linked to the traditional agrarian upper class. Land reform was an important issue in Poland and it is plausible to argue that the large landholders benefited from the Pilsudski coup as the result was that the more far reaching reform schemes under consideration were not carried out. However, it is quite implausible to argue that even indirectly landholding interests were behind the coup as Pilsudski had originally been a social democrat and continued to be sympathetic to the poorer classes and not conservative aristocrats. His agenda was a political one, to greatly increase the power of the executive, and not defense of upper-class interests or exclusion of the working-class movement from the political system, as was the objective in all the authoritarian regimes discussed to this point. Though the regime became increasingly repressive and reached an accommodation with the landed upper classes, its origins cannot be traced to those interests.

The Moore thesis works even less well for Estonia. The agrarian upper class in Estonia was German and thus ethnically different from the rest of the population. This, along with its lack of links to the newly created coercive forces, made it an easy political target, and the Constituent Assembly passed a law expropriating 97 per cent of large estates in 1919. Given the almost simultaneous rapid transformation of the agrarian class structure and the state, it is tempting to say that Estonia did experience a 'revolutionary break' from the past, but it occurred at this point in time, not prior to the modern period as in Moore's West European cases. The coup of 1936 was aimed at excluding the far right from the political system and did not result in the establishment of an exclusionary authoritarian regime (Varrak 2000). Indeed, had the state not been invaded and its autonomous existence ended, one can at least envisage that full democracy might have been re-established and thus that Estonia might more properly be classified with Finland as a case of partial breakdown and re-equilibration.

The thesis of 'modern revolutionary break' applies even more to Czechoslovakia. Again we see the creation of a new army and a thoroughgoing land reform (Bradley 2000). Moreover, other aspects of Czech class structure were also favourable to the survival of democracy. Because of their opposition to the Habsburg state, the Moravian and Bohemian bourgeoisie developed a much stronger and more aggressive liberalism in comparison to their Austrian or German counterparts. Czechoslovakia was one of the most industrialized countries in Europe and the working class was not only numerically large but also well organized both in trade unions and

political parties. True the Communists garnered significant working-class support, but a large majority of workers supported the Social Democrats, the German Social Democrats, or the Czech nationalist Socialists, all of whom supported democracy, differing primarily on the national question.

Greece does not conform to the expectations arising from our agrarian class relations hypothesis. The low level of industrial development and weakness of the industrial working class might be cited as a reason for the weakness of the democratic push, but both Zink's (2000a) analysis for this research project and Mouzelis's (1986) comparative analysis of Greece and the Latin American Southern Cone point to our second cluster of power, state-civil society relations as the primary reason for the weakness of Greek democracy. Both emphasize the clientelistic nature of the Greek polity. As the system moved from the oligarchic politics of notables to the more open system of the post-1909 period, the clientelistic ties were extended and transformed but not replaced by 'horizontal' organization, in Zink's terminology – that is, autonomous organization of social classes and interest groups. The counterpart to the weakness of civil society was an increasingly autonomous military. Venizelos's liberal 'revolution' of 1909 was, in fact, a military coup. With the great strengthening of the army as a result of the Balkan wars and the First World War, the army became a permanent player in Greek politics. As Mouzelis (1986: 105) observes, '... there can be no question that the Greek military, especially after 1922, were not only fully involved in politics, but also constituted a major force in the political arena.'

## **Conclusions**

The central aim of this chapter was to extend our analysis of the impact of the development of class relations on the democratic transition and breakdown in Europe to a greater number of countries, specifically, to seven East European countries, and to Portugal. Our overview of the transition to democracy confirmed Therborn's (1977) contention that the working class, represented by socialist parties and trade unions, was the single most important force in the majority of countries in the final push for universal male suffrage and responsible government, though in several of the smallholding countries the small peasants or the urban middle class played the major role. The additional cases demonstrated that where the working class was weak due to the low level of industrialization and organization, as in Portugal, Hungary, Romania, Greece and to a lesser extent Poland and Estonia, this weakness was part of the explanation of the authoritarian outcome. By contrast, the strength of organized labour and the social democratic parties helps explain why democracy survived in Czechoslovakia and Finland.

However, the working class was by no means the only agent of democracy and nowhere could the working class accomplish democratization on its own or could it successfully defend democracy without allies. As a matter



of fact, the working class needed allies in the final push, and earlier suffrage extensions that incorporated substantial sections of the lower classes, rural and urban, were often led by other social groups, usually the urban middle class or small peasantry, with the working class playing only a supporting role. Moreover, the contribution of the working class to these reforms came in the form of artisanal agitation as often as through the action of the Second International parties and allied trade unions. As we have emphasized, where the working class was weak, as in most of Eastern Europe and in Portugal, or had few allies (for example, only the Catholic parties in Germany and Italy) or none (Austria), democracy was fragile and did not survive the interwar period.

The bourgeoisie, which appears as the natural carrier of democracy in the accounts of orthodox Marxists and, to a certain extent, of Moore, hardly lived up to this role. Only in a few cases (France, Switzerland and Czechoslovakia) did the bourgeoisie favour the final extensions of suffrage to the working class. Its contribution was to establish parliamentary government and the rule of law, but it did not do so in all cases. The bourgeoisie's resistance to the initial political incorporation of the working class and its support for working-class exclusion in some countries in the interwar period were clearly connected to working-class support for socialist parties. This factor introduces a subtle twist in the argument linking the strength of the working class to the introduction of democracy. A significant minority of the working class in Italy, Germany, Romania and Spain supported the communists and the communists were the dominant left party in Greece, and there is little doubt that these parties contributed to the breakdown of democracy. However, the example of Austrian social democracy, which was powerful, committed to socialism and democracy, indicates that it was not only, or even mostly, these parties' attitudes toward democracy but rather their demands for socialism that provoked an upper-class reaction.

The relationship between working-class strength and democracy can be summarized in the following way. A diachronic analysis within each of the countries under consideration here reveals that the growth of working-class organizational strength led to increased pressure for the introduction of democracy; a synchronic analysis across countries reveals that these pressures led to the development of stable democratic regimes where the working class found allies in other social groups, in most cases the middle classes or the peasantry. This view accounts for the essential elements of the process of transition in the countries that experienced an internally generated transition to democracy and in which democracy survived the interwar period. However, as the breakdown cases demonstrate, the middle classes are not invariably democratic forces. The middle classes and the peasantry played quite different roles in different countries. In some, such as the Scandinavian countries, they supported suffrage extension and allied with the working class. In others, such as Germany and Austria, they

formed the mass base for authoritarian movements which led to the downfall of democracy.

Explanation of the variation and differences among countries is where the Moore thesis comes in. In our previous analysis of Western Europe we found that agrarian class relations were the critical feature distinguishing those cases in which democracy broke down and those in which it survived: in those countries in which authoritarian regimes replaced democracies, a politically powerful body of large landholders had survived into the twentieth century, and historically these landholders were engaged in what Moore calls labour-repressive agriculture (see Table 3.2). None of the other countries fits this description: in the other large landholding case, in Britain, the large landowners did not employ labour-repressive techniques of labour control, and in the other cases the countryside was dominated by smallholders. In the analysis of the breakdown cases, we found that an alliance, or at least an accommodation, did develop among the state, labour-repressive landlords, and the bourgeoisie. However, in no case did the authoritarian coalition develop exactly along the lines outlined by Moore. The weakest point in Moore's analysis is his characterization of the bourgeoisie as the dependent partner in the coalition (see Table 3.2). In Italy, the bourgeoisie, not the landowners, was the politically dominant segment of the upper classes. Historical research on Imperial Germany questions the view that the bourgeoisie was politically dependent (Blackbourn and Eley 1984). Even in Spain, where the landed class was dominant in economic terms, it cannot be said that the bourgeoisie accepted the political leadership of the landed classes. Only Austria seems to fit Moore's characterization, and there the political and economic dependence of the German-Austrian bourgeoisie was, in the final analysis, cemented by its position in the multi-ethnic state. It appears that Moore's analysis on this point suffers from the unwarranted assumption that the capitalist class has natural pro-democratic tendencies emanating from its economic interests.

In order to evaluate fully the importance of the five factors listed in Table 3.2, it is necessary to examine the cases in which democracy survived. They are strikingly different. For reasons discussed by Moore, the British and French cases are different from the typical authoritarian path. The small European democracies are, however, diametrically opposed to Moore's paradigmatic cases. It is worth emphasizing how much of this difference can be traced to the historic patterns of landholding and agrarian class relations. First of all, as we have pointed out earlier, size, landholding patterns, and military strength were historically interrelated. With no large landholding class, labour-repressive agriculture was impossible (point 2 in the table); the bourgeoisie was *ipso facto* stronger than the landed class (point 3); and, for the same reason, it was not the dependent partner in a coalition. Because there was no agrarian oligarchy, a revolutionary break from the past was not necessary. Not only is state repressive capacity connected to

the size/great-power status/military strength complex, it also may be more directly related to agrarian class relations, as the Swedish case indicates. There, Tilton (1974: 568) argues that insufficient repressive capacity in general, and the absence of a standing professional army in particular, did play a role in the calculations of the conservatives at the point of their final capitulation in 1917. The weakness of the repressive apparatus, in turn, can be attributed in part to the influence of the peasants in the late nineteenth and early twentieth centuries, as they used their influence in the lower house to block appropriations for defence, since these were connected to taxes that would fall on their backs (Rustow 1955; Verney 1957).

Extending the analysis to Eastern Europe and Portugal reveals further problems with the agrarian class relations thesis, even if we amended it to drop the requirement that the bourgeoisie be politically dependent on the agrarian upper class or weaker than the agrarian upper class. An examination of the characteristics of the countries in Tables 3.1 and 3.2 indicates that Czechoslovakia and Greece do not fit the thesis and an examination of the events of the interwar period indicate that Poland and Estonia are also problematic. We argued that Czechoslovakia and Estonia experience modern 'revolutionary breaks from the past' in which a new coercive force without links to the old regime was created and land reform transformed the countryside. This, along with the strength of the working class and the relatively liberal bourgeoisie explains the democratic outcome in Czechoslovakia. In Estonia, the breakdown does not follow the usual pattern, with the exclusion of the working-class movement being the result if not always the central goal of the authoritarian takeover. Rather, the suspension of elections was aimed at excluding the radical right from the political system. A relatively pluralistic if clearly non-democratic polity continued to exist. In Poland, a new army without links to old regimes was also created though no extensive land reform was ever carried out. The breakdown there cannot be linked to agrarian class relations even if the landed upper class was a beneficiary of the takeover. In Greece, the dominance of smallholding should have been a favourable condition for the development of democracy. There state-civil society relations, not class relations, appear to be the key to the authoritarian outcome as the low level of development and the clientelistic political system retarded the development of a strong civil society and the increasing political autonomy of the military created conditions favourable to military intervention in politics.

The 'revolutions' in Czechoslovakia and Estonia beg the question of why such revolutions displacing the military and reforming the landholding structure did not happen in the other authoritarian cases, thus paving the way for stable democratic regimes. Indeed, the question has often been asked about the German case from a variety of points of view (see for example Dahrendorf 1967; Harrington 1970). Two conditions distinguish these two cases from the Western European breakdown cases and Hungary.

First, there was no pre-existing state and the task was to create a new army rather than to displace an existing one. Second, in different ways, ethnic divisions in the old regime facilitated the outcome. In Estonia, the landed upper class was German and thus was isolated not only from the subordinate classes but also from the middle and upper classes in other sectors of the economy. In Bohemia and Moravia, the bourgeoisie was opposed to the Habsburg regime, which favoured the German-Austrian bourgeoisie, and thus was much more democratic than the urban upper class in neighbouring countries. So, counterintuitively, it was the recent histories of state building and ethnic divisions that explain the democratic revolutions in these two countries.

## **Notes**

1. In the interwar period this generalization about the working class is harder to sustain, since the splits in the working class induced by the war and the Russian Revolution created anti-democratic minorities, above all the Communist parties, whose political posture clearly contributed to the breakdown of democracy. Moreover, as Linz (1978) points out, the radical posturing of maximalist socialists frightened the middle classes, contributing to the strengthening of the authoritarian forces, and even the moderate social democrats contributed to the outcome by inflexible postures vis-à-vis parties of the centre. This said, we think it is fair to say that all the parties of the social democratic left, which remained by far the largest of the working-class parties in every country, maintained a commitment to democracy. Their mistakes do not make them anti-democratic.
2. Note that the classifications in Table 3.2 refer to relationships in the polity in question and not the empire of which it is a part. For example, while the Finnish bourgeoisie might be conceived as weaker and dependent on the Russian agrarian upper elite, it was not weaker than the Finnish agrarian 'elite'.

# 4

## Sources of Authoritarianism in Eastern and South-Eastern Europe

*Stephen Fischer-Galati*

The illusion or myth that the ideas of the Enlightenment relating to the rights of man – to ‘liberty, equality, fraternity’ – would gain universal acceptance in time and thus make the world safe for ‘democracy’ were shattered by the historic realities of Eastern Europe in the nineteenth and twentieth centuries (in Eastern Europe, see, for example, the contributions in *East European Quarterly*, vol. 9 (1976)). In fact, western political and socio-economic ideologies relating to the modernization of patriarchal-feudal societies and political theocracies through forcible or voluntary acceptance of the values and advantages of bourgeois capitalist civilization engendered violent reactions which, in our times, are designed to make the world safe for ‘autocracy’.

Various explanations have been offered for the survival and consolidation of autocratic orders in Eastern Europe since the nineteenth century, the most prevalent of which being, in one way or another, the absence of a middle class. And the absence of that class has been related to the historical isolation of Eastern Europe from the West resulting from the evolution of the theocratic empires of the Ottomans, Habsburgs and Romanovs, all committed to the consolidation of autocratic power in the hands of political establishments fearful of changes perpetuated by a series of modernizing heretics ranging from Antichrist himself, Napoleon I, to Ronald Reagan.

The presumption that a middle class is a prerequisite for the acceptance and/or implementation of the principles of bourgeois-democracy is erroneous; however, the absence of a middle class, if not necessarily a commercial class, contributed to the maintenance and consolidation of autocratic orders in Eastern Europe. The confrontation between the traditional feudal establishment and the modernizing forces, whether the modernizers were the enlightened despots or the reformist aristocracy influenced – as befitted their own political interests – by the Enlightenment or the western democratic revolutions, were merely struggles for power within one class whose members were generally opposed to transformation of the prevailing socio-economic order. Even if part of the gentry of Hungary, Poland, or the

Romanian provinces espoused constitutionalism and a few other principles of the reformist aristocracies of France and England, the aristocracy as a class opposed the emancipation of the peasantry and participation by any other class than its own in the political process. To the East European reformers themselves the lessons of the democratic revolutions were instruments for the emancipation of 'sons' from 'fathers' and from the ultimate supporters of the 'fathers', the Habsburg emperor, the Russian tsar, and the Ottoman sultan. Secular nationalism, with the veneer of constitutionalism but generally devoid of meaningful social reform programmes, became the principal instrument for political transformation in the nineteenth century for all but the few 'revolutionaries' – mostly derived from the younger gentry and the literate strata of society – who did, in fact, advocate the substitution of 'democratic' forms of governance for autocratic ones. However, in most instances, the 'revolutionaries' were strongly influenced by western European and Russian radicalism and, as such, their political and socio-economic programmes generally envisaged Jacobin 'democracy', a euphemism for dictatorship by a restricted political elite (in Okey 1982). Genuine liberals, derived from the educated classes of society in the Habsburg empire but nowhere else, who advocated genuine democratic changes either within the imperial framework or within those of the national states did exist but their influence and achievements were at best marginal and, ultimately, insignificant. The demands of reformers and revolutionaries merely increased the resolution of the conservative establishments to retain their traditional powers.

The political dynamics of Eastern Europe in the nineteenth and early twentieth centuries thus involved forces opposed to the essence of western democracy if not always to its forms. Moreover, the overriding political issues, those connected with the establishment of national states through the dissolution of the multinational empires, contributed to the promotion of anti-democratic tendencies because of the xenophobic, most often anti-Semitic, characteristics of East European nationalism which all but the few liberals or socialists would embrace, and also because of the reactions of conservative forces who identified all members of the political opposition as exponents of heretical, foreign ideologies. It is fair to say that the national states which began to emerge in the nineteenth century had no commitment to or interest in democratic forms of governance, in social reorganization, or in becoming anything other than constitutional autocracies representative of the interests of the ruling elites. They, as well as the successor states of the three empires after the First World War, were in effect 'chips off the old block' (in Sugar and Lederer 1969).

The attempt by the victorious allies to introduce 'western' democracy into Eastern Europe after the war by means of extension of political rights to all social classes, adoption of universal male suffrage, protection of the interests of national minorities, granting of citizenship to Jews, and introduction of 'western-type' constitutions proved singularly unsuccessful in

all succession states save, in part, in Czechoslovakia. Just as in the nineteenth century, the mostly nationalist anti-democratic forces, reinforced by the threat of Bolshevism, made a mockery of the constitutional principles to which they had subscribed, *volens nolens*, at the end of 'the war that was to end all wars'. While this process of reversion to traditional forms of governance and protection of the political interests of traditional elites varied from country to country – reflecting the results of the war and the 'objective conditions' determined by post-war developments – the fact is that by the early thirties all succession states, with the exception of Czechoslovakia, were ruled by non- or less than-democratic elites, and that by the late thirties all were de facto dictatorships. And these developments cannot be explained in terms of external pressures alone, as they reflect internecine political struggles among anti-democratic forces all vying for absolute power (Seton-Watson 1945).

The proliferation of political parties immediately after the First World War, regarded as an encouraging development by the peacemakers, western-oriented intellectuals, professional groups, and most of the national and ethnic minorities in revamped Eastern Europe, did not mask the artificiality and superficiality of that development. The names of the political organizations themselves, presumably reflective of their political programmes and constituencies, were misleading in terms of traditional multiparty, pluralistic, western democratic nomenclatures. Constitutional Democrats, Social Democrats, Liberals, Agrarians, Progressives, Popularists and other political groups were ruled by and were representative of elements generally not identified with the constituencies they were theoretically representing. In fact, the participation of the masses in politics was minimal and indirect. The various peasant parties, for instance, were ruled not by peasants but by intellectuals, and this was true also of the socialist, not to mention the communist political organizations. The Liberal parties as a rule were conservative and their membership consisted largely of landlords, military officers, state bureaucrats, members of the middle class, moderate nationalists and all other politically conscious members of post-war societies that could not be identified with extremist causes. The ethnic and/or religious parties were rather unimportant in the early 'democratic' stages of post-war Eastern Europe, as their membership and leadership represented narrow, conservative political interests of generally disgruntled, fearful, and/or revisionist national minorities. In fact, since the political consciousness of workers and peasants was so low that participation in party politics, or in the electoral process as such, was not regarded as essential for the fulfilment of their modest desiderata, political activity was restricted to the educated members of society who only rarely were committed to a fundamental reorganization of the socio-economic and political structure of the succession states with a view to establishing the basis of participatory democracy. On the contrary, overtly anti-democratic forces organized themselves into

fundamentalist, authoritarian, xenophobic, anti-Semitic groupings with the explicit purpose of annulling the provisions of the peace treaties designed to promote pluralistic democracy (Seton-Watson 1945).

The challenge to constitutional democracy from both the right and the left started immediately after the war's end and was related, directly or indirectly, to the Bolshevik Revolution and the threat, real or imaginary, of a 'Judeo-Bolshevik' conspiracy directed against national interests. Direct connections, such as in the case of Hungary, Poland, and Romania, favoured the evolution of the right – in both its moderate and extreme forms – whose anti-democratic programmes and slogans were explicitly anti-communist, anti-Semitic, and ultra-nationalistic (Rogger and Weber 1965). Secondary connections, such as in the case of Bulgaria and, to a certain extent, Czechoslovakia resulted first in reactions against non-traditional forms of governance, as was the case in Slovakia and Ruthenia, and eventually in authoritarian, nationalistic, militaristic rule in Bulgaria. Authoritarian regimes, basically unrelated to Bolshevism, Judaism, and territorial revisionism, emerged in Yugoslavia and Albania as a result of internecine conflicts among social and political groups divided by class differences, experience and/or religious animosities.

The shortest-lived democratic experiment occurred in Hungary when the 'democratic revolution' of Count Mihály Karolyi in October 1918, which promised democracy and social justice in the expectation of favourable treatment by the victorious allies, collapsed before the onslaught of the revolutionary left which established the Soviet Republic, under Béla Kun, in March 1919. Kun's regime, faithful to Lenin's Bolshevism, lasted only five months before being destroyed by a rightist counter-revolution led by Admiral Miklós Horthy and Count Istvan Bethlen; however, it paved the way to the prolonged authoritarian, anti-democratic rule of the conservative, anti-Semitic right. As a Bolshevik and a Jew, surrounded and supported by other Bolsheviks and Jews, Kun and his radical policies alarmed the conservative gentry, clergy and bureaucracy who, with the consent if not always the support of the Christian, anti-urban, and basically anti-Semitic masses, repudiated democracy, socialism, and liberalism in favour of 'traditional' Hungarian values such as respect for authority, martial qualities, and a strict social hierarchy. The counter-revolutionary right, under Horthy's leadership, was committed to the implementation of 'Christian nationalism', a euphemism for anti-Semitic and territorial revisionism (Tökés 1967).

Since the attainment of the supreme national goal of recovering the territories lost by the Treaty of Trianon could not be achieved without support from Fascist Italy and, later, Nazi Germany, Horthy and his associates ruled out even a limited restoration of parliamentary democracy. However, Horthy's authoritarian rule tolerated the existence of well-controlled parliamentary institutions, of formal opposition parties, and of political activities



compatible with 'Christian nationalism' so that, until well into the Second World War, the Horthy regime resisted the transformation of Hungary into a carbon copy of Fascist Italy or Nazi Germany. Still, the moderate right was not in control of all elements of the population who adhered to the principles of 'Christian nationalism'. A part of the power elite, opportunistic and/or pro-Hitler, joined the extremist radical right which advocated the establishment of a corporatist or totalitarian state, the elimination of Jews from national life, a drastic land reform, and a general redistribution of the national wealth.

The extremists, grouping in the Arrow Cross – a rabble-rousing, Jew-hating organization, fascist in temperament and ideology – split the right by confronting Horthy's regime in a struggle for power. The Arrow Cross, which regarded the moderate right as reactionary hirelings of the Jewish capitalists and large landowners as soft on Bolshevism and its ostensible representatives in Hungary, the Social Democrats, was able by 1939 to mobilize about one-third of the population from generals, members of the clergy, and high officials down to factory workers, day labourers, and the rabble. But it was unable to dislodge Horthy. It was only on 15 October 1944, that the Germans, on the verge of collapse before the advancing Russian armies, brought the Arrow Cross to power, albeit too late for the radical right but also for those who had hoped that Hitler's defeat would bring about the 'democratic revolution' which Michael Karoly sought to realize at the end of the First World War (Lackó 1969; Nagy-Talavera 1970).

Despite the popularly held view that Hungary and Romania, as arch-enemies, went separate ways during the interwar years, the fact is that their ways were mostly converging, for a variety of reasons. First, because the fundamental national political issue was territorial revisionism: regaining lost territories by Hungary, retaining gained territories by Romania. Second, because both Hungary and Romania used the Bolshevik threat and Christian anti-communism and anti-Semitism as means for legitimizing non-democratic and/or anti-democratic actions and activities. Third, because the radical right in both countries constituted the main source of opposition to the moderate right in the thirties and triumphed, albeit at different times, in the 1940s by securing political power with assistance from Nazi Germany.

The formal democratization of Romanian politics was also short-lived. The Romanian Constitution of 1923, which guaranteed extensive political rights to all inhabitants regardless of religion and nationality was opposed and violated with impunity on matters related to ethnic and national minorities. The provisions granting citizenship to Jews and political rights to communists were found particularly offensive by the majority of political organizations which, in this instance, reflected the sentiments of the majority of the population. The 'Judeo-Bolshevik conspiracy', demonstrated by the events in Hungary, Soviet claims to Bessarabia and Jewish-led anti-Romanian activities in that very province fuelled the traditional anti-Semitism prevalent in

eastern Romania and led expressly to the establishment of two overtly anti-democratic and anti-Semitic organizations, the League for National Christian Defence and the Legion of the Archangel Michael, later known as the Iron Guard. Partly to placate the extremists but mostly to justify Romania's historic rights to Bessarabia and Transylvania, the National Liberal Party – which secured power in the name of defending those rights against revisionists and communists – banned the Communist Party in 1924 and, by legal and extra-legal means, curtailed the rights of national minorities and of the political opposition. Thus, for instance, the National Peasant Party which represented the interests of Transylvania's Romanians and, to a large extent also of ethnic and national minorities, as well as of intellectual and professional groups that had no sympathy for the radical right or for the former landlord class, was systematically excluded from power.

Nevertheless, parliamentary institutions functioned under the Liberal government and the basic freedoms guaranteed by the constitution were generally observed until the early 1930s. The global economic crisis of that decade which affected the Romanian peasantry, industrial working class and youth facilitated the strengthening of the Christian populist, virulently anti-Semitic Iron Guard which preached a social-revolutionary doctrine comparable to that of the Arrow Cross. Unlike the Arrow Cross, however, the Iron Guard placed heavy reliance on religious mysticism, on the work of priests, seminarians, and other crusaders against Judaism and communism; it also engaged in political assassinations, terrorism, and physical violence against Jews, Judaizers, and other real or alleged opponents of the Guard's mission. The Guard specifically rejected democracy and advocated totalitarianism and emulation of the domestic and foreign policies of Nazi Germany and Fascist Italy. Like the Arrow Cross, it never secured the support of the majority of the population; however, with other parties of the radical right it secured enough support in rural and urban industrial areas in the elections of 1937 to precipitate the collapse of the parliamentary system and the assumption of dictatorial powers by the Guard's ultimate political enemy, King Carol II, in 1938 (Nagy-Talavera 1970). The confrontation between the King and his moderate right supporters, and the radical Iron Guard resulted in the extermination of most of the Guard's leadership by 1939; it did not, however, prevent the 'legionaries' from assuming power in September 1940 after the territorial dismemberment of Romania by the Soviet annexation of Bessarabia and Northern Bukovina in June 1940 and the loss of Northern Transylvania and Southern Dobrudja, to Hungary and Bulgaria respectively, through the Vienna Diktat of August 1940. The National Christian Legionary State, established under the leadership of its *fürher* Marshal Ion Antonescu, joined Hitler in the anti-Russian campaign by 1941 and survived until August 1944 when Romania was 'liberated' by the Soviet armies (Fischer-Galati 1988). As in the case of Hungary, the 'liberation' did not lead to

a return to the democratic practices hoped for by most of the inhabitants and moderate political survivors whose experience with and under Antonescu's dictatorship had proved disastrous during the war years.

The Jewish and Russian issues are also of paramount importance for understanding the collapse of the fragile democracy of Poland. As a country which was put together at the end of the First World War from three parts, with varying political and cultural experiences, the political attitudes of the Polish leaders of Russian, Prussian, and Austrian Poland converged only on the issues of nationalism and anti-Bolshevism. The moderately socialist group, headed by Josef Pilsudski, who had led a Polish Legion on the side of the Central Powers during the war, the conservative, originally pro-Russian group united in the National Democratic Party (*Endeks*) and headed by Roman Dmowski, and the moderate branch of the Polish peasant movement (*Piast*) vied for power even before the democratic constitution of 1921 was adopted. Since the Polish constitution limited the powers of the head of state in favour of the legislative branch, the anti-democratic forces in Poland – most notably the 'legionaries' of the First World War and the communists – sought to sabotage the Parliament (*Sejm*) from the very beginning. In 1926, on the pretext that the Sejm could not handle the urgent questions facing Poland in the wake of the Russo-Polish war, the country's economic difficulties, and the Endeks' and Piasts' reluctance to undertake meaningful land reform, Pilsudski stated a coup d'état and assumed dictatorial powers. The democratic experiment thus came to an end (Davies 1982).

Pilsudski's dictatorship was similar to Horthy's in that parliament and political organizations – with the exception of the Communist Party – continued to function even though its powers were totally subordinated to Pilsudski's and his 'legionaries' (Rothschild 1966). Unlike Horthy's, however, Pilsudski's dictatorship was ostensibly of the left; in practice, however, Pilsudski's early socialism had been abandoned in favour of opportunism at least since the Russo-Polish war. Like Mussolini, he made overtures to industrialists and big landowners, with the result that the dictatorship became socially conservative and politically repressive.

The ensuing circumstances of the limited power of political parties through the adoption of a new constitution in 1935, whereby the powers of the president and of the government were increased dramatically at the expense of the Sejm, favored the move toward totalitarianism which, in fact, became more and more pronounced after Pilsudski's death and the assumption of power by the so-called 'Colonels'. The 'Colonels', actually members of Pilsudski's clique, resorted to steps designed to counter equally undemocratic actions sponsored or encouraged by the Endeks and other opponents of the Colonels' dictatorship, both from the right and the left.

The left, consisting of the radical branch of the Popular Party – formed through the union of the conservative Piast and the more radical Wyzwolenie

group – acted through the Youth Organization of the Popular Party ('Wici') which urged radical land reform and 'power to the [impoverished] peasants'. The right, acting mostly through the Endeks, appealed to the young generation of educated and semi-educated middle-class families, also affected by the Depression, by pursuing a virulent anti-Semitic, anti-national minorities, and anti-communist campaign. As early as 1934 a group of young fascists left the Endeks – whom they regarded as too moderate – and three years later united with another fascist group to form the National Radical ('Nara') Party which proclaimed a full Nazi programme.

To control and manipulate this radicalism, the Colonels themselves set up the 'Camp of National Unity' ('Ozon') which was modelled entirely on the totalitarian parties of the Fascist countries. Its youth group, the Union of Young Poland, competed with the 'Naras' in anti-Semitic and anti-Bolshevik demagoguery. However, after the strike of the Polish peasantry of August 1937 and the elections of 1938 which expressed the general national discontent with both the dictatorship and political radicalism of the extreme right, the Colonels promised to undertake reforms, primarily with respect to land tenure, but also asked for national patience and unity in the face of external threats. It is doubtful whether the Colonels ever intended to restore any of the democratic elements which survived the confrontational 1930s; in any event, whatever their intentions might have been, they could not be realized as Poland became the victim of Nazi and Soviet aggression in 1939 (Gieysztor 1968).

At the opposite end of the scale of survival of democratic, constitutional, parliamentary regimes in interwar Eastern Europe was Czechoslovakia. Much has been written about Czechoslovak democracy as symbolic of the democratic potential of Eastern Europe following the First World War (Joseph Rothschild 1974). In reality, despite formal adherence to constitutional and parliamentary principles and practices by the various political parties and organizations of the independent Czechoslovak state, anti-democratic tendencies and politics were evident and contributed to the failure of democracy and the dismemberment of the Czechoslovak state in 1939.

The strongest opponents of Czechoslovak – Czech dominated – political centralism were the Slovak autonomists who congregated in the Slovak People's Party under the leadership of Father Andrew Hlinka (Yeshayahu Jelinek 1976). The party was virulently nationalist, anti-republican, anti-Czech, anti-democratic, anti-Semitic, and anti-socialist. It was very similar in outlook and programme to the Clerical-Fascist movements of Austria, Spain and Portugal. The Slovak People's Party, while never commanding the allegiance of the majority of Slovaks, was popular with a substantial part of the peasantry and working class, not to mention intellectuals and members of the bourgeoisie, who resented Czech domination of the political and economic order and who subscribed to Hlinka's demagogic 'Catholic Nationalism'.

Equally anti-democratic, anti-Czech, and anti-Semitic were the Ruthenian Fenzig Party, which reflected the Ruthenians' disaffection with centralism, and, by the mid-thirties, the outright Nazi Sudetendeutsche Partei, headed by Konrad Henlein, whose professions of respect for democratic principles had to be taken with a grain of cyanide. Opposed to the existing order were also the communists, who enjoyed legal status throughout the existence of the Republic and considerable political support, especially in Slovakia and Ruthenia. Communist participation in parliament and apparent observance of democratic principles and practices did not mask their total subservience to Moscow both before, during, and after the Second World War.

Nevertheless, the anti-democratic, authoritarian – if not necessarily Fascist – forces in Czechoslovakia could never have succeeded in destroying Czechoslovak democracy without external support. Hitler's exploitation of the opportunities afforded by Slovak and Ruthenian separatism, anti-Semitism, and pro-fascism – not to mention over support from Henlein's Nazi organization – gave him the opportunity to dismember the Czechoslovak state after the original blow dealt to its existence by the Munich Agreement. Similarly, Stalin used the pro-Russian and anti-German sentiments of the majority of the peoples of Czechoslovakia first to pose as the only opponent of Nazi tyranny and later as liberator of Czechoslovakia from fascism only to equate Czechoslovak democracy with 'people's democracy' after the war (Tigrid 1975).

This long recital of the multitude of specific factors and conditions that led to the failure of democracy in Eastern Europe in the twentieth century allows us to reach certain conclusions common to the entire region. The political and socio-economic development and historic experience of Eastern Europe were insufficient to permit the unhindered functioning of democratic institutions. The traditional conservative forces – the Catholic and Orthodox churches, the landed aristocracy, the bureaucratic and military establishments – resisted modernization and social reforms that would favour the economic emancipation of the peasantry through redistribution of landed property. By the same token, industrial and commercial capitalists were unwilling to make meaningful concessions to the underpaid and underprivileged working class. The political parties which represented, at least in theory, the interests of the conservative forces and, respectively, of the peasantry and/or working class, were inexperienced and, more significantly, unwilling to seek solutions and accept decisions made by constitutional parliamentary procedures. Extra-parliamentary means, mostly involving physical violence, rendered the political process meaningless from an early date and encouraged the staging of coups by anti-democratic leaders, normally assisted by the army. Similar confrontations, related partly to socio-economic problems but mostly to political issues involving territorial revisionism, the rights of national and ethnic minorities and, most significantly, of differing religious groups and denominations, destabilized the

parliamentary order and facilitated the establishment of autocratic and/or dictatorial regimes.

It is noteworthy, however, that external factors related to the stability of the nation states of Eastern Europe were generally of lesser significance in promoting the elimination of democratic institutions and practices. Neither Nazi Germany nor Fascist Italy sought, prior to 1939, to impose their own political orders in Eastern Europe although anti-democratic forces, with a distinct fascist character, emulated German and Italian models in their quest for power. Similarly, after the failure of the Béla Kun revolution, the Soviet Union did not insist – albeit for tactical reasons – on the implementation of its own policies and practices by the legal or illegal communists who sought to undermine all political establishments in the interwar years; nonetheless the threat, actual or imaginary, of Bolshevism played a decisive role in legitimizing anti-democratic actions and activities in Eastern Europe.

The East European dictatorships, prior to the Second World War, were, as a rule, more authoritarian than totalitarian. Totalitarianism became evident during the war in areas controlled or occupied by Nazi Germany, Fascist Italy and Soviet Russia. However, it was only after the ‘liberation’ of Eastern Europe from ‘fascism’ that even the most rudimentary survivals of the democratic experiment of the era prior to the Second World War era came to an end in conformity with Stalin’s and his successors’ belief that Eastern Europe had to ‘rest in peace’.



## **Part II**

### **The Social Arena: Major Forces and Actors**





# 5

## Organized Interests and their Patterns of Interaction

*Allan Zink*

### 1 Introductory remarks

The object of this study is to outline a basic approach and develop some empirically substantiated hypotheses with regard to the role of intermediary structures (excluding political parties) in the survival or collapse of European democracies during the interwar period. A survey of both the case studies on hand and the relevant literature suggests that a comparative evaluation of intermediary structures can best be undertaken with the help of three basic concepts, each of which represents a paradigmatic system of interest intermediation. These paradigms – pluralism, corporatism and clientelism – have often been applied to the analysis of both European and non-European polities but seem never to have been combined into a single conceptual scheme for the purpose of conducting a broadly based, pan-European comparative study. On the contrary, the vast majority of publications on the subject of ‘democratic’ corporatism appear to place much more emphasis on the development and evaluation of the (neo-)corporatist paradigm *per se* than on the comparative analysis of the individual cases to which reference is made. Moreover, although the relationship between corporatist and pluralist structures has been the subject of much debate in recent decades, the element of clientelism has rarely been introduced into such discussions, since it appears to lie well outside the conceptual, empirical and – often – temporal scope of the neo-corporatist phenomenon.

Accordingly, the first task of this investigation will be to outline the concepts of pluralism, corporatism and clientelism, establish them in a basic relational context and evaluate their applicability to the subject being considered. In a second step, the relevant data from the case studies will be analysed in order to identify groups of factors which appear to constitute essential preconditions of specific crisis outcomes. Finally, the results of this empirical analysis will be interpreted with reference to both the tripartite conceptual model and single categories of interest groups in order to assess the extent to which factors relating to the intermediation of organized

interests can be considered as necessary, though not sufficient, causes of democratic survival or collapse in crisis situations.

## 2 Conceptual framework

For the purposes of this study, the relationship between the pluralist, corporatist and clientelist paradigms can be symbolized by a triangle in which each vertex represents one of the three models in its pure form and each side constitutes the scale of possible mixed forms of two specific paradigms. The system of interest intermediation prevalent in each individual country can thus be indicated by a point situated either within the triangle (where elements of all three models exist), along one of its sides (where a hybrid form of two models predominates) or close to one of the vertices (where a near-to-pure form of one single paradigm prevails).

In the example depicted in Figure 5.1, Sweden is seen to possess strong corporatist institutions within a pluralistic-democratic framework and no clientelistic elements, whereas Greece exhibits a high degree of clientelism and an absence of corporatism in conjunction with a formally pluralistic democracy. Hungary combines strong clientelistic elements and weak-to-medium corporatist structures with the limited pluralism of its equally limited democratic system. Not explicitly mentioned in this diagram, but of equal importance to the consideration of intermediary structures on a national level, are those elements of a population which remain 'uncaptured' by the established parties, interest groups, mass movements and ideologies. Such groups tend to form social movements of a more spontaneous,

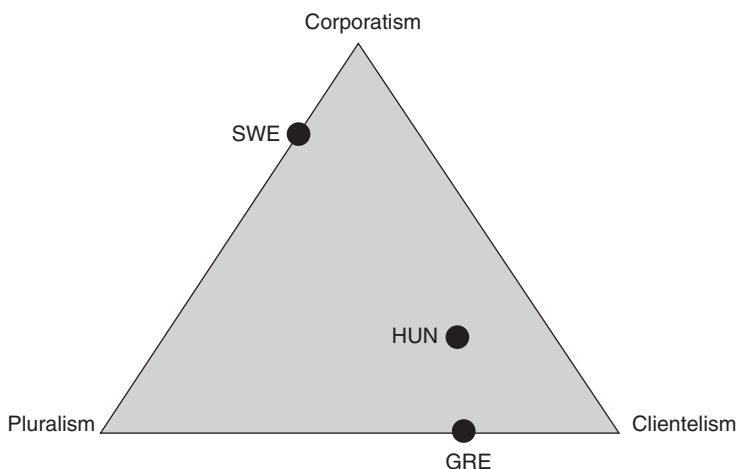


Figure 5.1 Patterns of interest mediation

unstructured and ad hoc nature (for example protest movements, the disaffected *combattenti* in Italy after the First World War); their political relevance depends to a large extent on the amount of 'political space' which remains unoccupied by established political forces and which thus, potentially at least, becomes available to them (on the concept of 'political space' cf. Linz 1980).

The following conceptual résumés are intended to provide a fundamental notion of the pluralist, corporatist and clientelist paradigms and point to some of the weaknesses inherent to them, especially when applied to the specific context of interwar Europe.

## 2.1 The pluralist model

The pluralist paradigm, the 'classical' formulation of which dates back to the 1950s, is an outgrowth of American group theory and reflects essentially the structure and functioning of the American socio-political system (Truman 1951; Dahl 1971; Lehmbruch 1983: 154–5). Its central thesis holds that modern Western democracies are characterized by an 'associational pluralism' (Bernsdorf 1957: 270) in which interest groups (pressure groups) compete freely for the purpose of asserting their specific interests against those of other such organizations so as to be able to influence state activity and policy (Forndran 1983: 143). In this respect they constitute 'organisations of the intermediary sphere between the individual and the state in which a particular interest is vested and rendered politically relevant' (J. H. Kaiser as cited in Bernsdorf 1957: 270).<sup>1</sup> As far as the role of the state is concerned, it is in principle limited to the establishment and preservation of the legal framework within which interest and pressure groups may legitimately act.

This approach implies more than the mere existence of a plurality of organized interests since it assumes that, as a general rule, socially relevant interests are both capable of being organized and do in fact organize themselves into concrete associations. The most important of these associations are seen to pursue interests of a primarily economic nature and to represent given segments of the population. 'In the pursuit of their objectives, they take an interest in particular legislative programmes, personnel policy, social security measures, the extension of the legislative and the combating of opposing influence groups' (Bernsdorf 1957: 279). Inasmuch as organized interests compete amongst themselves for political power and influence, they are seen to mutually control each other, thereby limiting each other's power. Pluralist interest competition is thus considered to promote a social equilibrium in which the best possible account of social interests is taken in the political decision-making process (Lehner 1983: 102; cf. also Dahl 1971).

Viewed from this perspective, pluralism appears to constitute nothing less than the cornerstone of democratic *legitimacy* and *efficiency*. Critics,

however, argue that in reality, certain socio-economic interests are more capable of organizing themselves than others and that their ability to engage in and sustain conflict is equally differential (Olson 1965; Offe 1969). The political weight and effectiveness of interest associations thus does not necessarily reflect the numerical strength or social relevance of the interests they represent. Rather, there is a general tendency to favour capital and labour interests (Lehner 1983) and in particular those of more established and better-off social groups (Schattschneider 1960). Accordingly, pluralism cannot be said to facilitate a balanced and equitable intermediation of interests as its proponents claim. Inasmuch as pluralist structures in industrialized capitalist societies tend to displace the locus of political decision-making from parties and parliament to interest groups and the state bureaucracy, they not only restrict the possibility of genuine interest competition but also foster the widespread rejection of established forms of political participation and interest mediation, thus potentially undermining both the legitimacy and efficiency of the political system itself (Lehner 1983: 102–105).

Apart from its numerous theoretical shortcomings, the pluralist model has also been criticized for its basic inapplicability to contemporary non-American politics (Schmitter 1979b: 73; La Palombara 1960). Although this is most certainly the case as regards its analytical suitability, pluralism as a general paradigm nonetheless provides us with a first conceptual point of reference for the assessment of interest intermediation processes in inter-war European democracies. It allows us to discern and delineate more precisely non-pluralist (that is corporatist or clientelistic) elements within the structures and processes of interest intermediation in the polities under consideration. In this regard we presuppose the validity of Lehner's general premise that in developed capitalist democracies, pluralist interest intermediation is capable of being modified or reformed by the integration of non-pluralist elements but that it cannot be overcome in principle due to the social and economic structures of the system (Lehner 1983: 106, 114; compare also his arguments in support of this thesis, 106–9). Accordingly, situations in which the distinction between pluralist and non-pluralist structures prove difficult (for example when interest groups organize themselves as political parties) appear neither as contradictions of paradigmatic principle nor, as the pluralist school tends to see it, as mere problems of definition (Bernsdorf 1957: 270), but rather as specifically mixed forms of interest intermediation which need to be considered on their own merits.

## **2.2 The corporatist model**

The corporatist paradigm in its present ('neo-corporatist') form developed as a reaction to the obvious insufficiencies of the pluralist model in describing interest group activity in the industrially developed countries of contemporary Europe. First of all, it was recognized that informal co-operation had

succeeded in supplanting competition as the characteristic form of interaction between organized interest groups. Secondly, a small number of large associations were seen to have assumed a decision-making role of their own in key areas of the political-economic system where previously a plurality of associations had competed for influence on the traditional decision-making process within the political establishment (Forndran 1983: 144–5; von Beyme 1983: 193).

This endeavour, however, met with numerous difficulties when it came to delineating the central notion of corporatism. Aside from the principal differentiation between consensual-licensed and authoritarian-licensed corporatism (to use the terminology of Williamson, 1985: 201), the debate on neo-corporatism can be said to have brought little consensus with respect to a precise definition of (neo-)corporatism in the democratic context. Corporatism since the Second World War has thus been described by various authors as a social structural paradigm (Schmitter 1979b), a type of social system (Winkler 1976), a network of political-economic relations (Kastendiek 1981), an exchange logic (Lehmbruch 1977), a wide variety of possible cooperative interactions between the state and industry (Cox and O'Sullivan 1988) and a strategy linking 'a cluster of common means in different societies and social sectors with various interests and ideologies' (von Alemann and Heinze 1979: 480). This means that it is still a matter of debate whether 'corporatism' in fact denotes a real or an analytical concept, a generic or composite model, a system, subsystem, structure, policy or strategy.

Like pluralism, corporatism is a model of interest intermediation based on a horizontal mode of mobilization and interest aggregation. Here, however, large organized interests do not remain fragmented and in unmitigated competition with one another, but are linked together at the national level by a system of voluntary consultation whose participants enjoy state recognition and in which decisions pertaining to the distribution of advantages are reached on a consensual basis. Structurally, this arrangement presupposes the existence of centralized, well-organized and largely monopolistic interest associations which can effectively aggregate and articulate socio-economic interests on a national scale. These interest groups are of necessity both limited in number and broadly based, representing ideally a maximum number of members who are potentially affected by the greatest possible range of interests (cf. Schmitter 1981: 285). Although their social base is horizontally defined, they possess an inner structure which is manifestly vertical and can range from simple organizational stratification to a strict hierarchy of leadership. On the decision-making level, corporatism implies a close, cooperative 'tripartite' relationship between the state, capital and labour and a corresponding (extraparlimentary) concertation of policy, especially with respect to wages and prices. Lehmbruch (1983: 161) speaks in this context of 'a functional differentiation of, on the one hand, a party system retaining competitive mechanisms for generating and, at the same

time, confining the exercise of political power – and, on the other hand, an interest group–administration compound concerned with economic and social policies that cannot be handled by a competitive party system'. Although the actual degree of state participation can vary from case to case, the interaction between interest groups and the state is always centralized, highly organized and underpinned by an ideological consensus regarding the mutual advantageousness of cooperative strategies. The role of the state within this tripartite relationship appears to be especially pronounced in strongly segmented, pillared or stigmatized societies where social and political integration is achieved with the help of overarching structures (*'verzuiling'*, *'Proporzdemokratie'*). Here, as Lehmbruch (1979: 51) notes, there is a particularly strong 'tendency towards the instrumentalisation of large organisations for purposes of state regulation'. Katzenstein (1985: 27) views contemporary corporatism as a collaborative policy process in which 'a voluntary and informal co-ordination of conflicting objectives' takes place by means of 'continuous bargaining among interest groups, state bureaucracies and political parties *for the purpose of arriving at an overarching consensus*'.

Corporatism in the interwar period and what was later to be termed 'neo-corporatism' had, of course, a variety of ideological and historical roots which are not reflected in the above characterizations. Although we fully concur with Schmitter (1979a: 10–13) that corporatism as an analytical concept must be understood independently of any specific ideology, regime type or historical–geographical configuration, its historical dimension must be acknowledged. Some of the politically more relevant roots of twentieth century corporatism can be found in pre-Marxist socialism, the conservative professionalist tradition, Roman Catholic social theory (which was especially influential in Belgium, the Netherlands, France and Italy), technocratic reformism (W. Rathenau, J. M. Keynes), the syndicalist tradition, authoritarian and fascist corporate ideology (as subsequently implemented in Italy, Portugal, Spain and to a certain extent in Austria under Dollfuss) and various aspects of the workers' movements in Western and Central Europe (cf. Schmitter 1979a: 9–10; von Alemann 1983: 8). With respect to the latter, Lehner (1983: 162) remarks that in many countries, the political culture of the subsystem which developed around the social-democratic parties and trade unions began progressively 'to focus on the state and on political action within a liberal constitutional framework as instruments of social reform.'

Von Beyme (1983: 181) notes that after the First World War, rudimentary corporative structures developed at the factory and local levels and a tendency toward state intervention (notably in the British public sector and in Germany after 1916) became apparent in countries where 'dualist enterprise constitutions' (for example competing trade union organizations and co-determination institutions such as works councils) were the rule. The proliferation of corporatist structures in both democratic and authoritarian

states seems to have been sufficiently apparent to the interested analyst as to prompt Manoilescu, writing in 1934, to predict that state regulation in capitalist economies would be exercised increasingly by semi-autonomous producer associations rather than by the state's own institutions and that 'the ineluctable course of fate involves the transformation of all the social and political institutions of our times in a corporatist direction' (Manoilescu 1936: 25, 7).

### **2.3 The clientelist model**

Clientelism, according to Clapham (1982: 30), is a middle-range concept, meaning that there are no clientelist systems as such, but only clientelistic elements within a given political system. The reasons for including this 'paradigm' within our conceptual framework are basically twofold. First, the geographical and typological scope of the larger comparative study forbids the exclusive use of categories derived from the analysis of the 'metropolitan' industrial societies of Western and Central Europe. Secondly, what might be termed the 'structural topography of interest intermediation' requires a more comprehensive frame of reference than the duality of pluralism and corporatism can provide. If pluralism is characterized by its extreme horizontality and corporatism combines horizontal mobilization and interest aggregation with a strongly vertical organizational structure of the associations involved, then clientelism lies at the other end of the scale with extreme verticality as its fundamental structuring principle. The contradiction between the horizontal principles of representative democracy (for example popular sovereignty) and the verticality of clientelism constitutes a major functional dilemma for democratic polities in which clientelistic forms of interest intermediation predominate.

The concept of clientelism, used originally to describe certain forms of social organization common to the pre-industrial societies of Southern Europe, later came to designate 'the characteristic relationship between peasant cultivators and local notables or landowners' in peasant societies generally (Clapham 1982: 2). Under the impact of state and market expansion towards the end of the nineteenth century, clientelism then developed from this archetypal relationship into a form of interest mediation in its own right, prevalent in but by no means restricted to southern and south-eastern Europe. Scott (1972: 92) defines the 'traditional' patron-client relationship as: 'an exchange relationship between roles ... [and] a special case of dyadic (two-person) ties involving a largely instrumental friendship in which an individual of higher socio-economic status (patron) uses his own influence and resources to provide protection or benefits, or both, for a person of lower status (client) who, for his part, reciprocates by offering general support and assistance, including personal services, to the patron.' Clientelism is thus essentially a relationship between unequal persons or groups of persons based on the direct and asymmetrical exchange of



favours. It presupposes a significant disparity of wealth, power and status between patron and client and is voluntary, non-contractual and multi-functional (cf. Clapham 1982: 4–6; Graziano 1976: 152; 1965).

Clientelistic exchange relations tend to form both extended networks and vertical chains of dyads, the latter constituting their primary means of penetrating into political hierarchies and state bureaucracies. Dyadic structures, however, are not ‘objective units’ which exist independently of their individual members and loyalty is shown only to those persons directly above and below in the group hierarchy (Clapham 1982: 6; Graziano 1976: 153). The intrusion of such clientelistic structures into the political system marks the transition from the traditional patron–client relationship to party-directed patronage and parallels the emergence of modern mass society. With the advent of mass politics in areas where capitalist development has only rudimentarily taken place, ‘political power shifts from prestigious individuals to party organisations without a corresponding rise in political ideology.’ As a result, ‘patronage ... take[s] the place of personal loyalty as the basis of affiliation’ (Tarrow 1967: 325). The incorporation of clientelistic networks within the national political system also follows from the attempt of the modern state to extend its authority over areas – either specific regions (as in Italy) or entire countries (as in Romania) – where traditional socio-economic relations still prevail. There, local notables are often co-opted by the state owing to their control of the local peasantries which the state is desirous of gaining as fully fledged citizens – as voters, producers, potential soldiers and so on (Clapham 1982: 3).

As a rule, the first stage in this process is what is generally termed ‘clientelism of the notables’. Here, unbureaucratically organized parties of notables operate as the main collective actors of a political system in which parliament still constitutes the central political arena. The notables-turned-politicians act as the principal link between the population at large and the state, continuing to enjoy the personal prestige typical of old-style clientelism. With the development of mass politics, however, the focal point of political activity gradually shifts from parliament to civil society. It is during this period that party-directed patronage emerges together with the political machine as a unique instrument of securing political power by ‘organising the vote’ (Graziano 1976: 162, 164). At this stage, patronage begins to be ‘channeled through an organisation rather than through a chain of individuals’ (Tarrow 1967: 24); political parties develop into complex bureaucratic organizations controlled at the local level by party bosses whose task it is to ‘buy’ votes through the distribution of spoils and favours. The power of these local bosses, deriving ultimately from their access to state resources, ‘rests more on the inducements and sanctions at [their] disposal than on affection or status’ (Scott 1972: 325). They ‘must rely on palpable inducements and threats because [they lack both] the traditional legitimacy of the notable’ (Graziano 1973: 33/n. 62) and the modern legitimacy of ideological political leadership.

Both the effectiveness and the inherent corruption of political machines stem from the fact that the rewards and privileges which they distribute are uniquely individual and material in nature; as such, they contravene the basic administrative principle of impartiality and violate the equally fundamental bureaucratic distinction between the public and private domains (Graziano 1976: 164–5).

Party-directed patronage can thus be characterized as a type of political practice in which, broadly speaking, parties in power promulgate particularistic laws and distribute favours in exchange for electoral support (Graziano 1976: 150). The degree to which clientelistic practices and structures can 'invade' a political system and the specific form this may take depend on a variety of factors and external conditions. Clapham distinguishes two main preconditions for the existence of political clientelism: the hierarchical structure of the modern state and the latter's monopoly over certain types of allocations. Seen from this perspective, clientelism appears to take root in polities where political structures are, on the one hand, 'tolerably effective' without being 'too impersonalised and institutionalised to allow much scope for clientelism' and, on the other hand, sufficiently 'usable as a setting for private transactions' without being 'too ineffective to carry out allocations' (Clapham 1982: 18, 19–20).

An important aspect of patronage politics which is of particular interest in the present context is the loss of autonomy suffered by secondary associations as a result of the clientelistic conditions under which they operate. According to Graziano (1973: 26), '*any clientelistic system undermines the autonomy of social groups and their organisations and tends to absorb them in a political game directed by the groups in power.*' By 'absorbing' independently organized interest associations – either by intimidation or by co-optation – clientelistic organizations are able to preserve their monopoly of power while at the same time minimizing the possibility of open confrontation and interest competition. In countries in which party-directed patronage predominates, such as in (southern) Italy, this can take the form of *parentela*, a 'pre-modern' (Di Palma 1970: 13) form of political participation which La Palombara (1964: 306) characterizes as 'a relatively close and integral relationship between certain associational interest groups and the politically dominant party'. Relationships such as *parentela* can render a country's bureaucratic institutions highly susceptible to partisan and interest group intervention; however, the interests articulated in this way are generally of a particularistic, non-aggregable nature and are usually addressed to an influential person within the political or administrative structure rather than to an institution *per se* (Graziano 1973: 27, 28/n. 2). Such practices tend to subvert the goals to which secondary associations are publically committed and render the process of interest articulation, aggregation and intermediation largely inefficient (Clapham 1982: 5). As Graziano notes, a trade union leader who has been absorbed into a

clientelist network will tend less to engage in an open struggle on his members' behalf than to instrumentalize his personal contacts with other leaders for particularistic ends (Graziano 1973: 26).

As a general rule (and despite the nominal 'horizontal' of both political parties and interest groups), clientelism can be said to impose its inherently particularistic and vertical mode of socio-political mobilization on almost the entire spectrum of intermediary political organization and interest intermediation. This not only makes the aggregation and articulation of socio-political interests on a non-selective, associational or class basis extremely difficult, but also poses significant problems with regard to the extent of political participation. Clapham remarks that 'patron-client bonds by their nature ally members of different classes, and foment factional divisions between members of the same class'. They 'can be used by dominant elites... as a means of trying to neutralise class-based opposition... [and] may serve to filter benefits down through the social structure, and thus reduce the attractions of class conflict as a political strategy.' They also 'lend themselves easily to the use of devices such as ethnic [or regional, etc.] identity which reinforce the control of an elite or ruling class over its followers' (Clapham 1982: 31-2). In addition, the prevalence of the 'machine element' over the 'movement element' (Graziano 1973: 27-8) in polities where party-directed patronage predominates can generally be seen to stifle the emergence of political participation on any meaningful scale. Instead, a comparatively small number of individuals tends to instrumentalize the existing system in a sporadic manner for the purpose of obtaining the spoils and favours they desire (Di Palma 1970: 202, 13). Such practices, together with the widespread use of co-optation, not only prevent the development of a well-organized opposition, but also undermine the legitimation of power and, as a consequence, the institutionalization of authority. This in turn undermines the organizational stability of secondary associations and, in the end, of the political system as a whole (Graziano 1976: 166-9).

### 3 Empirical analysis

#### 3.1 Data from the case studies

Of the 68 structural, that is, not actor-oriented, variables considered by the parent project, a total of seven refer to the process of interest articulation and intermediation outside the more immediate context of political parties. These include the non-pluralistic systemic paradigms discussed above (clientelism and corporatism) as well as the most important associational agents of interest intermediation. The latter consist of both established interest groups (peasants' and small commercial associations, trade unions and employers' organizations) and social movements of a more spontaneous, ad hoc nature. The empirical data from the individual case studies

relating to these intermediary structures are presented in Tables 5.1–5.3. Table 5.1 contains the raw data from the 18 case studies and, at the bottom of the chart, an assessment of the mode of interest intermediation predominant in each country. In Table 5.2 the essential information conveyed by the raw data is translated into Boolean variables. Finally, Table 5.3 provides data on relative and absolute trade union membership in each of the countries considered. The strength of trade unions is not only a major variable in itself but also an important indicator of the overall degree of social mobilization and associational development within a given polity.

### 3.2 Qualitative comparative analysis

With the help of Qualitative Comparative Analysis (QCA; see also Chapter 11 below), it is possible to reduce the complexity of the relationships expressed by the data and simplify the patterns of variables associated with specific crisis outcomes. In this way, it is possible to identify central combinations of variables which relate specifically to the one or other crisis outcome. For the present investigation, prime implicants were first computed for the groups of democratic survivors and breakdown cases. Then, in a further step, the breakdown cases were subdivided into those with strong fascist involvement (that is, where there was a minimum of 15 per cent fascist votes in a national election shortly before breakdown) and those of a more authoritarian character (where there were less than 15 per cent fascist votes).

On the basis of the data from the case studies alone, QCA was not able to arrive at any significant reduction of the original input. However, the inclusion of a number of ‘simplifying assumptions’ representing the so-called ‘remainder cases’ (that is, all further conceivable cases relating to a specific outcome) did permit substantial reductions of the original patterns.

#### 3.2.1 *Survival cases*

QCA computed a formula consisting of two sets of prime implicants for the category of democratic survivors:

$$(\text{INTUNIONS} \cdot \text{movementso}) + (\text{INTRURAL} \cdot \text{intcommerc} \cdot \text{clientelis})$$

The first term covers the cases of France, Great Britain, Ireland, the Netherlands and Czechoslovakia. The second refers to the somewhat more special situations of Belgium and Finland. The term representing the larger number of survival cases – all urbanized capitalist-industrial societies with the sole exception of Ireland – points to the articulation and intermediation of working-class interests by established trade unions rather than by potentially destabilizing and anti-system social movements of a more spontaneous nature. (The fact that Ireland figures in this category can be seen primarily as a consequence of that country’s widespread adoption of British political culture and institutions.) This scenario is essentially in line with

Table 5.1 Raw data on intermediary structures

	Germany	Italy	Hungary	Romania	Estonia	Portugal	Spain	Poland	Greece
<b>1. Interest groups (basis of organization, strength)</b>									
(a) rural	strong (regional)	strong (national)	medium	weak	relatively weak	weak (anarchist)	weak (Catholic/Socialist)	relatively strong	weak
(b) small commercial	strong (political families)	weak (mostly local)	medium to strong	weak	strong (cooperative mvt.)	medium to strong	weak	weak	weak
(c) unions	strong (political families)	strong	weak to medium	weak	weak (split Anarchists/Socialists)	weak	strong (only among urban and rural proletariat)	medium to strong	weak
(d) employers	strong (national)	strong (national)	strong	weak	weak	medium to strong	strong (landlord, also at regional level)	weak	weak
<b>2. Corporatism</b>									
	no	no	weak to medium	no	weak	strong	no	weak	no
<b>3. Social movements<sup>a</sup></b>									
	strong	strong (national-Fascist)	strong (Fascist); medium (Catholic); weak (public services, engineers)	strong (right-wing)	strong (veterans' movement)	weak	strong	strong (agrarian); differing (workers)	weak
<b>4. Clientelism</b>									
	weak	strong	strong	strong	weak	strong	weak	strong	strong
<b>Predominant mode of interest intermediation</b>									
	pluralism	pluralism	clientelism	clientelism	pluralism	clientelism	pluralism	clientelism	clientelism

<sup>a</sup> Less structured and of more recent origin.

Table 5.1 Continued

	Sweden	Finland	Belgium	Netherlands	France	Great Britain	Czechoslovakia	Ireland	Austria
<b>1. Interest groups (basis of organization, strength)</b>									
(a) rural	weak	strong	strong	medium	weak (regional)	weak	weak	strong	strong
(b) small commercial	weak	weak	weak	medium	weak (fragmented)	strong	relatively strong	medium	medium
(c) unions	strong	weak	strong	medium (Protestants)	medium to strong (political families)	strong	medium to strong	medium to strong	to strong strong
(d) employers	medium to strong	strong	strong	relatively strong (Liberal & Protestant); Catholics in cooperation with KVP <sup>b</sup>	strong (regional/Catholic)	weak	strong	medium to strong	strong
<b>2. Corporatism</b>	weak	no	weak	strong	no	weak	no	weak	strong
<b>3. Social movements<sup>c</sup></b>	strong	medium to strong	strong (ethnic) (linguistic)	weak	weak	weak	weak	weak (Heimwehr)	strong fascist
<b>4. Clientelism</b>	no	low	weak	weak	weak	low	strong	strong	strong
<b>Predominant mode of interest intermediation</b>									
	pluralism	pluralism	pluralism	corporatism	pluralism	pluralism	pluralism	clientelism	pluralism

<sup>b</sup> Religious employers' organizations' attitudes somewhat modified due to organological ideological influences.

<sup>c</sup> Less structured and of more recent origin.

Table 5.2 Intermediary structures: Boolean variables

	Democratic survivors										Authoritarian/fascist outcomes									
Boolean variables	FRA	SWE	CZE	GBR	FIN	BEL	IRL	NET	AUS	GER	ITA	HUN	POL	POR	SPA	EST	ROM	GRE		
INTRURAL (Interest groups: rural)	0	0	0	0	1	1	1	1	1	1	1	1	1	0	0	0	0	0		
INTCOMMERC (Interest groups: commercial)	0	0	1	1	0	0	1	1	1	1	0	1	0	1	0	1	0	0		
INTUNIONS (Interest groups: unions)	1	1	1	1	0	1	1	1	1	1	1	0	1	0	1	0	0	0		
INTEMPLOYE (Interest groups: employers)	1	1	1	0	1	1	1	1	1	1	1	1	0	1	1	0	0	0		
MOVEMENTSO (Social movements)	0	1	0	0	1	1	0	0	1	1	1	1	1	0	1	1	1	0		
CLIENTELIS (Clientelism)	0	0	1	0	0	0	1	0	1	0	1	1	1	1	0	0	1	1		
CORPORATIS (Corporatism)	0	0	0	0	0	0	0	1	1	0	0	0	0	1	0	0	0	0		

Table 5.3 Trade union membership (under conditions of democratic government)<sup>a</sup>

	SWE	AUS	BEL	GER	NET	ITA	UK	SPA	IRE
	Jan. 1932	Jan. 1932	Jan. 1932	Jan. 1932	Jan. 1932	1921	Jan. 1932	Jan. 1932	Jan. 1932
UNION-POP	10.72%	10.64%	9.94%	9.28%	9.13%	8.71%	8.47%	7.60%	4.92%
UNION-TOT	660,419	719,126	804,509	6,050,888	724,453	3,127,024	3,899,949	1,790,737	146,361
UNION%F	91.79%	84.43%	70.32%	78.65%	44.17%	36.10%	100.00%	43.48%	-
UNION%CH	-	15.57%	29.68%	21.35%	45.80%	31.74%	-	-	-
UNION%CO	-	-	-	-	-	-	-	-	-
UNION%AN	4.68%	-	-	-	0.32%	12.43%	-	56.52%	-
UNION%NE	-	-	-	-	6.85%	3.72%	-	-	-
UNION%O	3.54%	-	-	-	2.86%	16.01%	-	-	100.00%
UNION-F	606,176	607,187	565,710	4,758,991	319,994	1,128,915	3,899,949	778,599	-
UNION-CH	-	111,939	238,799	1,291,897	331,799	992,390	-	-	-
UNION-CO	-	-	-	-	-	-	-	-	-
UNION-AN	30,889	-	-	-	2,300	388,708	-	1,012,138	-
UNION-NE	-	-	-	-	49,618	116,420	-	-	-
UNION-O	23,354	-	-	-	20,742	500,591	-	-	146,361

	CZE	POL	FRA	HUN	GRE	EST	FIN	ROM	POR
	Jan. 1932	1921	Jan. 1932	Jan. 1932	Jan. 1932	Jan. 1932	Jan. 1932	Jan. 1932	1925
UNION-POP	4.56%	4.42%	2.97%	1.62%	1.16%	0.68%	0.54%	0.17%	-
UNION-TOT	672,520	1,184,700	1,244,300	140,880	72,000	7,622	19,940	30,483	-
UNION%F	91.93%	48.16%	71.55%	63.02%	100.00%	100.00%	100.00%	100.00%	-
UNION%CH	-	9.51%	8.20%	36.98%	-	-	-	-	-
UNION%CO	-	-	20.09%	-	-	-	-	-	-
UNION%AN	4.59%	-	0.16%	-	-	-	-	-	-
UNION%NE	-	-	-	-	-	-	-	-	-
UNION%O	3.47%	42.33%	-	-	-	-	-	-	-



Table 5.3 Continued

	CZE	POL	FRA	HUN	GRE	EST	FIN	ROM	POR
UNION-F	618,277	570,500	890,300	88,780	72,000	7,622	19,940	30,483	-
UNION-CH	-	112,700	102,000	52,100	-	-	-	-	-
UNION-CO	-	-	250,000	-	-	-	-	-	-
UNION-AN	30,889	-	2,000	-	-	-	-	-	70,000
UNION-NE	-	-	-	-	-	-	-	-	-
UNION-O	23,354	501,500	-	-	-	-	-	-	-
UNION-TOT = union members, total									
UNION-POP = union members/total population									
UNION%F = share of free unions/union members total									
UNION%CH = share of Christian unions/union members total									
UNION%CO = share of Communist unions/union members total									
UNION%AN = share of Anarcho-syndicalist unions/union members total									
UNION%NE = share of 'neutral' unions/union members total									
UNION%O = share of other unions/union members total									
<i>Other Unions:</i>									
Sweden: De Anstaelldas Centralorganisation i Sverige									
Netherlands: National Arbeids-Secretariaat in Nederland									
Italy: Confederazione Italiana dei Sindacati Economici (CISE) and smaller unions									
Ireland: Irish Trade Union Congress									
CSR: smaller unions (of ethnic minorities)									
Poland: ZSZ (confederation of socialist trade unions)									

<sup>a</sup> Internationales Arbeitsamt (1933), Internationales Jahrbuch der Sozialpolitik 1932, Dritter Jahrgang, Geneva, p. 445.

*For Italy:* Ministero dell'Economia Nazionale, Annuario Statistico Italiano, 1919-1921; Pappalardo (1989), *I sindacati prefascisti. Ricostruzione e verifica d'ipotesi*, Florence: Polistampa, p. 23.

*For Poland:* Kleemann, Christoph (1983), 'Polen', in Mielke, Siegfried (ed.), *Internationales Gewerkschaftshandbuch*, Opladen: Leske, p. 909; Statistisches Reichsamt (1936), *Statistisches Handbuch der Weltwirtschaft*, Berlin: Verlag für Sozialpolitik, Wirtschaft und Statistik, p. 219.

*For Portugal:* Freire, João (1993), *Anarquistas e Operários. Ideologia, ofícios e práticas sociais. O anarquismo e o operariado em Portugal, 1900-1940*, Porto, p. 206; Recensamento da População 1900-1950 (n.y.), Lisbon: INE.

Lipset's postulate (1963: 31) that advanced industrial nations tend to exhibit a greater degree of democratic stability. It also tends to support similar assertions by Dahl (1971: 203) regarding the conditions of democracy (high level of socio-economic development).

The peculiarities of the two remaining survival cases lie in the highly segmented nature of Belgian society (both linguistically and according to 'political family') and the largely agricultural character of the interwar Finnish economy. The first prime implicant for these cases (INTRURAL) thus documents the existence of strong and well-organized classes of independent small farmers. This is paralleled in both countries by the absence of sizeable landlord and rural proletarian elements (the only exception being the relatively large number of wage labourers in the Finnish timber industry). The predominance of independent small-scale landowning in the agricultural sector corresponds to one of three principal factors which, according to Vanhanen (1984: 36), contributes to the strength of democratic systems. It also alludes to the general commercialization of agriculture which Moore (1966: 430) lists as one of five fundamental conditions of democratic development.

The second prime implicant (intcommerc) adds to this equation the organizational weakness of the lower-middle class. Although democratic theory does not, on the whole, emphasize the relevance of small commercial interests to system stability or instability, the petty bourgeoisie in many interwar European countries (for example Germany and Italy) did exhibit a marked tendency to drift towards the anti-democratic Right as a result of its growing insecurity during the period of crisis. This would seem to suggest that within the present constellation of factors and in a crisis situation, the forceful articulation of frustrated lower-middle-class interests would tend to counteract the stabilizing influence deriving from the strength of small farmers' interest groups.

Finally, and perhaps somewhat surprisingly, the third prime implicant (clientelis) underscores the absence of clientelistic structures in Belgium and Finland. This can be interpreted as an indication of the particular difficulty confronting non-homogeneous or industrially less-developed societies in achieving political compromise and forming broadly based coalition governments. It is questionable whether the Belgian system of *verzuiling*, a consociational arrangement at the elite level, would have been able to develop if the possibility of particularistic interest intermediation through clientelist networks had existed. As it was, *verzuiling* not only guaranteed the stability of Belgian society in general but was also indispensable to the formation of a national unity government in 1936. According to Dahl (1989: 264), the presence of such consociational structures in fragmented societies is an important prerequisite to the stability of democratic regimes. As for the Finnish case, the absence of clientelism no doubt played a similar role in making possible (and necessary) the 1936/37 political compromise

in which Agrarians and Social Democrats joined forces to counteract the domestic fascist threat.

### 3.2.2 *Breakdown cases*

The simplified terms for the category of breakdown cases are somewhat less straightforward than those which emerged for the survivors. A formula consisting of three sets of prime implicants was computed for all of the countries in which democracy collapsed:

$$\begin{aligned} &(\text{INTCOMMERC} \cdot \text{MOVEMENTSO}) + \\ &(\text{intunions}) \cdot \text{CLIENTELIS}) + \\ &(\text{intcommerc} \cdot \text{CLIENTELIS}) + \\ &(\text{intrural} \cdot \text{intunions}) \end{aligned}$$

The first term in this formula covers the cases of Germany, Austria, Hungary and Estonia while the second contains the prime implicants for Italy, Poland, Greece and Romania. The third term consists of two pairs of prime implicants with an 'either-or' character that apply to the Portuguese as well as to several other breakdown cases. The variables expressed here are *either*  $\text{intunions} \cdot \text{CLIENTELIS}$  (for Portugal, Hungary, Greece and Romania) *or*  $\text{intrural} \cdot \text{intunions}$  (for Portugal, Estonia, Greece and Romania).

The first part of the formula describes the existence of major social movements and the simultaneous presence of strong small commercial interest groups. All four countries concerned experienced the rise of powerful right-wing social movements with a strongly anti-democratic character: the National Socialist movement in Germany, the Heimwehr in Austria, the Arrow Cross movement in Hungary and the Veterans' Movement in Estonia. This development was paralleled by a growing feeling of social and economic insecurity on the part of the lower middle classes, whose interests – especially in Germany and Austria, to a lesser extent in Estonia and Hungary – were represented by well-organized professional associations. The more the petty bourgeoisie saw its traditional interests threatened as a result of the economic crisis, the more it tended – in varying degrees, according to circumstances – to gravitate towards the anti-democratic (authoritarian or fascist) camp. This not only provided the latter with a broader social base, but also contributed to the overall process of polarization and destabilization leading up to the political crisis.

In the second scenario, the existence of a strong tradition of clientelist interest intermediation is seen to coincide with the organizational weakness of the lower middle class. Here as in the preceding cases, the petty bourgeoisie (especially in Italy and Romania) reacted to the precariousness of its socio-economic situation with increasing support for the anti-democratic forces of the extreme right. However, due to its organizational and political impotence, it was also compelled to look to these movements for the articulation of its vital interests. This tended to reinforce even further the tendency

towards vertical political integration and non-participatory, elitist politics characteristic of the clientelist system. On a more general level, the persistence of clientelistic practices and party patronage well into the age of mass politics had the effect of impeding (especially in Greece and Romania) the simultaneous development of class politics and with it the possibility of achieving a political compromise in favour of democracy based on a broad class alliance.

The final configuration can be considered to refer to breakdown cases in economically less developed societies with weaker democratic traditions and a generally low level of political mobilization and participation. Typologically, it comes closest to embodying the antithesis of the 'modern dynamic pluralist society' (Dahl 1989: 251) alluded to by the main formula for survivors. The first prime implicant, the absence of strong trade unions, points to the numerical and, as a consequence, socio-political weakness of the urban proletariat. By extension, it also indicates a low-to-modest degree of industrialization. The second prime implicant, alternatively 'strong clientelist structures' or 'weak rural interest groups', completes the picture of a largely elitist and non-participatory political system. It links with the factor 'weak trade unions' either the predominance (or near predominance) of the clientelist mode of interest intermediation or the general socio-political inarticulateness of the rural population. Here as in the previous scenario, the non-inclusive nature of the political system is basically unfavourable to political compromise and does not encourage the formation of broad, pro-democratic coalitions in times of crisis.

### 3.2.3 *Breakdown cases with strong fascist involvement*

Since not all instances of democratic collapse ended in the establishment of a fascist or fascistoid regime, the breakdown cases were further differentiated according to the relative role played by fascist elements in the final stages of the crisis. For such cases, QCA computed a formula containing two sets of prime implicants:

$$(\text{INTRURAL} \bullet \text{INTEMPLOYE}) + (\text{intunions} \bullet \text{MOVEMENTSO} \bullet \text{CLIENTELIS})$$

Here, the first term refers to the cases of Italy, Germany and Hungary while the second covers the Romanian case. The first part of the formula appears to point to the 'classical' fascist paradigm described, among others, by Moore (1966, esp. 447–52). It indicates that the anti-democratic regimes which emerged from the interwar crisis were of a fascist character in countries where both industrial and rural interests – the latter including, potentially, small farmers as well as large landowners – were well-organized, articulate and powerful. Pushed into the anti-democratic camp by the repercussions of the socio-economic crisis, it was the alliance of these interests under the hegemony of the rural element that constituted the social backbone of the fascist or fascistoid regime. In cases where such a coalition came into being

under conditions of mass political mobilization and a perceived 'threat from the left' (Italy, Germany), the alliance of the landed and industrial classes was joined by a considerable segment of the small and middle peasantry. In more exclusivist political systems with a comparatively low level of popular mobilization, a predominantly clientelistic system of interest intermediation and, consequently, less powerful small farmers' organizations (Hungary), this alliance tended to be restricted to the 'old' landowning and 'new' industrial elites. A further peculiarity of the Hungarian case is the fact that the fascist takeover of 1944 did not result from the strength of the fascist movement itself (which had lost most of its support in the course of 1941–2), but rather from the weakness and inability of the non-fascist anti-democratic right.

The term for the Romanian case lists three prerequisites for the fascist variant of democratic collapse in less developed, largely non-industrialized societies with a non-participatory political system. These are the absence of a large and articulate urban working-class, a predominantly clientelistic system of interest intermediation and the existence of a powerful anti-democratic social movement. In Romania, this movement (the Iron Guard) was able to gain considerable support among the discontented popular and lower middle classes, especially in the rural areas but also among the small urban proletariat. Its success in mobilizing highly disparate elements of Romanian society was no doubt enhanced, perhaps decisively, by the general 'availability' and acceptance of the clientelistic tradition of vertical mobilization. Fascistoid in outlook and prone to terrorist violence, the Iron Guard contributed much to the destabilization and ultimate collapse of Romania's fragile democracy during the 1930s. It acceded to power itself in 1940 after the outbreak of what was perceived as a 'national' crisis brought about by the territorial dismemberment of Greater Romania at the hands of the Soviet Union, Hungary and Bulgaria.

### 3.2.4 *Breakdown cases without strong fascist involvement*

With regard to those breakdown cases which, for lack of strong fascist involvement, can be considered as essentially authoritarian in nature, QCA arrived at a formula with three sets of prime implicants:

$$\begin{aligned} &(\text{INTRURAL} \cdot \text{intemploye}) + \\ &(\text{movementso}) + (\text{intrural} \cdot \text{clientelis}) + \\ &(\text{INTUNIONS} \cdot \text{intemploye}) + \text{INTRURAL} + \text{intemploye} \end{aligned}$$

The first part of the formula refers to the Portuguese and Greek cases. The second term applies to Estonia and Spain while the Polish case is covered by the remaining alternative pairs of prime implicants. The first term is quite straightforward, documenting the fact that the collapse of a democratic regime cannot assume a fascist character if no fascist or fascistoid movement exists which might involve itself in the process. This was the case with the Portuguese military regime of 1926 as well as with the Greek Metaxas dictatorship of 1936, both having been the product of a simple *coup d'état*.

The Spanish and Estonian cases do not, on the surface, appear essentially different from those of Portugal and Greece: all four countries were less developed, primarily agrarian societies in which democracy was overthrown by means of a *coup*. Whereas large landholdings had recently been abolished in Estonia as in Greece, the landed oligarchies of both Spain and Portugal were firmly rooted in the tradition of political conservatism and not given to fascist leanings. Nonetheless, the term for Spain and Estonia reveals important differences in the patterns of interest intermediation among the small and middle peasantry. Although rural interest groups were weak in all four countries, the small farmers of Spain and Estonia did not, as a rule, articulate their (particularistic) interests through clientelistic channels, as was the practice in Portugal and Greece. Rather, they saw their corporate interests represented by mainstream political parties which constituted an integral part of the parliamentary democratic system (two agrarian parties in Estonia, the conservatives in Spain). This would seem to suggest that even where fascist groups are present, the breakdown of democracy is less likely to be of a fascist nature when (a) rural middle-class interests are articulated and intermediated by established political parties rather than by independent farmers' associations which might, in a crisis situation, 'go fascist', and (b) the possibility of particularistic interest intermediation through clientelist agencies and the instrumentalization of such traditional mechanisms by a fascist movement does not exist.

The prime implicants for the Polish case point to yet another variant of non-fascist breakdown in predominantly agricultural countries with new and unstable democratic regimes. They can be interpreted as indicating that in Poland the socio-political prerequisites for a fascist movement did not exist. The relative insignificance of the country's employers' organizations can be seen as a direct reflection of the numerical and economic weakness of the 'new' entrepreneurial bourgeoisie. Politically situated within a broad conservative bloc dominated by the traditional privileged elites, the small class of Polish industrialists did not represent an independent force with sufficient potential to act as a pillar of a burgeoning fascist movement as in the Italian, German and Hungarian cases. Moreover, the majority of conservatives (although they united within their ranks both large landowners and industrialists) were in no way predisposed to abandon their elitist orientation and broaden their political constituency by espousing a fascistoid brand of populism. Turning to the other side of the political spectrum, both the farmers' associations and the trade unions enjoyed considerable support from the segments of the population they represented (the latter despite the small size of Poland's industrial sector). Aside from their relative strength, the common attribute which makes these groups interchangeable as prime implicants for a non-fascist breakdown scenario is their unequivocally democratic character. Since, on the one hand, communism in interwar Poland was of little political significance, the trade unions were not perceived as manifestations of a 'bolshevik threat' such as provoked a fascist

reaction among the upper and middle classes of other European states. On the other hand, the large majority of Poland's farmers' organizations were situated within the context of the democratic left so there was little danger of their membership defecting *en masse* to a nascent fascist movement as was the case, for example, in Italy.

## 4 Modes of interest intermediation and crisis outcome

With reference to the tripartite conceptual scheme developed in the first section, it is possible to formulate some more general hypotheses regarding the relationship between different modes of interest intermediation and the stability of democracy in times of crisis.

### 4.1 Pluralism

Pluralism was undisputedly the most common system of interest intermediation among the democracies of interwar Europe. As a structural principle, pluralism is generally looked upon as one of the fundamental attributes of democracy *per se*. As a particular mode of interest intermediation, however, it cannot be said to have been especially characteristic of those democracies which proved capable of surviving the interwar crisis. As the data show, pluralism was prevalent not only in six out of eight survival cases (one of which also exhibited marked clientelistic tendencies), but also in five of the ten breakdown cases (including two with relatively strong clientelistic structures). This would appear to indicate that the existence of pluralism in itself is neither favourable nor detrimental to the survival of democracy in crisis situations.

### 4.2 Corporatism

At the other end of the scale, corporatism was predominant in only one single case: that of the Netherlands, a survivor. Strong but subordinate corporatist structures were to be found in two breakdown cases: Portugal (where clientelism proved of greater influence) and Austria (predominantly pluralist). Not surprisingly, therefore, neither the presence nor the absence of corporatism appears in any of the prime implicants discussed in the previous section. Corporatist ideology found its most fervent expression among the proponents of political authoritarianism during the 1930s and subsequently came to be associated almost exclusively with such systems as Salazar's 'New State' in Portugal and the Franco regime in Spain.

### 4.3 Clientelism

The role played by clientelism in the process of democratic survival or collapse appears to be the least ambiguous. A glance at the data shows that clientelistic relationships were far more common in breakdown cases than among survivors and that they tended to be strongest in countries with a

comparatively low level of socio-economic and industrial development. More precisely, clientelism was the dominant mode of interest intermediation in five breakdown cases (Hungary, Poland, Portugal, Romania and Greece) and an important secondary factor in two others (Italy, where it was the rule in the south, and Austria). Conversely, it was predominant in only one instance of democratic survival (the somewhat special case of Ireland) and present to a lesser extent in one further such country (Czechoslovakia).

The various patterns of prime implicants reveal, however, that the clientelist variable was never essential to a specific crisis outcome alone, but only in conjunction with one or two further variables. Thus, the absence or weakness of clientelism appears in certain cases (Belgium and Finland) to have been a necessary precondition of democratic survival, but only when at the same time small commercial interest groups were weak and peasants' organizations strong. As a factor essential to the collapse of democracy, the presence of clientelist structures figures in two separate constellations: one including the weakness of small commercial interest groups (Italy, Poland, Romania and Greece) and the other linking the strength of clientelism to the weakness of the trade unions (Hungary, Portugal, Romania and Greece). With regard to the two principal categories of breakdown cases, the significance of clientelistic relationships together with the weakness of trade unions and the presence of major social movements appears to have been instrumental in precipitating a certain type of fascist breakdown. Authoritarian breakdowns, in contrast, can be seen as having been favoured by the absence of clientelism together with the weakness of rural interest groups.

## **5 Interest groups, social movements and crisis outcome**

Similarly, the strength and weakness of major interest groups such as employers' or farmers' associations and unions as expressed in the various sets of prime implicants have been found to relate to alternative pairs of crisis outcomes in a clear-cut and non-contradictory manner. No unambiguous relationship exists, however, between the weakness or strength of small commercial interest groups and alternative crisis outcomes.

Taken together, these relationships suggest the following picture: under specific circumstances strong trade unions, strong rural interest groups and the weakness or absence of major social movements can be considered as factors which tend to favour the survival of democracy in crisis situations. Conversely, weak trade unions, weak farmers' associations and strong social movements appear to enhance the probability of democratic collapse. Among breakdown cases, strong social movements, weak trade unions and strong employers' organizations can be seen to prejudice a fascist outcome while weak social movements, strong trade unions and weak employers' associations seem more conducive to an authoritarian solution.



## 6 Concluding remarks

The purpose of this study was to investigate the role of organized interests in 18 interwar European polities in order to better understand their relevance to the survival or collapse of democracy. Some observations are noted here in conclusion. First, it became obvious that, in many instances, the relevance of a prime implicant with regard to a specific crisis outcome could not be assessed without very precise reference to the concrete historical experience of one or more individual countries. Sometimes, the same prime implicant had to be given quite different interpretations depending on the configuration in which it appeared. (This was the case, for example, with regard to the political orientation of rural interest groups.)

Secondly, the tripartite conceptual scheme developed at the beginning proved beneficial in structuring the field of enquiry. By contrasting the pluralist model of interest intermediation with those of corporatism and clientelism, it was possible to take account of some of the peculiarities of the more peripheral and Eastern areas of Europe which, from a purely Western perspective, might have been overlooked.

Finally, the attempt to relate our results to some of the better-known tenets of democratic theory remained limited. It appears that the question of interest intermediation – at least as far as it occurs outside the immediate sphere of political parties, party systems and electoral systems – is a topic which has seldomly been incorporated into the discussion of democratic stability in times of crisis. This circumstance should be taken as an invitation to engage in further theory construction, not only with regard to the more immediate role of interest groups, but also in conjunction with such seemingly ‘peripheral’ phenomena as non-participatory elitist democracy and political clientelism.

## Notes

1. Quotes from German sources have been re-translated by the author.

# 6

## The Role of Fascist Movements

Marco Tarchi

### 1 Introduction

Did fascism play a crucial role in the interwar crisis of democratic regimes in Europe? For a long period, almost all historians and political scientists agreed on a positive answer to this question. Along with communism, fascism was usually seen as the major challenge for democracy during the twentieth century both in ideological and practical terms. As a consequence of the cultural reaction to the Enlightenment philosophy which had laid the foundations of liberal policies and above all as a direct product of the new nationalist and communitarian mentality born in the trenches in the course of the First World War and rapidly diffused through wide sectors of middle classes, its deep influence on European society and politics between 1919 and 1939 raised few doubts. Of course, that influence had not always been direct: nobody ignored the fact that, despite the multiplication of fascist movements all over the continent and in many other countries worldwide (Larsen 2002) especially during the thirties, only two of these had risen to power, the National Fascist Party (PNF) in Italy and the National Socialist Party (NSDAP) in Germany, and a third one, the Spanish Falange, merged within Franco's *Movimiento*, had been formally appointed as the official political structure of an authoritarian regime. Nevertheless, the belief was widespread that, even if they had not succeeded in passing to the stage of governmental participation, many other fascist parties and movements had played a significant role within the crisis of democratic institutions in their own countries, so justifying the attitude of those scholars who described that historical period in terms of 'fascist era'. On this belief probably rests the impressive and constant effort deployed by many researchers for more than half a century to determine the essential nature and characters of fascism (see, for example, De Felice 1976; Linz 1976; Payne 1980; Griffin 1991; Eatwell 1995), although its concrete expressions were relegated to the fringe of European political life after 1945.

Today, some new studies tend to break this general agreement. Their authors underline the fact that the traditional interpretation of the interwar period goes too far when confronted with the question of the real strength of fascism (Berglund 1992), disregarding the fact that an overwhelming majority of the authoritarian movements and regimes which operated against democracy after the First World War neither shared the totalitarian ambitions of fascist thinkers and political leaders nor many specific features of their doctrines. Another criticism focuses on the misleading use of the rare cases of fascist victories 'as a base for generalizations about the breakdown of democracy' and recalls that 'the rise of fascism and the fall of the interwar democracies are not synonymous processes' (Bermeo 1997: 1). In eight out of the 13 countries where the parliamentary democracies formally established in 1920 had been replaced in 1938 by dictatorships (Bulgaria, Estonia, Greece, Latvia, Lithuania, Poland, Romania, Yugoslavia), fascist movements were indeed not included within the dominant coalition, and in another (Portugal) they were first subordinated to the authoritarian allies/rivals – the army officers, the propertied classes and the state bureaucracy – later relegated to the opposition and eventually banned.

The arguments advanced by these critics certainly deserve closer scrutiny. We shall try here to ponder them on the basis of the empirical data supplied by the 18 case studies included in the first volume of the present research (Berg-Schlosser and Mitchell 2000) and of the general literature on two topics: the crisis of European democratic regimes in the interwar years and the diffusion of fascist movements in the whole continent during the same period, both in its initial imitative phase in the twenties, that followed Mussolini's access to power, and in its second, more original, phase during the next decade, whose trend was deeply influenced – either in a positive or in a negative way – by Hitler's success. Doing so, we pursue a double aim: on the one hand, to ascertain if the role played by fascist parties and movements within the crisis of European democracy was a central or a peripheral one; in other words, if the crisis merely helped the rise of fascism or if the action of fascist movements counted as an influential autonomous factor during the course of the crisis. On the other hand, to understand which more specific role they played in the countries where they not only took part in the process of crisis but were able to exploit it directly by conquering power.

## **2 Popular support for fascism and authoritarian outcomes**

The scholars who propose to reappraise the impact of fascism on the interwar democracies generally stress two points: (1) The absence of any correlation between the fascist potential of a country (that it is to say the share of electoral support gained by fascist parties during the development of the crisis) and the breakdown or the survival of its parliamentary institutions;

(2) The non-fascist character of a large majority of the authoritarian regimes which ousted democratic governments.

At a glance both arguments are convincing. It is true that, with the exception of Weimar Germany and of the semi-competitive Italian 1924 elections, nowhere were fascist movements able to win even a relative majority of seats in the parliaments, and that some of the countries where they mobilized a rather large fraction of the public opinion – Belgium, where Rex and the Flemish Nationalists collected together 18.6 per cent of the vote in 1936 (De Meur and Berg-Schlosser 2000: 84); France, where the Parti Social Français led by Colonel de la Rocque had at the height of its success, at the end of 1937, an estimated membership of 700,000–800,000 (Dobry 2000: 172) in spite of the concurrence of other strong groups belonging to the same family, like Doriot's Parti Populaire Français (Sternhell 1980, Soucy 1995); Finland, where the Lapua movement came close to power in 1930–32 and its successor IKL mustered 8.3 per cent in 1936 (Karvonen 1988); Holland, where the national socialist NSB had its peak of 7.9 per cent of the popular vote at the 1935 provincial elections (Aarebrot 2000) – survived the crisis (see Table 6.1 for a comprehensive outline of the European electoral results of the period). And we must also keep in mind that in other cases – Greece, Lithuania, Poland – the liberal regimes surrendered to military *coups d'état* which neither needed nor asked the open support of the small local fascist groups, since their first purpose was the immediate depoliticization of the civil society. This picture of the situation, however, reveals only one side of a complex reality.

As for the political weight of fascist movements in interwar years, we need to recall that it cannot be measured only in terms of votes cast at the polls and/or on the basis of their formal size in terms of membership, for at least three reasons. First of all, owing to their nature as latecomers on the political scene (Linz 1980), these groups had to clear a new space for themselves, and consequently they met strong hostility by the established actors, which sometimes expressed itself in different sorts of obstructionism. This was particularly the case in those countries where mass politics was not fully developed and electoral manipulations, as well as bureaucratic abuses, were a current practice adopted by the ruling class against opponents. Eastern Europe, above all, offered a large set of examples of these practices, which prevented fascist parties from showing their overall support. In Hungary, the Arrow Cross were in the late thirties a well-structured mass movement and, although its candidates could not run in some districts because of bureaucratic manipulations, they mustered more than 20 per cent of the popular vote in 1939 (Payne 1980: 114). In Romania, the good electoral performance of the Iron Guard in 1937 at the last free elections before King Carol's coup – 15.6 per cent, which made it the third largest party in the country – was certainly reduced because of the gerrymandering enacted by state officials under government orders. In Estonia,

the landslide of the Veterans' Union (Wabse) at the constitutional referendum of October 1933, its success at the local elections in January 1934 and the serious threat of a new, decisive victory at the subsequent presidential elections (its candidate had collected 50 per cent of the nominations for candidacy), induced the conservative government to ban this right-wing fascistoid movement while arresting most of its members and to introduce a state of emergency in order to frustrate the popular support it had gained (Varrak 2000). Since in two of these countries democracy collapsed, and in the third, Hungary, it remained at a façade stage, it is at least reductive to assert that no relationship at all can be found between fascist penetration of the citizenry and democratic breakdown.

Secondly, fascist movements usually chose neither the electoral nor the parliamentary arena as their favorite battlefield. Unleashed by the war, imbued with veteran spirit and accustomed to the antidemocratic rhetoric which opposed the 'real' nation (the *pays réel* magnified by Charles Maurras) to the 'legal' institutions, they challenged the establishment from outside, both at the mass and the elite level. Depending on circumstances, their action focused on one field or another. In Italy, after the first unsuccessful attempt to create a fascist electoral constituency in 1919, Mussolini modified his strategy in order to open alternative ways to power. By building a party armed force, the *squadre d'azione*, and making use of it against socialist militants under the banner of patriotism, he strongly contributed to an emphasis on the question of civic order, already present as a consequence of the middle-classes' fear of a Bolshevik Russian-style revolution, and exerting a direct influence on the political agenda. By structuring a mass party which secured the support of some fractions of society rather distrustful of the liberal ruling class – students, ex-servicemen and military officers, small landowners, white collar employees – he offered to his potential allies (mainly conservatives) a weapon against the left but in the meantime he warned them that, in case of refusal of this offer, his troops could be directed against their power. This threat was surely an important factor in Giolitti's decision to include a number of fascist candidates in the lists of his National Bloc. By using the violence of the blackshirt squads not only to hit and weaken the enemies – mainly the socialists and 'red' trade unions – but also to replace them in the control of mass organizations, in particular in the rural sector, he aimed at giving his movement the image of a well-rooted social force, able to mobilize a large cohort of followers against any legal ban. Of course, within this strategy, flanked by frequent contacts between PNF leaders and members of both the political and the social elite, electoral campaigns did not play a central role; they only served the purpose of ensuring more visibility both on the ground and in the institutional arena.

In view of Mussolini's success, many radical nationalist movements which either were born in other countries as a direct imitation of fascism, or had developed in a totally autonomous way but shared with blackshirts

a basic *Weltanschauung*, decided to follow the Italian example and so attached only a limited importance to the electoral way to power. Some of them preferred to concentrate their activity on street agitation and/or the organization of conspiracies, and at the most concluded case-by-case agreements to support candidates, either independent or presented by conservative, more moderate, nationalist parties, disposed to repay their support in different ways. This happened for instance in France for a long period: all the most influential Leagues had special relationships with the members of parliament whose election had been decided by their followers' vote, and even the Croix-de-Feu movement, later Parti Social Français, in spite of its impressive membership, did not compete under its own banner. Nevertheless, after the 1936 general elections it disposed of 55 MPs in parliament. 47 joined the PSF group at the Chamber of Deputies and eight, formally independent, were at the same time members of La Rocque's party (Nobécourt 1996). Other fascist parties refused all forms of electoral participation, seeing it as an unacceptable compromise with parliamentarism. A few – among them Mosley's British Union of Fascists (BUF) (Thurlow 1987), Doriot's Parti Populaire Français (PPF) (Wolf 1967), the Spanish Falange and, of course, irredentist parties like Hlinka's Slovak People's Party, Henlein's Sudetendeutsche Partei and Croatian Ustashi (Sugar ed. 1971) – preferred to test their chances only in some regions, towns or cities; others had no time to compete at the national level in general elections, as was the case in Portugal before the 1926 coup (Costa Pinto 1994). Moreover, in countries like Poland and Czechoslovakia, where fascist ideas inspired a plethora of small groups, some of them were involved in a complicated network of changing electoral alliances (Kelly 1995).

Thirdly, fascism exerted its impact on European politics between the World Wars by means of the imitative effects it provoked all around the continent, and this aspect of its diffusion has only little to do with the unimpressive scores realized at the polls by the multitude of small-size groups – 71 in the Netherlands before the formation of Mussert's Nationaal Socialistische Beweging (Aarebrot 2000: 227), more than 100 in Sweden (Lindström 2000: 441) – claiming the affinity of their programmes with Mussolini's or Hitler's purposes. The success of a fascist takeover in Italy, in particular, stirred up a wave of sympathetic reactions in those countries where democracy was not deeply established and large sectors of bourgeois opinion had been shocked by the Russian Revolution and/or its external projections, like the abortive revolutions attempted by Bela Kún in Hungary and by the Councils movement in Bavaria and Berlin. The threat of a socialist triumph in social contexts affected by the negative effects of war, demobilization and economic failure ranged not only in the old aristocracy and among the captains of industry but also, and often in a more alarmist form, in the middle classes. The blackshirts victory relieved this panic fear and offered a model to the social and political actors which felt

unprotected by liberal systems where universal suffrage and trade union organizations strengthened the 'aggressiveness' of workers and peasants. After 1933, the feeling that democracy was no more the most reliable shield against the communist threat spread in many nations, particularly affecting the lower-middle classes. So, it was not astonishing that in Spain, despite the absence of the Falange and/or any other extremist right-wing group from parliament, fascism could become a powerful political symbol some months before the outbreak of the civil war for large conservative sectors of public opinion (Linz 1978b).

As a consequence of this situation, the attitude of conservative parties and interest groups shifted step by step rightwards already in the twenties, and in many cases this shift went along with a positive opinion of the values and policies associated with the image of fascism. Even where, as in Great Britain or in the Scandinavian countries, the modes of activity of local fascist groups were seen as the expression of a 'foreign' and illegitimate style of political action and their ideas were discarded as a product of lunatic fringes alien to the accepted orthodoxy (Mitchell 2000: 461), conservative milieus openly praised some policies of the Italian fascist state and even of Nazi Germany and, as Martin Blinkhorn has noticed, 'borrowed selectively from the examples they provided' (Blinkhorn 1990: 2). This happened more extensively in Central, Southern and Eastern Europe. In some cases, fascism offered an evident inspiration to authoritarian right-wing regimes intended to put an end to periods of intense social disorder, such as Miguel Primo de Rivera's dictatorship in Spain, Salazar's Estado Novo in Portugal or Metaxas's regime in Greece, even if they did not employ the original label to define themselves and usually found it more suitable to refuse it when it was proposed by media and/or opponents. More generally, the style and the ideas that fascist movements and parties did their best to promote at the mass level were imitated by their rightist competitors or at least 'contaminated' them. In the words of Stanley Payne (1980: 106), especially 'in the aftermath of Hitler's triumph [...] right authoritarian movements and regimes also began to adopt diverse aspects of "fascitization", assuming certain outward trappings of fascist style to present a more modern and dynamic image, and with the hope of attaining a broader mobilization and social infrastructure'. The process was more evident where conservative, monarchist, patriotic or traditionalist associations overtly assumed parts of fascist programmes, as in the case of the Austrian Heimwehr after 1930, but manifested itself mainly in mimetic forms. Although it was not openly declared, a fascist inspiration was evident in the political action of rightist leaders such as Calvo Sotelo, Gömbös, Dollfuss, blended with other ideological strands. The same source influenced the radicalization of parties like the Spanish Ceda and Carlist traditionalist coalition, the French Leagues, the Slovak People's Party, the Belgian Verdinaso, the Romanian People's Party and Christian League of

National Defence, and of patriotic organizations like the Estonian Veterans' Central Union or the Finnish Civil Guards. Fascist ideas found an even more fertile ground among the youth organizations of many right-wing parties, from Portugal to Finland, encompassing some countries allergic to fascism, such as the United Kingdom, Ireland, Denmark, Norway and Sweden. Highly representative of this trend is the emergence of Leon Degrelle and many Rex activists from the Belgian Catholic youth. In a few instances the ideological proximity of fascists and conservatives opened the way to formal alliances: this was the case for instance in Finland in 1933, when the IKL fought the elections in coalition with the established Kansallinen Kokoomus (Larsen 1990).

If we take into consideration all these elements, we can advance a first assertion. Even if fascist parties did not succeed in mobilizing large fractions of the citizenry at the polls in a majority of the countries where parliamentary democracies collapsed between 1919 and 1939, their influence on the process conducive to the foundation of non-democratic regimes cannot be denied or neglected.

### **3 Fascist movements and the dynamics of the crisis of democracy**

As the complex process of crisis which involved democratic regimes in inter-war Europe can be explained only 'within a coherent overarching framework which allows one to assess [the] respective weight' of its structure- and actor-related aspects (Berg-Schlosser and Mitchell 2000), we need a separate empirical analysis of these aspects in a comparative and multifactor perspective to point out the influence that fascist movements exerted on the comprehensive conditions for the survival or the breakdown of democracy. For this purpose, we can adopt as a theoretical framework the two-stage descriptive and explanatory model proposed by Linz (1978a), in the integrated and adapted version suggested by Morlino (1981) with his 'dynamic syntax' of the crisis of democracy.

Through this framework, Morlino identifies the five crucial processes which can force democratic governments to lose control of the crisis: *polarization of political competition, radicalization of its actors, fragmentation and/or fractionalization of party systems, irregular trends of participation, government instability*. Our purpose is to ascertain what role fascist movements played in each one of these processes, and more specifically if they were successful in accelerating and intensifying them, so favouring the transition from the first to the second stage of the crisis. In order to avoid any misunderstanding, it can be helpful to stress that the incidence of fascist movements on crisis development is not directly related to the conditions for their success or failure. As we shall see, in some cases fascist action simply made way for an unforeseen and unwelcome authoritarian outcome of the crisis



and in some others a unanimous reaction by democratic actors arose, with an eventual recovery of the regime they wanted to demolish. These examples of 'deviation of aims' cannot be used, however, to assert that fascist movements had no real influence on the fall (or survival) of the interwar democracies; on the contrary, they attest that fascism was an important part of the game that advocates and enemies of democracy played in the first decades of the twentieth century.

A closer look at the overall sequence of processes underlying the interwar crisis of democracy shows that fascist movements played a not negligible role in each one of these, both in the first phase, characterized by the widening of the political arena and by the involvement of a plurality of mass actors into the social and political conflicts, and in the second phase, when the number of these actors decreased while the decisional arena narrowed, and the initiative passed into the hands of political elites.

### 3.1 The first phase

#### 3.1.1 Polarization

Because of their already mentioned character as *latecomers*, fascist movements were obliged to act within societies where 'a large part of the population had already identified itself with a variety of ideological positions and very often had been integrated into parties, interest groups and mass organizations impenetrable to the fascist appeal' (Linz 1980: 154). In other words, their birth had not been originated from the cleavage lines along which democratic regimes had laid the social bases of mass politics (Rokkan 1970). The First World War and its aftermath had produced a serious challenge to the old social order: the dramatic experience of a four-year period of violence, deprivations, sacrifices and mourning, joined to the effects of an intensive nationalist propaganda, had induced the veterans, their relatives and the young generation imbued with patriotic rhetoric to imagine that a 'new world' was to be born, where notions like class, religion, nation, state and many others would substantially change their meaning. For its leaders and followers, fascism was intended to be the main instrument of such a change; it aimed at gathering together (this was the symbolic evocation of the word *fascio*, which means 'bundle' or 'union') the front generation, that is all the people whose political, cultural and moral expectations did not coincide with democratic values, style and politicians. So, they strove to modify and complicate the combination of cleavages from which the pluralist party system had originated, and at the same time to create an emerging space where they aimed at gathering the deserters of different political families, shocked or disappointed by some negative consequences of the war, first of all by the increased intensity of the class struggle. By creating on the right of many systems this new aggregation pole for political actors, whose main aim was a direct challenge to the rise of the socialist

and communist left, fascism greatly contributed to the polarization of democratic regimes.

This process did not always live up to the expectations of fascists. To widen their room for manoeuvre at the same time, they fostered new demands not appropriately processed at the institutional level and old requests which found no more satisfaction from the governments, and often engaged in controversy with potential conservative allies, reproaching them for their indifference to the new issues unleashed by the war and for their weak reaction to the permissive democratic policies. The cohabitation between fascists and other right-wing authoritarian groups was therefore unstable and usually restricted to the creation of short-lived committees of public safety or to tactical agreements for local elections, but in some countries it sufficed to modify the balance of forces on which rested the democratic compromise between government and opposition. The weakening of centre parties eroded the existing coalitions, and political actors engaged in negotiations – not always visible – to form new alliances. Fascist movements tried to condition the political game by imposing the centrality of issues related to the nationalist question – the ‘crippled victory’ complex in Italy; the burden of peace treaties in Germany, Hungary and the other defeated countries; the redefinition of the national boundaries and the problems caused by the ethnic and linguistic minorities in all the successor states of the Empires; the *Lebensraum* obsession more or less everywhere.

Only in Germany (with the Hitler–von Papen agreement) and in Italy (with Mussolini’s coalition cabinets, where not only authoritarian nationalists but also moderate and conservative Catholics were represented, and above all with the alliance between the national-liberal wing of the old ruling class and the PNF at 1924 general elections, which ensured a two-thirds parliamentary majority for the government) was fascist action crowned with success; but in many other cases it contributed to an increasing electoral polarization. Altogether, the weight of the extremist vote on the right and the left reached its peak, not only where fascist and similar parties passed the threshold of 15 per cent in Belgium, Czechoslovakia (thanks to Slovak and Sudeten German voters), Estonia, Hungary, Germany, Romania, but also where authoritarian-conservative parties used the threat of the fascist/national-socialist rise, with its predictable aftermath of violence and civil struggle, as a scapegoat to obtain massive support in the anticommunist electorate (Austria and Greece offer two prominent examples of this trend). See Table 6.1.

### 3.1.2 Radicalization

The presence of organized and aggressive fascist movements fuelled, moreover, the radicalization of the political competition in many interwar democracies, increasing the ideological distance between the parties. The

*Table 6.1* Fascist electoral support and the fate of democracy in Europe in the interwar period

Country	Main fascist parties (name and peak of the vote at national or local level, elections year)	Collapse of democracy
Austria	Heimwehr: 6.2% (1930, as Homeland Block) DNSAP/NSDAP: 3% (1930) 20.7% at Salzburg local elections (1933)	yes
Belgium	Rex: 11.5% (1936) Vlaams Nationaal Verbond/VNV: 8.3% (1939) Verbond van Dietsche Nationaal-Solidaristen/ Verdinaso: dnc	no
Czechoslovakia	DNSAP/DAP (Sudeten): 14.7% (1935) Slovak People's Party (Slovakia): 7.5% (1935) Národní obec fašistická (Bohemia): 2% (1935) 11% at Prague local elections (1931)	no
Estonia	Wabse: 21.7% at general local elections (1934)	yes
Finland	Suomen Lukko/Lapua movement: Isänmaallinen Kansanliike/Ikl: 8.3% (1936) dnc	no
France	Faisceau: dnc Jeunesses Patriotes, Solidarité Française, other Leagues: dnc Croix-de-Feu, Parti Social Français: 47 Psf MPs elected in coalition (1936) Francisme: dnc Parti Populaire Français: 38.1% at St Denis local election (1937)	no
Germany	Nationalsozialistische Deutsche Arbeiter Partei/NSDAP: 43.9% (1933)	yes
Greece	Free Opinion Party-Metaxas: 3.9% (1936) National Radical Party-Kondylis: 4.1% (1933)	yes
Hungary	Arrow Cross: National Socialists 25% total fascist parties vote (1939)	no
Iceland	Nationalist Party: 0.7 (1934) 2.8% at Reykjavik local elections (1934)	no
Italy	Partito Nazionale Fascista/PNF: 64.9% (1924)	yes
Netherlands	Nationaal-Socialistische Beweging/NSB: 7.9% (1935)	no
Poland	Great Poland Camp/Owp, National Radical Camp/Onr: dnc	yes
Portugal	Centro do Nacionalismo Lusitano, Acção Nacional, National Syndicalists: dnc	yes
Romania	Iron Guard: 15.6% (1937) total extreme right 24.7% (1937)	yes

Table 6.1 Continued

Country	Main fascist parties (name and peak of the vote at national or local level, elections year)	Collapse of democracy
Spain	Falange de las Jons: 0.1% (1933)	yes
Sweden	National Socialist People's Party/SNP: 0.7% (1936) Sveriges Nationella Förbund: 0.9% (1936)	no
United Kingdom	British Union of Fascists: 14–23% at some local elections (1937)	no

*Note:* dnc = did not contest elections.

*Sources:* Berg-Schlosser and Mitchell, eds (2000); Cantini (1992); Heinen (1986); Kelly (1995); Merkl (1980b); Sugar, ed. (1971); Thurlow (1987); Wolf (1967).

growth of fascist trends within a democracy is in itself an indicator of the restlessness of some sectors of society and underlines the impending split in the popular support that the regime previously enjoyed. The First World War, the Russian Revolution and later the Great Depression, with their social, political and psychological effects, gave rise to an unprecedented period of open conflicts and insecurity. In a number of countries – the Netherlands, the United Kingdom, Sweden – the prestige of well-rooted institutions, the adoption of timely policies and efficient decision-making counteracted growing complaints against the alleged ineptitude of democratic rulers, but in many others the state's wavering capacity to provide civic order, and to bargain between the contrasting interests which posed a threat to the social cohesion, offered a great opportunity to the extremist forces. Fascism, as well as communism, despised what it judged as the ineffectiveness of democratic procedures, preached the virtue of direct action instead of mediations and contributed to the success of anti-system ideologies against the old liberal pragmatist tradition.

Further evidence of the radicalizing influence of fascism on the dynamics of democratic crises consists of the fact that in a majority of European countries its direct or symbolic presence became the most important divide among parties and social groups. For the left anti-fascism was, especially in the thirties, the best ideological platform on which to overcome strong internal divisions and unite communists and social democrats in 'popular fronts', so reinforcing both the coalition power and the blackmail power of extremists. For the right, in those countries where the communist threat was not strong enough to oblige conservatives to form an alliance with their extremist rivals, a less ideological notion of anti-fascism acted as a pretext to suspend or obliterate democratic rules in case of institutional crisis. Between 1929 and 1938, the transition from weak, unstable parliamentary democracies to authoritarian conservative regimes in five East European countries (Yugoslavia, Bulgaria, Estonia, Latvia and Romania) was presented

to international opinion as a precautionary measure against the threat represented by the subversive agitation of fascist movements. The building in 1933 of the Austrian corporative state, often labelled as 'clerical-fascist', led by Dollfuss without any parliamentary support or control, has also been presented as a defensive metamorphosis aiming above all at foiling the national-socialist internal and external threat, pre-empting the establishment of a more extreme form of right-wing authoritarianism (Nolte 1968; Bermeo 1997).

### 3.1.3 *Fragmentation*

As a reply both to the radical activism of the socialist and communist left and to the wait-and-see policy of liberal governments faced with the mobilization of the lower classes, the growth of fascist movements is also related to the fragmentation and fractionalization of many party systems in the interwar period. In the countries where socialist parties adopted maximalist ideologies and strategies, and the fear of a social revolution consequently became widespread, a significant portion of the bourgeois electorate was attracted by the intense anti-communism and nationalism of fascist movements and sympathized with them. The evidence of this phenomenon is particularly pronounced in Italy between 1920 and 1922 and in Germany following the 1930 general elections, because in both countries the sudden rise of the PNF and the NSDAP caused internal divisions in moderate and conservative milieus and a general realignment of social groups and interest associations. In Italy, this process mainly affected the loosely-structured liberal parties, where the division into pro-fascist and anti-fascist wings sharpened an already developed centrifugal trend, but the Catholic PPI also became involved. In Germany, the same happened with DNVP, DVP and DDP/DSP, leading to the progressive emptying of the centre. Organized interests played a decisive role in this process, not only because they reduced or even withdrew support for democratic conservative parties, but above all because they provided to anti-system right-wing parties the economic and electoral resources they needed. This was the case, for instance, with the influential Italian associations of landlords as well as with the old German middle-class union DHV. Even where a reduced influence removed the possibility for fascist movements to enjoy important social partnerships, they generally made serious difficulties for their conservative rivals, by withdrawing voters, cadres, activists, means, leaders (Mosley, Degrelle, Quisling, José Antonio Primo de Rivera, Mussert and many other prominent figures in minor fascist parties had a conservative or traditionalist political background). Crossings from one 'patriotic' association to another were frequent, and often led to splits and to the birth of new parties. In spite of their asserted will to assemble under the national banner all the 'sound forces', very often the fascist groups' restless activities helped in fact to disperse them in a multitude of contentious bands.

### *3.1.4 Growth of participation*

Within the new psychological climate unleashed by the war and as a consequence of the increasing international recognition of Mussolini's regime in the twenties, fascism attracted in all European countries a heterogeneous cohort of followers whose class origins, religious beliefs, education levels and former political experiences, as all the researches intended to discern the social roots of fascist movements (Larsen et al. 1980; Mühlberger 1987) clearly show. They differed not only at the national level but also from one group to another in the same country (in the French case, for example, the social composition of PPF membership in comparison with that of the *Faisceau*; Sternhell 1980: 488, 493) or according to the regional location of each branch. Among them, there were a number of experienced militants, disappointed in their previous political affiliations, which ranged from anarcho-syndicalism to reactionary imperialism, but the majority was formed by people who had previously preferred to remain outside any kind of party, interest group or social movement.

Fascist propaganda was particularly attractive for these elements. By putting a special emphasis on topics such as the moral heritage of war, pan-nationalism, the rights to which the generation which had fought the war was entitled because of its sacrifices, the pre-eminence of national interest over the egoistical expectations of particular social groups, fascist movements appealed to the mass of formerly apathetic people and tried to mobilize them against the old liberal ruling class that they held responsible for the decay of politics, society and public ethics. Beyond the charm of this rhetoric, a set of concrete circumstances drove some sectors of the population to approach the anti-democratic camp: they saw their interests and values threatened by social disorder, economic crisis and unexpected cultural changes. In their opinion, fascism was the best instrument to put an end at the same time to the two main sources of division suffered by the national community: class struggle and party spirit.

The impact of fascist action, which in southern and eastern Europe accelerated the establishment of mass politics, is often restricted by scholars to the middle classes. Some of them describe it as the struggle of the intellectual petty bourgeoisie (Berezin 1990; Livezeanu 1990; Salvatorelli 1925) and of the emerging white-collar sector of technicians and employees (De Felice 1975 and 1980) against the claims of the proletarian classes and the arrogance of capitalists or even in terms of a 'dictatorship of the emerging petty bourgeois generation on behalf of national homogeneity' (Incisa di Camerana 2000: 255). Sometimes, however, fascist movements gained support from other social strata, like peasants, workers, or the unemployed. The level of socio-economic development of each country was above all responsible for these differences. In traditional oligarchic societies based on agriculture, where industrialization was just beginning, fascist preaching, based on anti-capitalism, xenophobia, anti-Semitism and a mystic cult of

the soil, managed to mobilize some parts of the rural community against the urban industrial bourgeoisie. Iron Guard processions, headed by orthodox priests carrying sacred icons, assembled crowds of peasants wearing national costumes; one of the three Falange leaders, Onésimo Redondo, was designated 'el caudillo de Castilla' by his rural followers; a similar style was adopted by local fascist movements in Portugal, in Poland and in the Balkans. In 'dualistic' societies, where industrial development was confronted with increasing organization of the working class and at the same time with urban/rural competition, fascists tried to 'nationalize' the process of integration of the masses into the new social context, mainly appealing to sectors of both industrial and agrarian middle-classes, discontented by the inefficacy of democratic political structures. This was the typical path of Italian fascism. In countries like Great Britain, Germany or France, where industrialization was at its peak, fascist movements emphasized an ideology of massive productivity, full employment and welfare, stressing their anti-class character and aiming at encompassing national society as a whole. Less effective in those countries where mass politics already enjoyed a well-established tradition, the fascist temptation found there (first of all in Germany) a more fertile ground for penetration during the Great Depression. The amount of political space not already occupied by established parties determined the highly varying degree of success of each movement, but in all cases fascist involvement in the political arena, increasing the intensity of the struggle, and contributed to the mobilization of new actors against democratic regimes.

### *3.1.5 Government instability*

When polarization, radicalization or fragmentation of a party system and growth of political participation exceed the limits of endurance, it becomes very difficult, if not impossible, to reach coalition agreements and decisions on a parliamentary level. The consequence of this situation is a pathological instability of governments. During the interwar years, the semi-loyal and often openly disloyal attitude towards democratic governments of fascist movements, trying to divide the centre parties and to condition in a radical direction from outside the conservative parliamentary opposition through the threat of an erosion of their constituency, was one of the main causes of this impasse in countries such as Italy, Germany, France and Estonia. The intensification of political struggle outside the parliamentary arena was also the preferred strategy of fascists to hamper governmental policies in the countries where they had decided to be present at the polls. Riots, street demonstrations, meetings and parades aimed at showing that the people, dispossessed of sovereignty by professional politicians, could promote their interests and values by alternative means within an extraparlimentary arena. Street pressure, which sometimes culminated in open revolts, like the Blackshirts March on Rome in October 1922, the

attempted Mäntsälä coup in February 1932 and the attack on the French Chamber of Deputies in February 1934, was primarily intended to illegitimate democratic institutions and also to sharpen internal divisions and conflicts in political classes.

These unconventional forms of action did not always hit the target. In some cases, the menace of a dramatic extraparlimentary outcome of protracted governmental crisis led democratic parties to set aside ideological disputes and find the way to a positive reaction. Only where fascist movements had at their disposal strong elective influence or coercive resources, as in Italy, in Germany, and in some Balkan and Baltic states, they could promote provisional alliances with other conservative and anti-democratic actors to provoke an increase in ineffectiveness and decisional inefficacy in the regime, lack of ground for compromises and the virtual standstill that foreshadowed the collapse of democracy. Otherwise, their pressure could force opponents to join forces in emergency unitary coalitions. In many countries, anti-fascism preceded fascist moves and reinforced governmental stability. Such was the case in Belgium, when, at the peak of the crisis, the country's major parties decided to form a 'national unity' government and, after the banning of the Rexist March on Brussels, prime minister van Zeeland defeated Degrelle in a direct electoral duel; in the Netherlands, where the anti-fascist alliance was also supported by the rightist Anti-revolutionary Party; in Finland, when president Svinhufvud disavowed the anti-democratic intrigues of the Lapua movement, whose support had helped him to become head of the state; in France, with the birth of the Popular Front.

### **3.2 The second phase**

A dramatic increase of political violence and the involvement in the political struggle of the so-called 'neutral powers' (army, police, judiciary power, president or king, state high officials) were the two basic processes of the second, and decisive, phase of the crisis.

#### *3.2.1 Increase of violence*

Violence generally was already in progress when the crisis of many European democracies in the interwar period was going through its first phase, and often deeply contributed to the intensification of social and political tensions; but its importance grew considerably when governments proved unable to regain control over the situation. After all ordinary peaceful proceedings had been tested without success, some political actors aiming at imposing their solution to the conflicts considered force as the decisive factor to get over the impasse and, depending on their aims, to redress the balance of the system or cause its breakdown. There were, in almost all European countries, considerable reasons for the use of violence: unemployment, marginalization, poverty-fed frustrations and aggressiveness on the fringes of society, while the war experience had accustomed



millions of people to fight and to handle weapons every day for years. War veterans, often unemployed after demobilization, were ready to serve as auxiliary policemen, members of militias, volunteers for patriotic missions, strike-breakers, and so on. Parties and governments could alternatively use them to restore order or to stir up revolt, to appease or to sharpen conflicts. Sometimes their violent actions were used to provoke the involvement of other groups into the struggle, so further reducing the level of legality and legitimacy enjoyed by the regime.

The familiarity of fascists with violence is well known. Payne (1980: 47) is right when he states that 'the notion that the PNF somehow invented political violence is lamentably superficial [...] What the Fascists did was to imitate a common revolutionary style, including aspects of a Bolshevik behavior and tactics', and similarly when he asserts that 'the drive of a fascist movement toward power threatened the host polity with a state of political war quite different from normal parliamentary politics' (Payne 1980: 206). Of course, fascist parties and movements were not the first in European history to recruit militias or to wear uniforms, but their strategy combined in a rather original way violent action and respect of some liberal rules of the game, in an attempt at seizing power through what Carl Schmitt labelled, with reference to the German case, a 'legal revolution'. Violence was part of their genetic code; the propensity for a militarized style of politics came directly from the mentality of their leaders and followers, mainly ex-servicemen or young students used to considering First World War as the beginning of a necessary national revolution. By transferring political fights into the streets and using force against the 'enemies of the nation' (strikers, socialists, communists, trade unions militants, members of 'foreign' ethnic groups, etc.), they posed a direct challenge to the liberal institutions and emphasized the fact that democratic rulers were unable to maintain civic order, well knowing that opposition to the growing disorder was the best issue at their disposal in order to find allies within the conservative camp.

The use of violence was implicit in the nature of fascist movements for another reason. Fascist leaders, as all their speeches, writings and memoirs testify, felt charged with the urgent mission of saving the national community from the impending danger of decay or disintegration, and therefore lived and acted in a permanent psychological condition of emergency. In their view, a crisis situation could not long persist, and fascist movements lacked resources – territorial organization, experienced cadres, clear-cut support of interest groups, good relationships with the press, regular financial contributions – to compete in the long term with the established parties. Violence was a potential accelerator of the crisis: precipitating things, it could allow the 'latecomers' to recover all the time they had lost in a few years. In a number of cases, fascists tried to stir up a state of latent civil war, confident that democratic systems could not withstand it for very long.

Moreover, where fascism assumed the dimensions of a mass movement, it often drove their conservative or – more frequently – socialist competitors to imitate some aspects of its style of action, creating their own militias or stepping up meetings and parades. The existence of groups structured on a paramilitary basis to use force for political aims, even if they identified themselves with the democratic regime and declared their will to fight against the enemies of the system, was in itself an incentive to the radicalization of political struggle and pushed it to the extreme, as police and army were no more in total control of legitimate force. The fascist ‘all or nothing’ policy was, on the whole, unsuccessful for its proponents, but its costs for democracy were very high, especially in those countries where elite actors convinced themselves that to be repelled, the fascist challenge called for the establishment of an authoritarian regime.

### 3.2.2 *Politicization of neutral powers*

The role of violence as a factor of crisis is evident also if we look at the involvement of neutral powers in the escalation of political conflict, which brought some democratic regimes close to collapse. The action of party militias was a direct challenge to the military monopoly of coercive force. Armed forces, whose subordination to political authority was one of the pillars of democratic legality, reacted to this threat in different ways. In many cases, most leaders of fascist militias were retired or demobilized army officers, who were still on excellent terms with their former fellows; this circumstance favoured complicity with or at least tolerance towards the activity of the militias, especially when they were directed to affirm patriotic values. This happened in Finland, Germany, Austria and Estonia, that is in those countries where irregular bands of civil guards, which in the immediate aftermath of the First World War had defended national borders and repressed any attempt at Russian-style revolution, furnished fascist and similar groups with the bulk of their troops, but also in Italy, where high-ranking military officers looked favourably upon fascist involvement in nationalist plots, like D’Annunzio’s occupation of Fiume. More generally, for cultural and ideological reasons professional soldiers very often sympathized with fascist violent actions – often they were directed against communists and socialists – whereas they proved suspicious, and sometimes overtly hostile, when leftist parties or governments founded paramilitary organizations in order to react to fascist attacks, as happened in Germany with the *Reichsbanner*, in Italy with the *arditi del popolo* and in Spain with the popular militias. Only in those countries where no revolutionary threats came from the left did armed forces help legal governments repel fascist subversive activities, and sometimes this involvement in the political struggle was the first step in a direct intervention aimed at replacing ‘conflictual’ democracy with an ‘appeasing’ authoritarian regime placed under military surveillance.

The military was not the only neutral power which got involved in the struggle between democratic governments and anti-democratic forces. Where the crisis came very close to a breakdown, both pro-system and anti-system actors tried to find allies outside the political arena. Through the politicization of the key institutions of the regime – the head of state, the judiciary, the state administration – the contending camps could take possession of crucial resources; above all, they could either ensure or prevent the implementation of political decisions. Fascist movements, by displaying the patriotic character of their claims while depicting their enemies as the ‘anti-state’ and denouncing liberal governments for their asserted partisanship, tried to break the loyalty of civil servants to the democratic institutions. When they succeeded in this aim to some extent, as in Italy in 1921–2, in Germany in 1930–3 and in Spain in 1936, this cleared the road to power for them and laid the first foundations for the establishment of an authoritarian or totalitarian regime. Of course, in this field too, ideological and psychological affinities played an important role: fascist action was more successful where the cultural background of the democratic political leaders notably differed from that of high officials and bureaucrats rather than in those countries where the men in power and the civil servants shared the same values. Evidence of collusion between neutral powers and fascists can be found in many cases: in Italy, even if the prestige of the monarchy favoured a sort of ‘double loyalty’ (both to the king and to extreme nationalist values) among civil servants; in Weimar Germany; in the Spanish Second Republic, where the infiltration of fascist and authoritarian ideas into the public administration became evident after the military *pronunciamiento* and the conflict of legitimacy between Republican and nationalist institutions); in Romania, where the judges who acquitted Codreanu after the confessed murder of a police official in 1924 wore the badges of an anti-Semitic league (Nolte 1968). Sympathy for anti-democratic ideas of a large part of the administrative elite was more a consequence of the authoritarian, corporatist and nationalist infection (Blinkhorn 1990) propagated before 1914 throughout much of Europe by means of a plethora of social and cultural associations than the product of fascist proselytism, and often went along with support for ‘new right’ non-fascist organizations: Pan-German leagues, Action Française, Associazione nazionalista italiana, traditionalist Spanish Carlismo, the Austrian Christian Social party. Its effects, however, acted as a factor of crisis only when, in the new climate created by Mussolini’s foreign imitators and fans, authoritarianism ceased to be a merely intellectual suggestion and became a model for movements and parties operating on the margins of the established right or outside of it.

### 3.3 The general influence on the process

Social, economic and cultural conditions in each European country accounted for the availability of political space for fascism, largely

determining its success or failure. The action of fascist movements had not therefore the same influence on the crisis of democratic regimes in the different cases we are analysing. Whatever impact they had on the final outcome of the process, however, there is no doubt that their moves damaged the three pillars on which the stability of all democracies rests: legitimacy, institutional efficacy and effectiveness (Linz 1978a; Morlino 1998).

As for efficacy and effectiveness, this was simply the consequence of the anti-system nature of fascist movements, of their latecomer character, which obliged them to emphasize hostility to all the main established political currents: liberalism, socialism, communism, conservatism, social catholicism. To clear space for themselves, they far more frequently used negative rather than affirmative programmes: their first purpose was to be recognized as *anti*-movements, opposed to the 'old politics' and 'old world' as a whole. No truce could be allowed with their enemies. Fascist propaganda focused on the inefficacy of democratic regimes, that is to say on the fact that they were for structural reasons unable to find the appropriate solutions for basic problems, and did its best to prevent citizens from feeling satisfied with governmental action. Every time circumstances offered an opportunity to stress the impotence of elected governments in the face of the growing social tensions, they tried to organize spectacular actions of 'civic obedience', which showed that they were capable of replacing legal authorities in cases of emergency. In Italy, during the strikes, fascist militants cooperated in ensuring the working of public utility services, driving trains, buses and trams, sweeping the streets or protecting reluctant shopkeepers from strikers' reactions. In Germany, at the peak of the Great Depression, the SA and the SS built refectories and free hostels for homeless unemployed. The same happened on a lesser level in France and in many other countries, always to diffuse an alluring message: fascists were ready to take possession of the state and able to run public administration. In other words the fascist agitation, both in legal and violent ways, was aimed primarily at stressing the manifest inefficacy and ineffectiveness of democratic regimes and at increasing, as a consequence, popular dissatisfaction. Inefficiency in decision-making and in the implementation of policies was imputed not only to politicians but also to the democratic rules and style of action: the structural weakness of governments acting under the pressure of parties prevented them from realizing their plans and defending public interests.

Still more negative was the impact of fascist action on the legitimacy of democratic interwar regimes. As Linz (1978a: 18) emphasizes, 'democratic legitimacy is based on the belief that for that particular country at that particular juncture no other type of regime could assure a more successful pursuit of collective goals'. This was exactly what fascist movements aimed at denying by all means. By using violence for allegedly patriotic goals, they openly challenged the rules of the democratic game and opposed the 'superior' interest of the Fatherland to the respect of law. The insistence of their

propaganda on the 'anti-national' character of elected governments suggested that other institutions would be better than the existing ones, which they blamed for drawbacks and failures. They questioned the institutional authorities' right to issue orders in opposition to the 'nation's (or people's) will', instigating neutral powers to refuse obedience when they did not agree with the contents of the decision they had to implement.

Another threat to democratic legitimacy resided in the political style of fascist movements and parties. Their action, based not only on the use of armed militias against opponents but also on a symbolic structure of meetings, marches and rituals, aimed at creating emotive effects and at diffusing among the followers the feeling of belonging to a sort of mystic community, alien to democratic rules and mentality, promoted a profound detachment from the spirit of parliamentary politics (O'Sullivan 1983) even when fascist representatives sat in legislative chambers. Moreover, fascism fed two political trends whose diffusion severely damaged the perceived legitimacy of pluralist regimes: the cult of charismatic personal leadership and the increasing shifting of political competition towards the extraparlimentary arena. The cult of the leader was perhaps the most specific feature of fascist movements, and directly opposed to a democratic mentality. Nothing was as far as the *Führerprinzip* from the liberal theories on electoral representation, political responsiveness and collective decisions, and while fascists magnified the exceptional qualities of their leaders, they blamed democracies for their inefficient decision-making, conditioned by a great number of veto powers and obliged to everlasting mediations. The shifting of political competition towards the extraparlimentary arena had largely preceded the birth of fascist movements, and had coexisted with parliamentary democracies since their establishment in all European countries as a consequence of the social conflicts unleashed by the major cleavages. After the First World War democratic governments even tried to use mass mobilization for their ends, and in many countries – first of all in those belonging to the winning camp: France, United Kingdom, Italy, etc. – patriotic rituals gathering huge crowds at war memorials became a means for the democratic integration of the masses. Nevertheless, fascist (and communist) action strengthened this trend, aiming at using street agitation not only to exert pressure from outside on parliament or governments but also, and principally, to convince people that the common man's interests had nothing to do with the discussions of politicians and could be promoted only outside of parliament (the 'deaf and sad hall', as Mussolini labelled it) and against it.

#### **4 Fascist victory and breakdown of democracy: Italy and Germany**

In only two out of the thirteen European parliamentary democracies which by 1938 had become dictatorships did fascist parties directly seize power

and gain a hegemonic position within the dominant coalition of the regimes built on the ruins of the polyarchy. It is therefore useful to consider Italy and Germany separately and to check more closely what role fascist movements played in the process of the democratic crisis in these countries. For the general purpose of the present analysis, we will not discuss here the specific structural and conjunctural conditions which made the fascist success possible, but we will focus on the effects of the moves that Mussolini's and Hitler's parties made in order to change the course of the crisis to their advantage.

#### **4.1 The success of disloyal opposition**

The development of the crisis in Italy and in Germany did not differ much, during its first phase, from that which characterized it in some other countries, such as France, Belgium, Finland, Romania, Austria, Estonia or Spain: socio-economic malaise, increasing civic disorder, polarization and radicalization of political competition, growth of anti-system forces occurred in all these. Differences became manifest when insoluble problems multiplied and democratic governments began to be threatened by paralysis. At that moment, neither in Italy nor in Germany were pro-system parties able to achieve a compromise to re-equilibrate the situation, and in both countries the fascist opposition expanded its influence at both the top and the bottom of political society and gained legitimacy as a government alternative. Instead of dismissing the image of disloyal opposition which had until then hindered them in the search for alliances and caused their isolation, the PNF and the NSDAP increasingly emphasized their extraneousness to the system. Ambiguity was the hinge of their strategy. Opposition to democracy was a distinctive feature of fascism, but fascist movements exploited the freedom of speech and action that democratic rules granted them; they overtly denied the legitimacy of the elected ruling class and derided parliaments but used ballots to gain support and influence; they blamed parties as factors of division but fomented a hard partisan struggle. Appropriating the symbols of national unity and opposing them to the structural 'particularism' of pluralist systems, blackshirts and brownshirts could fight democratic regimes from inside at the low cost of a formal acceptance of competitive rules.

Tactical alliances with conservative partners proved decisive in the implementation of this strategy. The inclusion of fascist candidates in the National Bloc in the 1921 Italian elections was not so much important for the number of deputies that the PNF obtained – only 35 on a total of 535, even if in many constituencies fascist candidates gained more personal votes than their rightist allies (Tarchi 1993) – as it was for the end of its isolation at the institutional level, which favoured contacts between fascists and a number of elite actors and interest groups. Immediately after the elections, the Italian fascist party doubled, in one month, the number of its

members, growing from 98,399 to 187,098 (De Felice 1966: 8–11). Association with DNVP, Stahlhelm and *Interessenverbände* in the campaign against the Young plan on war reparations had the same effects in Germany for the NSDAP, which reversed its declining electoral trend, gained media coverage and for the first time obtained a local government position, as a coalition partner, in Thuringia and Brunswick (Hamilton 1982). This legitimization of a disloyal opposition, which in spite of its frequent transgressions of the law had become a relevant actor in political competition under the auspices of conservative elites which aimed at defusing its potential threat by means of a gradual parliamentarization, was perceived in Italy as well as in Germany by large sectors of opinion as a symbolic defeat of democracy, and certainly diminished the chances of persistence and stability for democratic regimes in both countries. Furthermore, it induced some conservative political actors, at both the elite and the mass level, to assume a position of semi-loyalty, that is to say to modify their attitude toward fascists according to convenience, subordinating the defence of institutions to contingent interests.

#### 4.2 Protest catch-all parties?

Connivance of influential social actors, uncertainties in the economic situation, frustration in national sentiment, and the use of violence are among the major conditions which facilitated fascist and national-socialist seizure of power. Each of them helps to explain the crisis outcome in Germany and Italy. Nevertheless, at the mass level, the trumpcard of fascist movements was their capacity for overcoming traditional cleavages and gaining support in extremely heterogeneous sectors of society under the banner of the national community, the *Volksgemeinschaft* made much of by Hitler along the lines of the *völkisch* intellectual tradition (Mosse 1964), influencing the socialization of a wide mass of public opinion in favour of anti-democratic values. Fascist propaganda was insistently the rhetoric of patriotism, referring obsessively to the national solidarity cemented by the sacrifice of the war generation, and rebutting the class and religious egoism of all the other parties, in order to take advantage of the growing insecurity of those social groups which felt threatened by the impending socio-economic and cultural changes.

Populist and anti-political attitudes favoured the rise of fascism in both countries. As Linz (1976: 13–14) has observed, ideological predilections ‘account for much of the success or failure in any particular country of the movement’, because

without a sufficient number of people susceptible to it, [they] would not have got going even when their later success in becoming a mass movement depended on the capacity of that initial nucleus to seize opportunities created by social crisis, to appeal on more pragmatic grounds to

particular social strata and to make compromises with the Establishment, to gain access to power.

This was true in particular for the Italian and German cases, where fascist movements rejected with a strong emphasis the institutionalization of social conflicts and cleavages and opposed people's idealized virtues to the dividing effects of party politics, claiming to be speaking for the 'mainstream' of society. Anti-politics was the legacy of the personal history of their leaders and followers: appeal to the emotional side of human psychology, use of symbols and rituals, respect for a rigid hierarchy, idealism and voluntarism were parts of the front experience and fascists applied them to the political competition in order to establish a direct communication with the masses on the basis of the new personal and collective identities forged by the war. Neither blackshirts nor brownshirts disguised their role as outsiders; on the contrary, they made great efforts to transmit an image of PNF and NSDAP as movements of young 'new men', alien to the politicians' mentality, temporarily 'lent' to politics in an emergency situation and imbued with a sense of mission. Lacking a *chasse gardée*, they acted as a sort of protest catch-all parties, intervening at the same time in several conflicts and gathering together, under the umbrella of a synthetic encompassing ideology, demands both of sectors whose social awareness was still limited and of others affected by economic and political crisis.

To emphasize their will to reunify the national community, both the PNF and the NSDAP oriented their action in different directions, by means of an organizational network which, particularly in the German case, proved to be an effective instrument of penetration and political socialization, mainly in small Protestant villages and medium-sized towns (Allen 1965). Wherever it was possible, fascists and national-socialists, paying attention to all signs of dissatisfaction, to a number of demands neglected by their competitors, and to the complaints of the politically underrepresented social actors, multiplied relations with cultural clubs and professional associations, adapting their views to the various expressions of social malaise. In Germany, where civil society was densely organized and subcultural loyalties were ritualized through the affiliation to exclusive groups, NSDAP members infiltrated middle-class associations in order to become part of the local communities' life and widen the range of contacts and influences. A great number of special branches adapted the party message to the hopes and fears of other social groups: *NS-Frauenschaft* appealed to women, *NS-Betriebszellenorganisation* to workers, the *Agrarpolitischer Apparat* to farmers; and the students associations, the professional leagues, the organizations for the protection of shopkeepers or pensioners (Childers, ed. 1986) and so on did the same. Whereas in Italy, whose associative life was quite strong among the working class and in the clerical camp but poorly developed among the middle class, fascists counted on violence to hamper communist, socialist and clerical



organizations – workers' and labourers' leagues, cooperatives, union branches, mutual aid associations – in those sectors where their direct penetration was difficult. Only after armed coercion of rival structures did fascists try to gain support for their own unions, which by June 1922 claimed a membership of 458,284 (Tarchi 1993). The middle classes were the favourite target of the fascists; the PNF made several efforts to mobilize categories least integrated into the class structure, such as engineers, doctors, lawyers, architects, artists, while fostering the unionization of employees and civil servants. Although these attempts were only partly successful – through the inclusion of the urban and rural middle classes into the class struggle and the unification of their political demands – fascism could find mass support and clear its own political space (Farneti 1975). Through the hegemony in the middle classes and their counter-mobilization, Mussolini's movement could at the same time penetrate the constituency of bourgeois parties, improve relations with a number of interest groups, and strengthen its image as a bulwark against the disintegration of social relations, deeply affected by the ongoing civil war.

While widening their electoral support, the organized social penetration of fascist movements reduced the democratic potential of the political system both in Germany and in Italy. As a variegated set of studies on Weimar electoral history (O'Lessker 1968; Schnaiberg 1969; McKibbin 1969; Childers 1979 and 1986; Hamilton 1982; Manstein 1990; Falter 1991) has established, national-socialism not only mobilized a large percentage of those people who had previously chosen abstention to express their apathy or hostility towards politics (voting turnout decreased from 82.7% to 75.5% between 1919 and 1928, but grew to 81.4% in 1930, 83.4% in 1932 and 88.1% in 1933) (Rokkan and Meyriat 1969), but also gained support from the constituency of democratic parties. Moreover, by 1932 the NSDAP had absorbed almost all the voters from the interest splinter parties – who mustered 14% of the vote in 1928–30 – and a relevant share of the DNVP conservative-authoritarian electorate, causing a shift of this semi-loyal fringe towards a clear-cut opposition to the system. As we have already noticed (Tarchi 2000), the far more rapid evolution of the Italian crisis precludes our demonstrating the existence of a similar trend on the basis of electoral data; nevertheless, some qualitative indicators suggest that fascist takeover was not the simple consequence of an invitation to rule issued by the governing political elite or even of a 'bluff that could have easily been prevented had the armed forces tried to do so' (Bermeo 1997: 4), but the final outcome of the gradual fascist infiltration into Italian society and institutions. When an experienced politician like Giolitti decided to co-opt Mussolini's movement into the legitimate political arena, he was not driven by ingenuity or improvisation; his move was aimed at exploiting the already consistent electoral potential of fascism (which had been tested through a series of local 'patriotic' alliances in the autumn 1920 municipal

elections) to re-equilibrate the balance of forces between left and right inside parliament. The wide network of complicity that enabled fascism to commit illegal actions on a large scale gave evidence of the existence of diffused sympathy for the blackshirts, not only among elite actors but also at the mass level. Increasing popular support was also attested, one year before the March on Rome, by the strong rise of PNF membership, which by October 1921 exceeded socialist figures: 217,072 against 216,327 (Petersen 1976), and was characterized, as in the NSDAP case, by a composite social background (Merkl 1980a).

In the two countries where they seized power, fascist movements contributed with rival parties and interest organizations, during the first phase of the crisis, to the widening of the political arena, by supporting the demands of new actors mobilized by the war experience. In the second phase, when the excessive number of problems, the parties' disagreement on the adoption of priority criteria to process the different issues, and their conflict on the allocation of available resources hampered the agenda setting of democratic governments, both the NSDAP and the PNF helped the narrowing of that same arena. They played this role by absorbing and gathering the demands of all those groups which, for diverse reasons, were afraid of the consequences of an uncontrolled explosion of conflicts in an already deeply segmented society, and therefore saw pluralism, and its advocates, in a negative light. To these anxious fringes of opinion, fascist movements promised, in case of success, an immediate compulsory demobilization of the parties that had until then organized cleavages and fed conflicts, and the birth of a new order based on the undisputed supremacy of the state towards all particular interests (*Gemeinnutz vor Eigennutz*, general interest before individual interest, was one of the most repeated slogans of Hitler's party), where more effective institutions for facilitating civic order would be created immediately.

## 5 Conclusions

As we know, in the interwar period European fascist movements and parties neither gained a clear majority of popular votes (the only exception, corresponding to the 1924 Italian general elections, was conditioned by the fascist government's unscrupulous use of state resources) nor were able to organize a putsch with their own means. In a majority of cases, their challenge to the ruling elite met with failure. In many other cases, fascists depended, in their drive to power, on strong but unreliable conservative allies, who often marginalized or banished them once they had helped to destroy the democratic regime and to lay the foundations for the building of an authoritarian state. Table 6.2 offers a picture of this trend.

Nevertheless, there is no doubt that fascist groups were the major challengers to democracy in interwar Europe. In almost all countries the attack

*Table 6.2* Role of fascist movements and the fate of democracy in Europe in interwar period

Country	Collapse of democracy	Active role of fascist or similar movements during the crisis	Inclusion of fascist movements in the dominant coalition after the collapse of democracy
Austria	yes	yes	yes
Belgium	no	yes	–
Czechoslovakia	no	yes	–
Estonia	yes	yes	no
Finland	no	yes	–
France	no	yes	–
Germany	yes	yes	yes
Greece	yes	no	no
Hungary	yes	yes	–
Ireland	no	yes	–
Italy	yes	yes	yes
Netherlands	no	yes	–
Poland	yes	no	no
Portugal	yes	no	no
Romania	yes	yes	no
Spain	yes	yes	yes
Sweden	no	no	–
United Kingdom	no	yes	–

on democratic rules and values came from two opposite sides, extreme right and extreme left, but communist or revolutionary leftist groups nowhere seized power, while a large majority of the 12 non-democratic regimes established between June 1923 (Bulgaria) and February 1938 (Romania) were influenced by the early Italian example and incorporated, either professedly or *de facto*, some elements of the fascist model. It is true that, as Juan Linz has repeatedly stressed, the success of fascism as a mass movement was for the most part the consequence of conjunctural factors, like the unusual sequence of social, economic and cultural changes primed by the war and its aftermath and the high degree of corruption affecting many parliamentary governments. But distrust and lack of confidence towards democratic ideologies and institutions were shared by a wide variety of intellectual currents and political actors in those years. Catholic *intégristes*, anarchists, revolutionary syndicalists, communists, authoritarian conservatives and imperialist nationalists were all plunged, each of them of course with its own hopes and beliefs, into the anti-democratic *Zeitgeist* and considered themselves, for different reasons, enemies of the bourgeois liberalism. None of these political families, however, was able to take direct advantage of the explosive situation created by the First World War.

Nationalist parties and leagues had already existed in most important European countries since the last decade of the eighteenth century, and their ideology too placed loyalty to the national community above the loyalty to the state institutions, but nationalist activism never represented in itself a serious threat to the legitimacy of liberal systems. The new ideological and political synthesis realized through the process that Payne (1980: 42) has labelled the 'nationalization of certain sectors of the revolutionary left', on the other hand, enabled fascist movements to challenge democracy simultaneously on two grounds: the rational sphere of substantive decisions and the symbolic dimension of the 'identifying political activities' (Pizzorno 1985), and offered them an important card to play.

In the aftermath of a war which had upset the whole continent, fascism found fertile ground in the psychological climate of insecurity that the sudden intensification of social conflicts and mass politics was producing. In a time when the pillars of the old political and social order were increasingly and quickly wearing out and a huge number of contrasting intertwined expectations were growing, fascist movements tried to clear their political space by *reassuring* all those groups that modernization, with its high material and cultural costs, had frightened. Contrary to conservative authoritarian parties, they did not promise the return to some past golden age, but engaged in restoring civic order and authority, so as to keep under state control the inevitable social changes required by continuing mass mobilization. The anti-democratic character of the fascist programme was evident: it proposed an extreme simplification of the political and social system, based on a strong reduction of pluralism. Representative democracy based on unlimited freedom of action for every sort of organized interest, had degenerated into uncontrolled class struggle, partisanship and parliamentary ineffectiveness. Corporatism and the myth of national community were to reverse the situation and would allow the future fascist state to exploit the resources offered by modernization to ensure the common good.

This kind of suggestion exerted a strong influence on the interwar European *Zeitgeist*, modifying the perception of democracy among intellectuals as well as among common people. Parliaments, which for a long time had been almost unanimously considered as the bulwark of popular freedom, were increasingly depicted as the symbols of impotence and privilege; parties were held responsible for the disintegration of society. Not everywhere did fascist negations and appeals succeed in convincing elite political actors, the intellectual community or citizenry; some countries, like the United Kingdom, proved immune to fascist 'infection' because of the high stability of their institutions, and others, such as the Netherlands, Czechoslovakia and the Nordic countries, reacted to the threat in some cases by means of successful consociational agreements, which prevented fascist movements from finding space at the mass level, and sometimes by specific repressive measures against extremism. In a majority of cases, however,

fascism contributed to the spread of a pro-authoritarian state of mind and so acted as the catalyst for turns against democracy, even when they occurred to its detriment, as in Romania and Estonia.

As Table 6.2 reminds us, the breakdown of democratic regimes in inter-war Europe must not be confused with fascist success. Nevertheless, fascist movements deeply influenced the dynamics of the crisis of democracy by favouring the growth of some crucial factors weakening the liberal states. They contributed to the intensification of political struggles, at both elite and mass levels, incorporating new actors in the political conflict, mobilized by the consequences of war, and expanding their range to the streets. Their action caused a major fluidity and change in alignments among parties, labour unions and other social groups on one side, and civil society on the other. They modified the previous distribution of resources and multiplied the pressing problems which led in some cases to the paralysis of government agenda setting. Only in Germany and in Italy did fascists seize power by themselves, but in many other cases they came very close to power and their presence became in itself a potential threat, a cause of instability for democracy. Each time a parliamentary democracy collapsed, fascism was evoked by both followers and enemies: sometimes it was really present on the scene, sometimes it was the 'silent guest' of the new authoritarian regime, and its phantom excited popular passions. This became particularly evident after the outbreak of the Spanish civil war, which most observers interpreted as the prologue to the final clash between fascism and democracy, even if Franco's regime was far from fulfilling the prerequisites of the fascist ideal type and communists were included in the democratic camp only for tactical reasons.

We can therefore conclude that the role of fascist movements was central to the interwar crisis of democracy in Europe. The internal weakness of parliamentary regimes, caused by a wide set of economic, social and cultural conditions, was at the roots of their birth and facilitated their task in many cases; but fascists, because of their activist mentality, could not limit themselves to waiting and seeing. Their action was invariably directed against democracy, in order to accelerate its breakdown. During the entire period of crisis, their moves reduced or augmented the probability of persistence and stability in the regimes they fought: in some cases, the failure of their public challenges to the legal order – the Lapua's movement attempted Mäntsälä coup; Degrelle's electoral campaign against prime minister van Zeeland; Mosley troops' violent rallies in East London, the 6 February 1934 French Leagues' riot in front of Parliament – reinforced the legitimacy of the institutions they were supposed to overthrow. Whatever was the final outcome of their agitation, in all cases fascist movements fed on the crisis while doing their best to worsen it, even if they were not able, on the whole, to benefit by it as much as they had hoped.

## **Part III**

### **The Political Arena**



# 7

## Electoral Systems, Party System Fragmentation and Government Instability

*Lauri Karvonen and Sven Quenter*

### 1 Introduction

This chapter examines the empirical relationship between electoral systems, party system characteristics, cabinet stability and the fate of pluralist democracy in interwar Europe. Its main objective is to test basic notions in a literature which has been characterized by Lawrence Mayer (1980b: 335) as follows:

The collapse of parliamentary democracies in Europe prior to World War II generated a search for the internal weakness of such systems. Out of this search came a suggestion from several quarters that multiparty parliamentary democracies were more prone to cabinet instability than were two-party systems. Parliamentary democracies, beset with such cabinet instability, cannot govern effectively. Therefore, it was suggested, such unstable systems were readily replaced by more authoritarian political regimes that appeared better able to provide for the efficient functioning of that system.

There are three elements in this view of democratic systems: the degree of *fragmentation of the party system*, the *stability of cabinets* and the eventual *breakdown or survival of democracy*. The latter is of course to be regarded as the effect or the dependent variable, whereas party system fragmentation and cabinet instability constitute causes or independent variables. The basic aim of the present chapter is to find out whether these three factors were in fact interrelated in interwar Europe.

In the 'theory' succinctly described by Mayer above, the fragmentation of the party system is the basic explanatory factor, whereas cabinet instability is a step on the way toward the breakdown of democracy. The chain of



causality is therefore expected to be as in Figure 7.1. While the analysis of this model will constitute the core of this chapter, the impact of electoral systems will be described only in a short subsection. The underlying model of this subsection is shown in Figure 7.2. Here, however, these models are ‘used rather than believed’. *A priori*, several combinations of these three factors seem to make sense (see Table 7.1).

Constellations 1 and 8 represent the paradigmatic types: ‘the stable two-party system that survived’ and the ‘unstable fragmented system that went under’. Type 2 might, for instance, depict a situation where a dominant party reinforces its position by starting to rule in a more authoritarian fashion. Types 3, 4 and 6 may seem unlikely at first glance. Still it is imaginable that there are formally democratic states in which the real power centre lies outside the democratic institutions. Whether democracy is allowed to



Figure 7.1 Effects of party system fragmentation

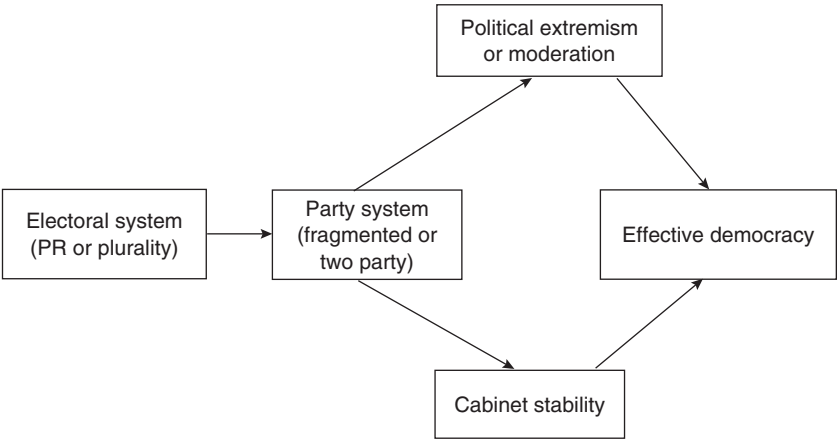


Figure 7.2 Path model of electoral system effects

Table 7.1 Possible relationships between fragmentation, instability and breakdown

Cabinet instability		Low		High	
Breakdown?		No	Yes	No	Yes
Fragmentation	Low	1	2	3	4
	High	5	6	7	8

continue functioning or is replaced by an authoritarian regime depends on these factors (for example, the armed forces). In a word, politics corresponds to constellation 2 in these states. Type 5 might then be the 'consociational democracy' with a high degree of party system fragmentation combined with stable governments and a continued democratic regime; here, power-sharing functions as a channel by which the fragmented political interests are reconciled. Type 7, finally, defies the basic chain of causality by displaying high levels of party system fragmentation as well as cabinet instability without a subsequent breakdown of democracy. It is here that we would expect to find various 'crisis coalitions', that is, realignments between the parties in the face of a threat against democracy itself. Such coalitions may provide for increased cabinet stability but may just as well be transient and simply help the system weather the acute crisis. A quite different solution might be that a system responds to a crisis by a rapid succession of cabinets that provide the various parties access to governmental power, thus preventing the 'ghettoization' of any part of the party spectrum. This is similar to the paradox of 'stable instability' (Taylor and Herman 1971: 29), a situation in which government instability functions as a safety valve for the survival of the democratic system itself.

All this goes to say that we should not only try to determine statistical correlations between fragmentation measures, stability and breakdown, although this certainly is the natural first step. It is equally important to try to determine the *circumstances* under which party system fragmentation bred cabinet instability and paved the way for an authoritarian takeover, or, conversely, what factors and measures helped some countries overcome the effects of fragmentation and instability. Nevertheless, in this study the focus is on the explanatory power of factors related to the party system itself.

## **2 Previous research**

Relevant previous research can be grouped under three headings: (1) theoretical generalizations about the relationship between party system fragmentation and democratic stability; (2) empirical studies of cabinet stability and party system fragmentation in post-Second World War democracies; (3) empirical studies of party system characteristics and democratic stability in the interwar period.

The early theorizing about the relationship between party systems and democratic stability is largely associated with F. A. Hermens (1941). Both his original propositions and some of the work of his contemporaries were surveyed in an earlier report (Karvonen 1991). Here it is sufficient to note again that Hermens's original focus, the relationship between electoral systems and party system fragmentation, has been subjected to considerable criticism. In the present analysis, the focus is on the latter part of Hermens's implicit model, the relationship between fragmentation, cabinet stability and the

survival of democratic regimes. In the early literature, the character of the two-party system was perceived in a rather uncomplicated manner. The idea of party system fragmentation was implicit rather than explicit. The authors simply spoke about 'twopartism' and 'multipartism'; their explanatory factor was a dichotomous one. In the scholarly debate it was soon found that such a distinction was oversimplified. Not only was 'multipartism' a term which covered a far from homogeneous group of states; it was in fact difficult to find more than a couple of examples of genuine two-party systems (Mayer 1980b: 336–7; Sartori 1976: 185–92). Clearly, fragmentation must be a matter of degree rather than of kind. Giovanni Sartori has underlined the importance of the interaction between party system fragmentation and ideological distance for the stability of democracy. He concludes that:

When a maximal ideological distance engenders a centrifugal competition, a two-party system is either blown up or paves the way to a civil war confrontation [...] extreme multipartism represents – under conditions of maximal polarization – the most likely outcome and, at the same time, the survival solution.

(Sartori 1976: 292–3)

In a study published jointly with Giacomo Sani a decade later, however, Sartori came to a conclusion that does not similarly challenge the very foundation of the early theorizing about twopartism and multipartism. On the basis of an empirical examination of eleven West European states in the 1970s they conclude that:

Fragmentation handicaps the 'working' of democracy if, and only if, it expresses [ideological] polarization. When it does not, when a polity qualifies as being low on the polarization measures, then a democracy can work even if its party system is fragmented.

(Sani and Sartori 1985: 335)

A largely similar hypothesis had earlier been presented by Lawrence Dodd, who expected parliaments with party systems that are polarized, fractionalized and unstable to produce governmental instability (Dodd 1976: 68). In both these studies, it is the interaction between ideological polarization and party system fragmentation, rather than any of the variables as such, that is seen as the crucial factor behind instability.

We have argued earlier that the survival of Scandinavian democracy in the interwar years can partly be understood in terms of a specific state of party system fragmentation. In Scandinavia, the fragmentation of the bourgeois parties together with the social democratic dominance on the Left made for a historical compromise between social democrats and agrarians, an agreement which reinforced Scandinavian democracy as well as government stability to a decisive degree (Karvonen and Lindström 1988: 4–8;

Karvonen 1989: 27–8, 31–3). Briefly, this argumentation would seem to suggest that it was not fragmentation as such, but the *fragmentation of the left* that was problematic from the point of view of democratic stability. These are some of the theoretical models that seem worth testing besides the simple single-factor explanation found in the early literature. Here, propositions that involve party system fragmentation as an ingredient in more complex multivariate analyses will be omitted, as such analyses have been attempted elsewhere (Berg-Schlosser 1990; below, Part IV).

We are faced with something of a paradox as concerns systematic empirical tests of the proposition about party system fragmentation and the stability of democracy. The original theoretical notion was largely based on European politics in the interwar period; most of the empirical work, however, has concerned Western democracies after the Second World War. There are a couple of important exceptions to this rule; these will be commented on at some length below. Before that, a couple of representatives of the more comprehensive research on the postwar period should be presented.

Most empirical studies of electoral systems focused on the relationship between various properties of electoral systems like district magnitude and electoral formula and the fragmentation of (parliamentary) party systems and/or on the degree of disproportionality caused by electoral systems. Douglas W. Rae's *The Political Consequences of Electoral Laws* (1967) can be considered as a 'landmark in the comparative study of electoral systems' (Taagepera and Shugart 1989: 54). Rae analysed 121 elections in 20 democracies from 1945 to 1964. There, he distinguished between short term ('proximal') and long term ('distal') effects of electoral systems. One proximal effect is common to all electoral systems:

electoral laws – *all* electoral laws – exert a defractionalizing effect [...] electoral laws work to the advantage of strong parties and to the disadvantage of weak ones.

(Rae 1967: 135; cf. Matthew 13, 12)

PR systems – with variations related to electoral formulas and district magnitude – are in general associated with more fractionalized party systems than plurality or majority systems (Rae 1967: 144). Rae cautiously summarized the relationship between the defractionalizing effect and the fragmentation of parliamentary party systems:

Multi-partism is most likely where electoral laws produce a weak defractionalizing pattern, and two-party competition is most likely where the electoral laws produce a strong defractionalizing effect.

(Rae 1967: 142)

One important aspect mentioned in Hermens's writings on electoral systems – the effects of parties on intraparty processes – has systematically

been studied by Richard Katz in his *A Theory of Parties and Electoral Systems*. Combining an 'extensive' test based on the International Comparative Political Parties Project which covered Western democracies between 1950 and 1962 and an 'intensive' test using a sample of British, Irish and Italian deputies Katz's findings partly support, partly contradict Hermens's model. PR systems produce 'pressures toward ideology while discouraging convergence of parties, which instead are led to maximize the importance of their differences' (Katz 1980: 121). This finding is in line with Hermens's implicit model, but the positive assumptions about the effects of plurality are not supported by Katz:

Although plurality systems make compromise more possible by encouraging moderation, they discourage dealing with difficult problems at all. (Katz 1980: 122)

A similar paradox can be observed with respect to intraparty effects of electoral laws: the more 'democratic' ordinal choice – the voters' preferences may be expressed in a more complex and flexible mode – discourages parties and candidates from taking clear stands and decreases the power of preferences expressed by the voters.

Arend Lijphart's *Electoral Systems and Party Systems* (1994) differs from Rae's study at one important point. In contrast to Rae the units of analysis are 70 electoral systems, 'defined as sets of essentially unchanged election rules under which one or more successive elections are conducted' (Lijphart 1994: 7), not individual elections. The 70 electoral systems in 27 democracies include 384 parliamentary and European elections from 1945 to 1990. Most important in the context of this section are Lijphart's analyses of changes in election rules (1994: 78–94). Unfortunately Lijphart could not systematically test the effects on the elective and parliamentary party systems caused by changes from PR systems to plurality or majoritarian systems because this happened only once (France, 1986–88).

The conclusion is now inescapable that differences in disproportionality in PR systems do not appreciably affect the effective number of elective parties. [...] The systematic influence by the electoral system that does occur is the impact on the effective number of parliamentary parties, and is due almost entirely to the mechanics of the translation of votes into seats. (Lijphart 1994: 90)

These three studies on the relationship between electoral systems and party system avoid strong normative judgements about different types of electoral systems which are visible in the early literature on this topic.

The most frequently cited study on party system properties and government durability is a 1971 article by Michael Taylor and V. M. Herman.

Taylor and Herman studied all cabinets ( $N = 196$ ) in all democratic states ( $N = 19$ ) between 1945 and 1969. The unit of analysis was the single cabinet, and a total of 13 hypotheses about the correlates of cabinet duration were tested empirically against these aggregate figures. Several of the basic ideas in the early literature discussed above found support in these bivariate analyses. The most interesting findings from our point of view were that government stability was found to be negatively correlated ( $r = -0.39$ ) with the number of parties holding seats in Parliament and that this correlation was even stronger ( $r = -0.45$ ) when parliamentary fractionalization was measured with Rae's fractionalization index. Moreover, government fractionalization was found to have a similar effect; government stability was found to be negatively correlated ( $r = -0.31$ ) with the number of parties in the government (Taylor and Herman 1971: 30–1). All in all, this study lends reasonable support to the original ideas about the effects of party system fragmentation.

Using a somewhat different measure called the Party Aggregation Index, Lawrence Mayer (1980a) studied 18 democracies during the period 1960–74. His index not only took into account the number of parties but also the relative strength of the largest party. Mayer used the individual country as the unit of analysis, and found that almost one-third of the variation in cabinet stability was accounted for by his conceptualization of party system aggregation. His conclusion was: 'In a heuristic sense, perhaps F. A. Hermens has made a contribution after all' (Mayer 1980b: 346).

The study which clearly comes closest to our aims is an article by Ekkart Zimmermann (1988) entitled *The Puzzle of Government Duration. Evidence from Six European Countries during the Interwar Period*. As part of a larger study with the aim of 'substantively understanding why some governments collapsed under the impact of the world economic crisis of the 1930s (or more generally under the challenges during the interwar period) whereas others did not' (Zimmermann 1988: 353), Zimmermann examines a total of 117 governments in Germany, Austria, France, the United Kingdom, Belgium and the Netherlands in 1919–38. As in Taylor and Herman, the unit of analysis is the individual cabinet; the explanatory factors tested are largely similar to those used by Taylor and Herman. Zimmermann starts by looking at his empirical material at large in what he calls a 'pooled analysis'. Here, the main results concerning fragmentation go in the same general direction as in Taylor and Herman, although the correlations are not particularly strong. Thus, both the fractionalization of parliament and the fractionalization of government are found to be negatively related with cabinet stability. Moreover, the left/right variance of parliament (a polarization measure) is found to be negatively related to stability, thus confirming the basic idea of Sani and Sartori about the importance of polarization.

However, Zimmermann also looks at the various correlations for each nation separately ('disaggregated analysis'). Here, the reasonably clear impression from the pooled analysis is replaced by an almost totally incoherent

picture. For instance, the correlations between parliament fractionalization and cabinet stability are  $-0.33$  (Austria),  $-0.15$  (Belgium),  $0.42$  (Germany),  $0.01$  (Netherlands),  $-0.37$  (Britain) and  $-0.16$  (France). The corresponding figures for government fractionalization are  $0.08$ ,  $0.28$ ,  $0.31$ ,  $-0.31$ ,  $0.17$  and  $0.20$ . These disaggregated analyses do not seem to indicate any meaningful pattern either countrywise or when the various theoretically derived explanatory factors are grouped together. He finds this highly discomforting and concludes that:

the findings from the pooled analysis – following the tradition in research on parliamentary (and other) correlates of government duration – are misleading if these very same governments are not studied at the level of each individual nation ... [T]he need to disaggregate, possibly even after World War II, has been overlooked by researchers.

(Zimmermann 1988: 353, 355)

One of the most comprehensive works on cabinet durability in general is Lawrence Dodd's (1976) study *Coalitions in Parliamentary Government*. Its main emphasis is on coalition theory, and Dodd sets out to prove that minimal winning cabinets are the key to governmental stability. To test his thesis, Dodd employs a large number of explanatory factors, including those kinds of fractionalization measures that the studies presented above utilized. What is even more important from our point of view is that the period studied is 1918–74, and that Dodd presents separate analyses for the interwar and postwar periods. Again, the individual cabinet is the unit of analysis ( $N = 238$ ); 17 countries are included. Dodd's study contains most of the empirical material necessary for a test of the basic fragmentation thesis, but the reader is left uncertain about the relationship between cabinet durability and party system fragmentation. The reason is that Dodd, instead of using bivariate measures like the other studies, employs composite variables which make it difficult to determine the explanatory power of the individual components. His most powerful explanatory factor for cabinet stability in the interwar period is an interaction score composed of measures for cleavage conflict, parliamentary fractionalization and parliamentary instability: (parliamentary fractionalization  $\times$  parliamentary instability)  $\times$  (cleavage conflict). The covariation between this index and government stability is  $-0.54$ , explaining 29 per cent of the total variation in government stability. What the effect of this *double* multiplicative exercise is on the explanatory power of the individual variables is difficult to determine. The conclusion for the time being must simply be that Dodd's study at least does not serve to refute the thesis about fragmentation and instability.

To sum up: there are several theoretical propositions pertaining to the relationship between fragmentation, instability and breakdown which lend themselves to empirical tests; the empirical evidence mainly gathered from post-Second World War democracies lends clear, albeit not overwhelmingly

strong, support to the basic thesis; systematic empirical research concerning interwar Europe is limited, but points in the same general direction.

### 3 Design of our investigation

The theoretical starting point for most of the previous empirical studies has been the early literature on party systems (cf. Dodd 1976: 6–10; Mayer 1980a: 335–6; Taylor and Herman 1971: 28). It could be argued, however, that the systematic quantitative work done by several authors is based on a somewhat different logic than the earlier work. This difference is mainly reflected in the use of individual cabinets rather than countries as the unit of analysis. Zimmermann's emphasis on the importance of analysing the correlates of cabinet stability within individual countries is the most extreme example.

The argument about the effects of party system fragmentation originally concerned cross-national comparisons rather than intranational processes. Fragmented *systems* were expected to be more unstable than non-fragmented ones. This is in fact something quite different from saying that whenever a new party gains a seat in parliament cabinets in that country are expected to become more unstable according to a certain mathematical formula. The theoretical argument is about fairly static systemic features rather than about a dynamic process of fragmentation. By its nature, therefore, the original theory calls for a comparative design and for aggregate figures. What matters is the country as a whole as compared to other countries: countries tend to have a certain, fairly stable, level of fragmentation, which affects the way in which politics is conducted. From a principal point of view, it is less important that such analyses do not easily conform to the requirements of statistics concerning a sufficiently large number of cases.

Furthermore, if the overall level of fragmentation is generally fairly stable, at least in the sense that one cannot expect the various countries to rank entirely differently from one point in time to another, then intranation studies of the kind Zimmermann calls for really do away with the main factor, the crisis itself. The argument in the early literature is not whether there was a linear relationship between fragmentation and instability in a given country; rather, Hermens's implicit argument was that a country at a certain general level of fragmentation tended to become significantly more unstable than a country at a lower level, *once the crisis was a fact* (cf. Hermens 1958: 344–9). The argument is simply that fragmented systems have a poorer capacity for crisis management than non-fragmented ones.

By contrast, if we shift our focus to processes within individual nations, we are not primarily interested in general levels of fragmentation but in *relative changes* in fragmentation, irrespective of whether the starting point is low or high fragmentation.

In real-world situations, studies using cabinets as units of analysis may well reach the same conclusions as studies which are based on data at the level of countries. Nevertheless, the basic difference in the logic of inquiry



remains. The early theoretical work concerned the effects of *overall levels* of fragmentation; later systematic analyses, especially Zimmermann's article, pay attention to the *relative changes* in party system fragmentation. To the extent that studies using individual cabinets as units of analysis aim at explaining the ultimate fate of democracy in a cross-national perspective, these cabinet-level data must in fact be aggregated and treated as system level variables; the breakdown or survival of democracy is a system level property (cf. Przeworski and Teune 1970: 49).

At face value, however, both logics seem quite reasonable. This suggests that our empirical analysis should pay attention to *both* of these modes of inquiry. Consequently, the empirical analysis below will be structured according to the following basic questions:

- 1 Did countries with various levels of party system fragmentation display different levels of cabinet instability, and did this fragmentation and instability explain the ultimate fate of democracy in the interwar period?
- 2 Did changes in the relative degree of party system fragmentation in individual countries give rise to increased cabinet instability and thus affect the final outcome, that is, the survival or demise of democratic rule?

These two queries require different methods of analysis. The first question calls for a cross-national examination at the aggregate level. The second involves a separate time-series analysis for each case. For this reason, we address these questions in two separate sections, below.

Our empirical analysis concerns electoral systems, party systems and the stability of governments. Conventional definitions also guided the selection of data. 'Electoral systems' are the sets of rules and methods for translating citizens' votes into seats. In order to classify the electoral systems various dimensions of electoral systems could be considered (Lijphart 1994: 10–15) – electoral formula, district magnitude, and explicit or implicit thresholds, that is, the minimum level of support a party requires to gain seats. 'Party systems' simply denotes the configurations of parties *contesting elections* and *holding seats in parliament* in the various countries at various points in time. Data on parties contesting elections are, however, less reliable for our sample than data on parties gaining seats in parliaments. The absolute number of parties participating in an election is systematically underestimated, as small parties are usually put into a residual category 'others' in our sources. Similarly, our definition of 'cabinet stability' is a conventional one. Cabinet duration measured in days is used as an indicator of stability. This is hardly a perfect solution (if such a solution exists), and it has received criticism from several authors (cf. Lijphart 1984: 112–13; Mayer 1980b: 340–1). Still, it remains more straightforward than any weighted index proposed as an alternative (Browne et al. 1986: 93–109; Mayer 1980b: 340–2). The relative weight assigned to various kinds of cabinet dissolutions in these indices always contains an arbitrary element, which easily conceals cultural biases.

Information on electoral systems was gathered from Braunias (1932), Sternberger and Vogel (1969), and Mackie and Rose (1991). The basic data source concerning party systems, that is, elections and parliaments, was *The International Almanac of Electoral History* (Mackie and Rose 1991). This is the most authoritative source concerning elections and parliaments in the western world. Two of the countries in our sample are not, however, covered by the Almanac. For Estonia, the data were taken from Artur Mägi (1967). The data on Czechoslovakia were taken from Sternberger and Vogel (1969). As for cabinet duration, the data originate from *Regenten und Regierungen der Welt. Teil II: 1492–1953* (1953). This is an authoritative German source which aims at providing systematic information on rulers and governments around the world throughout history. Particular attention is paid to exact dates, including dates for the appointment and resignation of cabinets.

The individual country is the unit of analysis employed in this part of our study. The design is cross-national, and the analysis is based on aggregate data. Fourteen European states are included: Austria, Belgium, Czechoslovakia, Estonia, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Sweden, Spain and the United Kingdom.<sup>1</sup> The criterion for inclusion was that a country must at least for some years have had reasonably well functioning democratic institutions. Eight of these countries survived both the first crisis of democracy in the 1920s and the Great Depression of the early and mid-1930s. Authoritarian or fascist takeovers took place in Italy (1922), Germany (1933), Austria (1933), Estonia (1934), Greece (1936) and Spain (1939). Consequently, the first dependent variable is dichotomous: democracy either survived or broke down.

Our first independent variable, electoral system, is dichotomous as well: proportional representation or non-proportional representation. This distinction looks quite crude in the light of more differentiated typologies of electoral systems suggested recently (Lijphart 1994; Blais and Massicotte 1996), but it fits well into the distinctions employed by Hermens. The underlying reasoning described by Dieter Nohlen (1990: 97–107) is summarized in Table 7.2.

In other words, we distinguish the electoral systems by their end (goal of representation), not by their decision rule. In most cases, however, there is a

Table 7.2 Types of electoral systems

Basic type	Decision rule	Goal of representation
Majoritarian system <sup>a</sup>	majority/plurality wins	formation of government majority
Proportional system <sup>b</sup>	proportion decides	reflection of electorate

<sup>a</sup> These electoral systems are usually called non-PR systems in the text.

<sup>b</sup> These electoral systems are usually called PR systems in the text.

close relation between decision rule and goal of representation. Proportional representation (PR) electoral systems are coded 1, non-PR systems 0. Additionally, one of several measures of disproportionality (Lijphart 1994: 58–62) – the Loosemore-Hanby-index (*D*) – will be used to assess the electoral systems' disproportionality. This index is calculated by dividing the absolute vote-seat differences by 2.

Cabinet stability appears both as a dependent and an independent variable in this study. Cabinet duration in days is used as an indicator of stability. Average cabinet duration is calculated for all cabinets.

Party system characteristics are described in terms of fragmentation and polarization. Fragmentation is measured by Rae's Index of Fractionalization ( $F_e$  for fractionalization of the electoral party system,  $F_p$  for the fractionalization of the parliamentary party system) and Mayer's Party Aggregation index (*A*). The former index is based on the relative share of the votes/seats of each party (for a comprehensive discussion, see Taagepera and Shugart 1989: 79–81). *F* varies from 0 to 1. Extreme concentration corresponds to zero fractionalization and vice versa. Mayer's *A* is based on the number of parties represented plus the relative share of the largest party. In most situations, the two indices can be expected to show a clear negative correlation. In a situation where there is one relatively large party and a great number of small parties they produce, however, significantly different results, which is why they can be seen as alternative or complementary measures of party system fragmentation (Mayer 1980a: 518). While *F* is expected to covary positively with instability and breakdown, *A* is expected to have a negative correlation. As for the polarization score, one measure employed simply expresses the total percentage of seats held by communist, socialist, conservative and right wing extremist parties (cf. Myklebust and Ugelvik Larsen 1980: 636). This measure is related to the importance of class cleavage in a country. A second measure of polarization which is influenced by Sartori's theorizing about the impact of anti-system parties is simply the share of votes (seats) received by extremist parties (that is, communist, fascist and other extreme right-wing parties). All values of variables referred to below are averages for the individual countries. If nothing else is indicated, analyses are based on arithmetic means for the entire period (for the survivors basically 1920–39; for the six cases of breakdown, up to the last parliament and cabinet before the authoritarian takeover). Except for Italy and Spain, the data were also divided into two sub-periods (roughly the 1920s and the 1930s). Standard statistical techniques were employed to describe the degree of association between the various factors. First, the two basic groups of countries, survivors and breakdowns were scrutinized in the light of the explanatory variables. After that, cabinet instability was examined in a similar way. For the former tests, cross-tabulation techniques and tests of significance were used. For cross-tabulation, the explanatory variables were dichotomized (high and low) on the basis of median values for the entire sample. For tests of cabinet instability, Pearson

correlation coefficients are indicated. The limited number of cases restricts the use of this statistical technique, it was, however, checked against cross-tabulation techniques less sensitive to a small *N*; the results were similar.

## 4 Empirical findings

### 4.1 Electoral systems

This section analyses the relationship between electoral systems on the one hand and breakdown or survival of democracy, government durability and party system characteristics on the other. Is there any relation between electoral system and the fate of democracy? The answer is simple and clear – no (Table 7.3). Democracies survived the crises of the interwar period with PR systems and majoritarian systems. On the other hand democracies collapsed with PR and majoritarian systems.

The picture remains the same if additional cases such as Denmark, Norway, Switzerland (survival of democracy, PR) or Latvia and Yugoslavia (breakdown of democracy, PR) were added. Considering only the electoral systems of the 1930s one cautious conclusion, however, is possible: in countries with non-PR systems that were different from pure FPTP (the British style plurality system) or majority-plurality (the French system) the democratic political system collapsed. The results concerning the relationship between electoral system and *government durability* are puzzling (Table 7.4). First, there is a clear difference between PR and non-PR systems, but the

Table 7.3 Electoral system and the fate of democracy in interwar Europe<sup>a</sup>

Electoral system	Survival	Breakdown
Proportional system	BEL CZE FIN IRL NLD SWE	AUT DEU EST (GRC) ITA <i>POL</i>
Majoritarian system	GBR FRA	ESP (GRC) <i>HUN PRT ROM</i>

<sup>a</sup> Cases in italics are omitted from the subsequent analyses (see endnote 2).

Table 7.4 Government durability by electoral system<sup>a</sup>

Electoral system	1919–39			1919–29			1930–39		
	Mean	Std <sup>b</sup>	N	Mean	Std	N	Mean	Std	N
Non-PR	224.2	323.3	80	278.2	371.0	35	182.2	277.8	45
PR	376.6	353.8	135	373.0	314.8	95	385.2	437.0	40
All	319.9	349.9	215	347.5	332.1	130	277.7	373.4	85

<sup>a</sup> Analyses are based on single cabinets and corresponding elections.

<sup>b</sup> Standard deviation.

difference is not as expected: looking at the entire interwar period average government durability is higher for PR systems than for non-PR systems. Second, government durability varies considerably within each class of electoral system. 'Electoral system' is – technically speaking – a very poor predictor of government durability.<sup>2</sup>

With regard to party system fragmentation the results fit – with one significant exception – into a single pattern (Table 7.5). Party systems at the electoral and the parliamentary level in countries with non-PR systems are less fragmented than party systems in PR countries. The average level of fragmentation is lower for parliamentary party systems than for electoral party systems. This result is hardly surprising because almost every empirical electoral system, even the most proportional one, affects the fragmentation of an electoral party system by translating votes into seats. This reductive effect is stronger for non-PR systems than for PR systems as indicated by the differences between fragmentation at the electoral level and fragmentation at the parliamentary level in Table 7.5. This table contains a somewhat puzzling detail for non-PR systems in the 1930s: the average fragmentation of parliaments is higher than the fragmentation of the electoral party system. This deviation from the general pattern, however, does not contradict the general assumption that all electoral systems exert a reductive effect upon the effective number of parties. It is caused by the simple fact that the Spanish electoral results are reported for few electoral alliances while the data for the composition of the emerging parliaments are for single parties.

The differences between PR and non-PR systems with respect to party system fragmentation shown in Table 7.5 are remarkable, but the picture is misleading. It is misleading because it neglects the fundamental differences between the British style FPTP system and other variants of non-PR electoral systems. If Great Britain ( $F_e = 0.65$ ,  $F_p = 0.56$ ) is excluded from the comparison the differences between PR and non-PR systems virtually disappear.

The findings of this section can easily be summarized. A single (institutional) variable – electoral system – provides a very poor explanation of

*Table 7.5* Fragmentation of parliaments by electoral systems<sup>a</sup>

Electoral system	1919–39			1919–29			1930–39		
	Mean	Std <sup>b</sup>	N	Mean	Std	N	Mean	Std	N
Non-PR	0.71	0.10	17	0.72	0.08	9	0.70	0.12	8
	0.68	0.15		0.65	0.12		0.72	0.18	
PR	0.76	0.07	63	0.78	0.07	40	0.74	0.06	23
	0.75	0.08		0.76	0.08		0.72	0.08	
All	0.75	0.08	80	0.76	0.08	49	0.73	0.08	31

<sup>a</sup> The values in second rows of non-PR and PR are calculated from the countries' average values for the period under consideration.

<sup>b</sup> Standard deviation.

government durability and the fate of democracy. There are, of course, differences between PR and non-PR systems, but differences within a single group require more attention.

## 4.2 Party systems and cabinet stability

This section looks for answers to four basic questions:

- 1 Is the breakdown or survival of democracy explicable in terms of party system factors?
- 2 Is the survival or breakdown of democracy explicable in terms of cabinet stability?
- 3 Is cabinet stability explicable in terms of party systemic factors?
- 4 Is there a link between properties of electoral systems and cabinet stability?

As for the main explanatory factors pertaining to party system characteristics, measures of party system fragmentation are at the centre of our interest. At the same time, the effects of polarization as well as the fragmentation of the socialist and non-socialist wings of the party spectrum seem interesting in the light of the previous literature.

## 4.3 Findings: bivariate relationships

For those who expected straightforward connections between party systemic characteristics, cabinet stability and the survival/breakdown of democracy, Tables 7.6 and 7.7 may be somewhat of a disappointment.

Looking at the *average values* for the explanatory factors, the two groups of countries would seem to conform to the basic theoretical expectations described above. On the whole, the successful democracies had less

*Table 7.6* Survival and breakdown of democracy in interwar Europe – average values of explanatory factors for two groups of countries

Period	Variable	Survival			Breakdown		
		Mean	Min.	Max.	Mean	Min.	Max.
1919–39	Effective number of parties (election)	5.03	2.41	11.01	4.61	2.23	8.91
1919–29		4.97	2.47	11.01	5.14	2.40	8.91
1930–39		5.14	2.41	8.33	3.72	2.23	7.26
1919–39	Effective number of parties (parliament)	4.86	1.65	11.36	4.89	1.91	8.08
1919–29		4.88	1.92	11.36	4.65	1.91	8.08
1930–39		4.84	1.65	10.04	5.22	2.78	7.74
1919–39	Number of parties in parliament	8.21	4.00	17.00	10.00	5.00	19.00
1919–29		8.21	5.00	17.00	9.48	5.00	15.00
1930–39		8.21	4.00	14.00	10.74	5.00	19.00

Table 7.6 Continued

Period	Variable	Survival			Breakdown		
		Mean	Min.	Max.	Mean	Min.	Max.
1919–39	Fractionalization election	0.77	0.58	0.91	0.75	0.55	0.89
1919–29		0.78	0.60	0.91	0.77	0.58	0.89
1930–39		0.77	0.58	0.88	0.71	0.55	0.86
1919–39	Fractionalization parliament	0.76	0.39	0.91	0.74	0.48	0.88
1919–29		0.76	0.48	0.91	0.73	0.48	0.88
1930–39		0.75	0.39	0.90	0.77	0.64	0.87
1919–39	Index of aggregation parliament	5.11	1.00	13.90	5.33	1.28	14.70
1919–29		5.03	1.00	11.20	5.40	1.80	14.70
1930–39		5.23	1.10	13.90	5.23	1.28	10.90
1919–39	Extreme parties (elections)	0.07	0.00	0.25	0.17	0.00	0.60
1919–29		0.06	0.00	0.20	0.16	0.01	0.39
1930–39		0.08	0.00	0.25	0.18	0.00	0.60
1919–39	Extreme parties (parliament)	0.06	0.00	0.27	0.16	0.00	0.60
1919–29		0.05	0.00	0.20	0.15	0.00	0.40
1930–39		0.08	0.00	0.27	0.18	0.03	0.60
1919–39	Polarization	71.71	8.50	92.20	76.86	50.60	100.00
1919–29		72.73	45.10	92.20	72.98	50.60	100.00
1930–39		69.88	8.50	88.90	82.86	51.69	100.00
1919–39	Fractionalization bourgeois parties	0.62	0.00	0.87	0.57	0.12	0.84
1919–29		0.63	0.19	0.87	0.61	0.31	0.84
1930–39		0.61	0.00	0.86	0.50	0.12	0.84
1919–39	Fractionalization socialist parties	0.34	0.00	0.79	0.27	0.00	0.77
1919–29		0.33	0.00	0.79	0.26	0.00	0.61
1930–39		0.36	0.00	0.72	0.29	0.00	0.77
1919–39	Cabinet duration	403.90	2.00	1,826.00	207.60	0.00	740.00
1919–29		407.71	2.00	1,671.00	262.76	8.00	685.00
1930–39		397.74	2.00	1,826.00	129.21	0.00	740.00

fragmented party systems (in terms of number of parties, fractionalization and aggregation) and were less polarized (in terms of the presence of anti-system parties) than those countries where democracy went under. As for polarization, this average difference is less clear. By contrast, cabinet stability was clearly higher in the successful democracies than in our cases of breakdown.

Table 7.7 Correlates of breakdown/survival of democracy in interwar Europe<sup>a</sup>

Variable	Period	Phi	<i>p</i>
Anti-system parties (elect.)	1919–39	– 0.458	0.086
Anti-system parties (parl.)	1919–39	– 0.750	0.005
Anti-system parties (elect.)	1919–29	– 0.675	0.015
Anti-system parties (parl.)	1919–29	– 0.732	0.008
Anti-system parties (elect.)	1930–39	– 0.537	0.053
Anti-system parties (parl.)	1930–39	– 0.537	0.053
Government durability	1930–39	0.693	0.012
Number of parties in parliament	1919–39	– 0.577	0.031
Number of parties in parliament	1919–29	– 0.537	0.053

<sup>a</sup> Only correlations (phi) with  $p < 0.1$  are shown. The variable indicating survival/breakdown of a regime was coded 0 = breakdown, 1 = survival.

Except for the last factor, however, the picture is complicated by the *spread* of variable values within the two groups. Both groups include both concentrated and fragmented party systems. By the same token, cases of both high and low polarization are to be found in both groups. Most survivors display low or moderate degrees of fragmentation, but the Netherlands and especially Czechoslovakia are highly fragmented. The degree of polarization in the Low Countries and Great Britain is almost twice as high as in Ireland; the other cases are situated between these extremes.

As for the five cases of breakdown, Austria clearly is the deviant case. The other countries have high levels of fragmentation and low or moderate degrees of polarization (except for Germany in the 1930s). Austria, by contrast, has the most concentrated party system in the whole of Europe, and it is totally polarized in the sense that there is no centrist party between the socialists and their clearly conservative rivals.

What separates the survivors from the breakdown is their higher degree of cabinet stability and their lower degree of polarization by the presence of anti-system parties. However, even here the variance among the survivors is great with respect to cabinet stability. Moreover, there is one clear exception to this pattern: France. It has consistently the lowest degree of cabinet stability of most countries included in the study except Spain. Despite this, the six cases of breakdown are conspicuous for their low levels of cabinet stability. As for cabinet durability among the survivors there is great variation among the breakdowns if polarization in terms of anti-system parties is considered. The high average value for this group is caused in particular by the high degree of polarization in Germany. It was the German, not Austrian, Estonian or even Italian experience that shaped the picture of a democratic centre under pressure from the extreme left and the extreme right. As a consequence of this variance within the two groups,



the variables describing party system characteristics consistently fail to display significant degrees of association with the fate of democracy in interwar Europe. Most of the values are in fact very low. Moreover, the variation between the two sub-periods also proves to be low, thus indicating that there were few significant changes in the general rank-ordering of the countries on these dimensions. Significant associations ( $\phi$ ,  $p < 0.1$ ) between the independent variables and the outcome are listed in Table 7.7 – all other associations are very weak and statistically insignificant.

By contrast, we can again note the reasonably clear (but not very surprising) relationship between cabinet instability (in the 1930s, when five of six breakdowns occurred) and the strength of anti-system parties, and the fate of democracy in interwar Europe. But neither government durability nor polarization caused by the presence of anti-system parties as single factors seem to be necessary conditions for the breakdown of democracy in this period.

What, then, is the relationship between party system factors and cabinet duration? Table 7.8 sheds some light on this question. For the countries included here, the picture is reasonably clear. Not a single correlation – except for the analysis of individual cabinets – is, strictly speaking, statistically significant; at the same time, the general direction of the correlations of the party system variables matches our expectations. In other words, there is a slight tendency in the data indicating that countries with short-lived cabinets had more fragmented and polarized party systems than stable countries. Of the independent variables polarization (anti-system parties) for the entire period and the 1920s and fractionalization of parliament for the 1930s come close to statistical significance.

With respect to electoral system variables (electoral system dichotomized, Loosemore-Hanby index) the result is disappointing. The direction of the correlations is not as expected for the entire interwar period, the 1920s and for the analysis at the level of individual cabinets. Only for the 1930s is the direction of the relationship as expected for disproportionality, while there is almost no relation between electoral system (dichotomized) and government stability.

Of the other independent variables, party aggregation and the fragmentation of the left-wing parties approach significant values. Nevertheless, in purely statistical terms party system variables fail to provide a satisfactory explanation of cabinet duration.

Several authors, Sani and Sartori in particular, stress the role of *polarization* as a threat to the stability of democracy. In particular, when polarization (anti-system parties) is combined with high fragmentation such negative effects are expected to appear. In our sample, however, only four countries (Germany, Estonia, Spain and Czechoslovakia) displayed high values on both dimensions. Obviously, this explanation is far from sufficient to account for either the fate of interwar European democracy or for

Table 7.8 Correlates of cabinet duration in interwar Europe<sup>a</sup>

<b>Individual cabinets (1919–39)</b>				
Anti-system parties (parl.)	Polarization	Electoral system	Fractionalized parliament	Fractionalized socialist parties
– 0.22*	– 0.21	0.21	– 0.20	– 0.18
215	207	215	215	215
Aggregation index	Disproportionality	No. of parties	Fractionalized non-socialist parties	
0.15	– 0.12	– 0.06	0.05	
215	202	215	215	
<b>Entire interwar period</b>				
Anti-system parties (parl.)	Fractionalized socialist parties	Aggregation index	Fractionalized parliament	No. of parties
– 0.48	– 0.39	0.32	– 0.31	– 0.30
14	14	14	14	14
Polarization	Electoral system	Disproportionality	Fractionalized non-socialist parties	
– 0.25	0.19	– 0.17	0.09	
14	14	14	14	
<b>Period I (about 1919–29)</b>				
Anti-system parties (parl.)	Fractionalized socialist parties	Fractionalized non-socialist parties	Electoral system	Disproportionality
– 0.42	– 0.35	0.19	0.14	– 0.14
13	13	13	13	13
Polarization	No. of parties	Fractionalized parliament	Aggregation index	
– 0.12	– 0.07	0.05	0.03	
13	13	13	13	
<b>Period II (about 1930–39)</b>				
Fractionalized parliament	Polarization	Aggregation index	Anti-system parties (parl.)	Fractionalized socialist parties
– 0.66*	– 0.64*	0.51*	– 0.46	– 0.37
13	12	13	13	13
Fractionalized non-socialist parties	No. of parties	Disproportionality	Electoral system	
– 0.28	– 0.27	0.18	– 0.01	
13	13	12	13	

<sup>a</sup> Cell entries are Pearson's  $r$ ;  $N$ . Coefficients are rank-ordered (from the upper left to the lower right cell for each period). Electoral system: 1 = PR, 0 = Non-PR.

\*  $p$  (two-tailed) < 0.1.

the degree of cabinet stability. In fact, polarization in terms of the structure of party systems covaried negatively ( $r = -0.31$ ) with the fractionalization of parliaments. Consequently, fractionalization often leads to a *lower* degree of polarization since many of the fractions are centrist or ethnic parties rather than left or right wing parties. As for polarization (in the sense of Myklebust and Larsen) as such, Tables 7.6 and 7.7 above show that its independent explanatory power is very low. Those countries which displayed high levels of party system polarization (Austria, Belgium, France, Greece and the Netherlands) represented as heterogeneous a group of countries as one might think of in this period. Again, the problem with this proposition was that the fractionalization of the socialist and non-socialist wings was positively interrelated ( $r = 0.62$ ). Where fragmentation was high, it usually concerned both wings; where the Left was cohesive, the non-socialist wing was usually not fragmented above the median value for the entire sample.

Whether in fact there was a significant interplay between party system factors and cabinet instability in the process towards this outcome cannot, however, be determined through bivariate statistical correlations only. Therefore, the remainder of our aggregate-level analysis will direct the attention to the more complex interplay between the three main dimensions.

#### 4.4 Combined effects

The original theory about the effects of party system fragmentation discussed at the outset views fragmentation, cabinet instability and the breakdown of democracy as part and parcel of the same syndrome. One leads to the other; fragmentation breeds instability, instability paves the way for an authoritarian takeover. The data presented above show that this proposition cannot be maintained when it is translated into operationalized variables. There is, to be sure, a statistical link between cabinet duration and the ultimate fate of democracy; party system characteristics fail, however, to explain why some democracies went under while the majority survived. Moreover, their explanatory power proved limited also as concerns variations in cabinet duration.

In this section, this variable-centred approach is complemented with a case-centred view. The idea is that even if there is no general correlation between specific variables in the data at large, it is not impossible that certain *combinations* of variables may help in understanding the peculiarities of *individual cases*.

We shall start by returning to our original matrix (Table 7.1) to see how the various cases rank on the three basic dimensions. High and low values of party system fragmentation are determined on the basis of median values of fractionalization and party aggregation of parliament. For cabinet instability, average cabinet duration (all cabinets) was used in the same

way.<sup>3</sup> Austria, Belgium, Estonia, Finland, Germany and Italy constitute borderline cases because their classification is affected by the selection of cases (see Karvonen 1993) and/or by the classification method: average government duration in these countries except for Italy was above the median government duration of all cabinets but below or close to the average duration of all cabinets.

Even in view of these caveats, however, Table 7.9 complements the picture provided by the statistical analysis above. What appears as no or very low association when looking at bivariate relations across cases, appears as a much more intriguing picture when individual countries are looked at. Six out of 14 cases turn out to belong to paradigmatic types, that is, they display either low fragmentation, low instability and no breakdown, or high fragmentation, high instability and breakdown. The three countries in the first type are all unitary states situated in north-western Europe; they are all characterized by high degrees of cultural and ethnic homogeneity. The fact that such countries were among the survivors of democracy is, of course, a well-known fact. It is, however, noteworthy that these same states also ranked lowest on party system fragmentation and cabinet instability.

As for Estonia, Germany and Spain, it is more difficult to find common denominators apart from the three dimensions described by our model. They vary widely in size, geographic location, ethnic and religious composition and so on. By contrast, the two countries which had high levels of party system fragmentation without high cabinet instability and ensuing breakdown of democracy seem to share some important common characteristics. The Netherlands and Czechoslovakia are all *segmented* societies, and the fragmentation of their party systems is largely a reflection of this segmentation. At the same time, this segmentation apparently did not impede political stability or the survival of democracy.

Table 7.9 Party system fragmentation, cabinet instability and the fate of democracy in interwar Europe

Cabinet instability		Low		High	
Breakdown?		No	Yes	No	Yes
Fragmentation	Low	Great Britain		Belgium	Austria
		Ireland			Greece
		Sweden			Italy <sup>a</sup>
	High	Czechoslovakia		Finland <sup>a</sup>	Estonia
		Netherlands		France	Germany Spain

<sup>a</sup> The classification of Italy and Finland differs from Karvonen (1993: 77); there fragmentation for Finland is low, whereas fragmentation for Italy is high.

Thus, the survival or breakdown of democracy does not appear to be explicable in terms of bivariate statistical relationships between party system characteristics and the ultimate fate of democracy. By contrast, cabinet duration seems to offer a statistically significant explanation of the breakdown or survival of democracy; cabinet instability in these terms appears to be a necessary but not a sufficient condition for the breakdown of democracy.

The fragmentation of the party system is to some extent related to cabinet instability; these relationships are, however, not statistically significant. Polarized fragmentation and the relative fragmentation of the socialist and non-socialist wings do not constitute adequate explanations of either the breakdown of democracy or the degree of cabinet instability. When the median values of the main explanatory dimensions (fragmentation and instability) are combined, roughly half of the cases correspond to the propositions of the original theory.

In his critique of the post-Second World War two-party theory Arend Lijphart (1984: 111) notes that:

The evidence does show that multipartism is associated with relatively short-lived cabinets, but it is also a mistake to regard such cabinet 'instability' as an indicator of fundamental regime instability.

If anything, our data go to reverse Lijphart's assertion. It is clear from our tests pertaining to the interwar period that party system fragmentation has limited (although not entirely negligible) explanatory power for cabinet duration; by contrast, short cabinet duration seems to be significantly related to the ultimate regime instability – the breakdown of democracy. Although clearly insufficient as an overall explanation, the original theory at least seems to point in the right direction as concerns the general dynamics of European democracy in the interwar period.

#### **4.5 Empirical analysis: country by country**

This section shifts the attention from the general levels of fragmentation and stability to *relative changes* within individual countries. As was pointed out above, part of the previous research has been involved in the search for the determinants of government and constitutional stability at the level of the individual nation. The basic hypothesis can be formulated as follows.

Marked increases in party system fragmentation are negatively related to cabinet stability; the breakdown of democracy is expected to be preceded by such marked changes in fragmentation and the survivability of cabinets. A variant of this hypothesis might be one that presupposes the existence of *critical thresholds*: it was not change as such but change above a certain level of fragmentation that affected the survivability of cabinets and the democratic system itself.

The following analysis seeks to pinpoint any clear changes in the party system variables for each country. These are then related to possible subsequent changes in cabinet and constitutional stability.

**Italy** Despite the increased number of parties in the *Camera dei Deputati*, the fragmentation of the Italian parliament increased only marginally and remained on a moderate overall level. Similarly, the entry of the fascists into parliament was accompanied by stronger representation of the liberals, which is why the fractionalization of the non-socialist camp increased only marginally. By contrast, the split between the socialists and the communists had a clearer effect on the fractionalization of the Left. Cabinet duration fell from short to very short during the period. Nevertheless, the changes preceding the fascist takeover in Italy point in the right direction from the point of view of the fragmentation thesis. All the same, they can hardly be described as particularly dramatic; clearly, the fragmentation of Italian politics remained on the same *general level* throughout the period.

**Germany** The *Reichstag* was one of the most fragmented parliaments in Europe throughout the interwar period. There was, however, no *increase* of fragmentation over time. In fact, the German parliament became somewhat less fragmented in the years immediately before the Nazi takeover. Similarly, due to the rise to prominence of the National Socialists, the degree of fragmentation of the non-socialist camp diminished in the early 1930s, while the fractionalization of the Left parties continued at roughly the same level as previously. The most marked change concerns polarization, which increased considerably because of the rise of the Nazis, the concomitant collapse of the middle parties, and the simultaneous strengthening of the communists. Cabinet stability was rather low in the first five years; however, throughout the 1920s there was a marked element of personal continuity in German cabinet politics. Wilhelm Marx headed four different cabinets, Josef Wirth, Gustav Stresemann, Hans Luther and Hermann Müller two each. From the mid-1920s until the Great Depression, there was a trend towards increased cabinet durability. The remaining cabinets before the *Machtergreifung*, however, were short-lived.

Thus, there was no increase in fragmentation connected to the final political instability in the early 1930s. By contrast, the increase in parliamentary polarization matches the periodization of democratic breakdown in Germany quite well.

**Austria** The Austrian party system remained quite stable throughout the period preceding the breakdown of democracy. The degree of fragmentation was low and the degree of polarization was high. The 1927 election in particular created a strongly concentrated party constellation in the *Nationalrat*. Fragmentation increased somewhat towards the end of the period, being roughly on the same level as at the beginning. Cabinet duration is short, especially at the beginning and the end of the period, but a

relatively high degree of personal continuity can be noted. If the focus is on the period 1927–33 one might say that increased fragmentation is followed by greater cabinet instability and a subsequent breakdown of democracy. It would, however, be an exaggeration to characterize the change in relative fragmentation as dramatic.

**Estonia** The Estonian case is highly discomfoting from the point of view of the fragmentation thesis. To be sure, the Estonian party system remained strongly fragmented throughout most of the democratic period. Similarly, cabinet duration was short and the degree of personal continuity fairly limited. However, just prior to the collapse of Estonian democracy the party system became considerably *less* fragmented than before. This was largely due to the consolidation of the non-socialist parties leading to a reduction in their number before the 1932 election. At the same time, there had been a gradual decrease in the fragmentation of the Left, although the left wing still remained fragmented clearly above the general European level. For all practical purposes, the Estonian case runs *counter* to the hypothesis about the importance of relative changes in party system fragmentation. Decreased fragmentation was followed by increased cabinet instability and ultimately by the breakdown of democracy itself.

**Greece** The fragmentation of the Greek parliament varied between moderate and very low. The decrease of the average government durability in the 1930s is related to a change in the level of parliamentary fragmentation. This change, however, took place at a very low level (increase of  $F_p$  from 0.48 to 0.66). Another phenomenon that cannot be explained in terms of party system changes occurred after the elections of 1928 and 1933. Governments formed immediately after the elections tended to be very short-lived, then government duration combined with personal continuity (Venizelos, Tsaldaris) increased. Before the 1932 and 1936 elections, however, government durability dropped sharply and the personal continuity was interrupted.

**Spain** During the short period before the outbreak of the civil war the Spanish parliament remained strongly fragmented and polarized with respect to the seat share of anti-system parties and socialist vs. non-socialist parties as well. Government durability varied from medium (Azaña I) to very low, especially after the 1933 election. The changes in the average level of government durability during the short democratic period can hardly be related to changes of party system properties.

**United Kingdom** The English party system was characterized by low degrees of fragmentation throughout the period. With the temporary exception of 1923–24, cabinet stability was moderate to high. There were, however, rather notable changes on some points. The degree of fragmentation varied to some extent, and especially the consolidation of the non-socialist side is rather clear. Interestingly enough, both those periods

(1924–29 and 1931–35) which displayed the highest cabinet stability were characterized by the lowest values of fractionalization. By the same token, the least stable period (1923–24) displayed a relatively high degree of fractionalization (but no corresponding low figure for party aggregation). It should however, be noted that the highest overall fragmentation in 1918–22 coincided with a relatively long cabinet duration. All in all, nevertheless, the changes in the British party system seem largely compatible with the fragmentation thesis.

**Ireland** The Irish case is special, even extreme in a certain sense. To be sure, through most of the 1920s the Irish party system is a moderately fragmented one and thus much in line with the general European situation. The degree of fragmentation decreased gradually, however, and at the end of the 1930s Ireland had the most concentrated party system of all European democracies. In contrast to all other cases, this process of defractionalization was accompanied by decreasing polarization; in fact, Ireland had one of the least polarized party systems at the end of the period. The fact that even the fractionalization of the non-socialist wing decreased simultaneously adds still another special feature to the Irish case. Concerning cabinets, however, Ireland really seems to be a case *sui generis*. From the first elections after the establishment of the Irish Free State until 1948, Ireland only had two prime ministers, William Cosgrave and Eamonn de Valera. If the reshuffle of Cosgrave's cabinet in 1930 is disregarded, one may even say that there were only two different cabinets in the period up to the Second World War. Irish cabinet stability, therefore, is unparalleled throughout the rest of Europe. If one wishes to press one's findings it could be argued that the decreasing fragmentation of the party system was accompanied by ever higher cabinet stability in Ireland. Nevertheless, the main impression of Irish cabinet duration is one of massive continuity rather than change.

**France** Any attempt to describe the French parliamentary party system in exact terms must remain controversial. In fact, there are those who have questioned the existence of parties in France in general, at least on the non-socialist side: the parties of the Right and Centre (including the Radicals) constituted parties of notables, which means that, basically, they were not parties at all (Hermens 1958: 268). The broad *tendances* typical of French politics were a far cry from disciplined parliamentary party groups. Our decision to follow Mackie and Rose (1991: Table 7.3c) even as concerns the 1936 election is certainly open to criticism, as it leads to a clear change in the total picture: the National Front, the electoral alliance comprising the Independent Radicals, Left Radicals and Republican Union, as well as the Conservatives and Independents, was certainly not a party merger in any normal sense of the term. On the other hand, since the definition of the parties constituting the front was equally problematic, it is in accordance with the logic of our analysis to follow Mackie and Rose on this



point. Caution is nevertheless in order when interpreting the figures for 1936. Party system fragmentation ranged from moderate to high in France. Cabinet stability was low throughout the period, being extremely low in the ten-year period from the mid-1920s to the mid-1930s. The relative increase in cabinet stability in the second half of the 1930s would seem to go hand in hand with a decreased parliamentary fragmentation.

**Belgium** The Belgian party system was moderately fragmented. Fragmentation was highest during the second half of the 1930s when also the communists gained representation, thus fractionalizing the Left to a certain degree. The very beginning of the interwar period was also characterized by somewhat higher fragmentation than the years in between, particularly the 1932–36 period. Cabinet duration was low to moderate, with an element of personal continuity clearly visible through most of the period. The shortest average cabinet duration occurs after the 1936 election, thus coinciding with the peak of party system fragmentation. Interestingly enough, the beginning of the period displays a similar pattern, and so does the 1929–32 period. Certainly, none of the changes is particularly marked, but still this pattern would seem to corroborate the basic hypothesis about the importance of relative changes in party system fragmentation.

**The Netherlands** The Dutch party system was highly fragmented throughout the period, and the changes from election to election were small. The disappearance of four minor parties from the *Tweede Kamer* as a result of the 1937 election had but a minor impact on our other measures of fragmentation. Similarly, although there were variations in cabinet stability, it remained moderate to high throughout the period. There was a strong element of personal continuity in Dutch cabinet politics. Whatever the cause of the variation, it does not seem plausible to relate it to our data on the relative changes in party system fragmentation.

**Czechoslovakia** Czechoslovakia remained hyperfractionalized throughout the interwar period. The variations were small, especially when the combined values of the variables describing fragmentation are considered. Polarization remained low during the entire period. Cabinet duration varied somewhat, being moderate most of the time; a fairly high personal continuity can be noted. The most notable change concerns the second half of the 1930s. However, if anything this change is accompanied by a slight *decrease* in party system fragmentation. In sum, the question of relative changes in party system fragmentation is not particularly relevant in the Czechoslovak context.

**Sweden** Again, the variation in party system fragmentation is small, and the general picture is dominated by a high level of continuity. Sweden was moderately fragmented and not extremely polarized throughout the interwar years. It would be misleading to speak of any clear changes, but it can be noted that the 1936 election brought about a slight decrease in fragmentation. Cabinet stability was moderate to high. Interestingly enough,

the 1936 election is also followed by an increase in cabinet stability. This may look like a confirmation of the basic hypothesis; the limited change concerning fragmentation should, however, be borne in mind.

**Finland** The fragmentation of the Finnish party system was moderate to high through the entire interwar period; a slight decrease took place at the very end of the period. Polarization and the fragmentation of the non-socialist camp varied relatively little. By contrast, the disappearance of the communists from the Finnish parliament in 1930 created a wholly new situation on the Left, where the social democrats were the only contender up to 1945. Until the first years of the 1930s, cabinet stability was low in Finland, with a similarly low degree of personal continuity. From 1932 onwards cabinet stability was moderate to high, Kivimäki's cabinet (1932–36) lasting nearly four years. Certainly, there was no preceding change in party system fragmentation *at large* that could account for this change. If anything, the increased cabinet duration might be attributed to the consolidation of the left wing.

This part of our study looked for any connections between *relative changes* in party system variables on the one hand, and cabinet stability and the ultimate fate of democracy on the other. The logic of this inquiry called for separate analyses over time for each country.

The results can best be summarized separately for those countries where democracy broke down and for those in which it survived. Starting with the six countries which belonged to the former group, a common characteristic can be noted: cabinet instability, generally high in these countries, become even more pronounced immediately before the breakdown of democracy. This is clearly the case in all six countries, although the change is rather modest in Austria. This finding is, of course, hardly surprising. It may, nevertheless, be taken as an indication of some kind of a critical threshold. It is when cabinet stability goes *from bad to worse* that democracy itself is placed at risk. At the same time, it is obvious that the

Table 7.10 Summary of relationships between changes in party systemic variables and changes in political stability (breakdown of democracy)

Country	$F_p$	$N$	$A$	$P$	$FS$	$FB$
Austria	(+)	0	+	0	0	+
Estonia	–	–	(–)	0	–	–
Germany	(–)	+	+	+	+	–
Greece	+	+	–	+	–	+
Italy	(+)	+	+	(+)	+	(+)
Spain	(+)	(+)	0	+	–	–

six countries form anything but a homogeneous group as concerns relative changes in the party systemic variables. Table 7.10 is an attempt to summarize the significance of these changes. Primarily, this table takes the changes preceding the breakdown of democracy into account. However, an attempt is also made to assess the relationship between the independent variables and cabinet duration in general. A positive sign means that changes in an independent variable clearly relate to the dependent variables as predicted by the theory. Parentheses indicate that the changes were weak but went in the right direction. A zero means that neither positive nor negative relationships could be discerned. A minus indicates that the empirical evidence runs counter to the theoretical expectations; parentheses are again used to indicate that this relationship is rather weak. The theoretical expectations are of course as follows: increases in the number of parties ( $N$ ) and fractionalization ( $F$ ,  $FB$  and  $FS$ ) are expected to lead to increased instability. Increases in party aggregation ( $A$ ) are expected to lead to increased stability. Increased polarization ( $P$ ) is expected to lead to increased instability.

The emerging picture is disheartening from the point of view of our hypothesis. Especially the Estonian case challenges it on almost all points. The increased instability and the eventual breakdown of Estonian democracy in the mid-1930s was preceded by *decreased* fragmentation of the party system. Even for the remaining five countries, the patterns vary considerably. The south European cases are close to our expectations when the fragmentation of parliaments and the number of parties in parliament is considered. They vary, however, considerably with respect to the other explanatory variables. The Italian case is most promising from the theoretical point of view, albeit the explanatory power of party system changes is generally weak. Austria and especially Germany are in line with the polarization thesis – the strengthening of anti-system parties was related to increasing government instability, but only Germany experienced a strengthening of left- and right-wing anti-system parties which is reflected in a growing fragmentation of socialist and non-socialist parties.

Concerning the idea that increased fragmentation *above some critical threshold* might offer an explanation, the conclusion must be similarly negative. There was a moderate relation between increased fragmentation of parliament and a higher level of government instability in the case of the highly fragmented Spanish parliament. But the Austrian, Greek and Italian parliaments were the least fragmented of the six cases of breakdown.

As for the cases of survival, the interest is directed towards possible connections between party system changes and peaks in cabinet instability. As was to be expected the group of survivors also turns out to be quite heterogeneous with respect to the relationship between party system characteristics and variations in cabinet stability (Table 7.11). In six of eight cases variations in cabinet stability can be explained in terms of party system fragmentation, but this is only true for  $F_p$ , not for the number of parties

Table 7.11 Summary of relationships between changes in party systemic variables and changes in political stability (survival of democracy)

Country	$F_p$	$N$	$A$	$P$	$FS$	$FB$
Belgium	+	0	+	+	+	0
Czechoslovakia	+	-	+	-	-	-
Finland	0	(-)	0	0	+	0
France	(+)	(+)	(+)	-	0	0
Great Britain	+	-	0	+	0	0
Ireland	(+)	(+)	0	+	0	0
Netherlands	(-)	-	0	(+)	(-)	0
Sweden	(+)	(+)	0	(+)	0	0

Table 7.12 Summary of two tests of the fragmentation hypothesis

**Is cabinet stability/the fate of democracy explicable in terms of:**

		<i>The general level of fragmentation</i>	
		Yes	No
<i>Relative changes in fragmentation</i>	Yes	Great Britain, Ireland, Sweden (Italy), Spain	Austria, France, Greece Belgium
	No	Estonia, Germany	Czechoslovakia, Netherlands (Finland)

represented in parliament. The relationship between fragmentation, polarization and government stability is as expected for Sweden and Ireland but it remains weak in both cases. Polarization in terms of anti-system parties was only significant in the expected direction in Belgium and Czechoslovakia. The Netherlands and Czechoslovakia are even more disheartening. The documented relationships mostly contradict the theoretical expectations. Clearly, relative changes in party system variables do not offer any explanation of variations in political stability in these countries.

Similarly, the idea of critical thresholds of fragmentation fails to have empirical support. Of the most positive cases, Great Britain displays a low general level of fragmentation, Belgium is moderately fragmented, whereas fragmentation is generally high in France and in Czechoslovakia. In the same way, Ireland and Sweden differ clearly from each other as to the general level of party system fragmentation. Clearly, whatever the impact of changes in party system fragmentation on cabinet stability may have been in the individual cases, it was not dependent on some minimal level of fragmentation to start with. All in all, relative changes in party system fragmentation seem to possess limited explanatory power concerning changes in political stability in individual countries. A minority of our cases appear to comply with the theory reasonably well, others are highly ambiguous, while the remainder more or less contradict the theoretical expectations.

It is notable that the cases where this theory fits best are to be found among the survivors rather than among the cases of breakdown (Table 7.12).

Our most important findings thus can be summarized in the following way:

- 1 Cabinet stability went from low to very low immediately prior to the breakdown of democracy.
- 2 There is no critical threshold of party system fragmentation above which increases in fragmentation lead to clear increases in cabinet or constitutional stability.
- 3 Relative changes in party system factors possess limited explanatory power in terms of political stability. They frequently coincide with changes in stability in those countries where democracy survived rather than in those where democracy went under.

## 5 Conclusions

Was the fragmentation of party systems a cause of government instability and ultimately of the breakdown of democracy in interwar Europe? Did polarization in conjunction with multipartism play a role? Was the fragmentation of the left wing particularly detrimental to the stability of the democratic system? The most justifiable answer is perhaps the less desirable one: yes and no. If we combine the results of our two alternative tests of the fragmentation thesis, the following general picture emerges.

Table 7.12 might give cause to either a pessimistic or an optimistic interpretation – keeping the caveats about the borderline cases in mind. The pessimist would point to the fact that a clear minority of the cases comply with both aspects of the fragmentation theory. The optimist would rather stress that only three (or maybe just two) of the cases seem totally insensitive to both aspects of the theory. Britain, Ireland and Sweden remained below the median level of party system fragmentation. Moreover, their cabinet stability seems to have increased as a consequence of decreased fragmentation over time. Italy and Spain basically constitute a mirror image of these three countries. The Austrian and the Greek case, not explicable in terms of the general *level* of fragmentation, display an *increase* of fragmentation prior to the authoritarian takeover. The consolidation of the political blocs in France would seem to offer a potential solution to the enigma in Table 7.4. Belgium is a borderline case concerning the general level of fragmentation. Its cabinet stability, nevertheless, seems to vary according to relative changes in party system fragmentation. Estonia and Germany became rather *less* fragmented immediately before the collapse of democracy but they remained at the high general level of fragmentation which was typical throughout the period. Finally, Czechoslovakia, the Netherlands and less clearly Finland defy both explanations. The first two countries were highly fragmented and

relatively stable, and they displayed little connection between cabinet stability and relative changes in fragmentation. Finland was just on the border between high and low general levels of fragmentation. Cabinet stability was generally low, but increased in the 1930s without any clear consolidation of the party system at large.

The summary is based on the main dimensions of party system fragmentation (number of parties, fractionalization and party system aggregation). The fractionalization of the left wing (*FS*) and the non-socialist bloc (*FB*) seem to add little to this general picture, and the same is true for polarization. Certainly, all cases of breakdown except Austria had fractionalized left as well as non-socialist wings, but something like half of the cases of survival had that as well. The increased polarization of the German party system is an often-mentioned factor accounting for the collapse of democracy; our data, however, show little association between party system polarization, instability and breakdown. Similarly, it would be tempting to attribute the increased stability and the eventual survival of Finnish democracy to the consolidation of the left wing. However, in the general European comparison this explanation falls rather short. All six cases of breakdown were generally unstable democracies, and their cabinet stability decreased immediately prior to the collapse of democratic rule. Three of the six cases had generally high levels of party system fragmentation. Indeed, they were paradigmatic cases through the combination of party system fragmentation, low cabinet stability and the eventual breakdown of democracy.

All cases of generally high cabinet stability were among the survivors among the interwar European democracies. In other words, the interwar crisis did not destabilize previously stable regimes to a decisive degree. Indeed, as Linz has pointed out (1978: 5–8), stability bred stability in Europe between the world wars. Except for two countries (Austria and Greece), all cases of generally low party system fragmentation were among the survivors. A majority of them combined low fragmentation with high levels of cabinet stability.

Therefore, yes, party system fragmentation must be regarded as *one* major factor behind the outcome of interwar European politics. But no, it does not constitute an overarching explanation the way some of the early literature seems to suggest. Why did segmented states such as Czechoslovakia with a very high level of party system fragmentation remain comparatively stable while Latvia,<sup>4</sup> a country similarly segmented and fractionalized, succumbed to authoritarian pressures? What was the crucial difference between Finland and Estonia, which not only share political instability and party system fragmentation but also a host of geographical, historical and cultural features? How come that Austria, with its concentrated party system, suffered from chronic instability finally leading to the collapse of democracy while France, seemingly hopelessly fragmented and unstable, managed to weather the interwar crisis? These are the kinds of question that are addressed in the other chapters of this volume.

## Notes

1. Four countries – Hungary, Poland, Portugal and Romania – are not included in our analyses. For Poland, Portugal and Hungary no electoral data are available for the interwar period. The case of Romania is somewhat different: the results of most elections in the interwar period are documented in Sternberger and Vogel (1969) and data on cabinet stability are available as well. After the royal coup of 1920, however, the link between parliamentary majorities, especially after the establishment of an electoral system that was designed using the ‘model’ of fascist Italy and government durability was extremely low.
2. The variations between countries having the same type of electoral system considerably exceed the variations between the groups defined by different electoral systems.
3. The classification at this point was a stepwise process. First, the average values of  $F_p$  and government duration were dichotomized using the corresponding median score for all cases. Second, these dichotomized scores were entered as class variables for a discriminant analysis using the original average values as independent variables. The resulting classification – differing from step one for government stability only – is displayed in Table 7.9.
4. Latvia was not included in the CCC project but analysed in another study (Karvonen 1993).

# 8

## Political Institutions and Political Stability

*Jeremy Mitchell*

In some of the eighteen European democracies analysed in Berg-Schlosser and Mitchell (2000) the political institutions such as legislatures, executives and party systems, responded to – and contained – the economic crisis of the late 1920s and early 1930s; in others they failed. In either case the crisis of European democracies between 1919 and 1939 was also a crisis of institutions, most obviously where democratic institutions were replaced by non-democratic ones. But is there any general relationship between the structure of political institutions and the stability of democracy, where stability refers, minimally, to the survival of democratic institutions? And how are we to define political institutions?

By political institutions we mean the structures within a polity that enable it to function, the ways in which power is exercised and constrained, the mechanisms through which decisions are made. Of course such institutions are located within, and derive from, a particular society and culture, but they also define a structure of opportunities and potential rewards for individuals and groups. So ‘at the core [political institutions] are the rules of the game’ and in contemporary nation states these rules are formalized in written constitutions (Rothstein 1996: 145; see also Apter 1996: 374–9 and 386–9). All the European polities that emerged immediately after 1918–19 adopted new constitutions to establish the rules of their ‘political game’, as did some of the older systems who rewrote their existing constitutions – Greece in 1923 and Romania in 1918.

For any given political system a constitution defines political institutions and the relationships between them (see Goodin 1996 for other aspects of institutional design). The writing of a constitution usually results from elite discussion and action; its adoption needs the widespread consent of those who make up the political community. This creation of political institutions is often a first stage in a more general transition to democracy. But as political institutions are created before the process of democratization is complete there may be a gap between constitutional design and political practice, between the ‘formal’ constitution and the informal or ‘material’



one (see Sartori 1997: 122). The existence of this gap also provides opportunities for political actors and groups, and its extent can be an indication of the commitment of elites to democracy. It may also reflect ambiguities of form and practice, as 'negotiation and compromise among elites were at the heart of the democratization process' (Huntington 1991: 165). Huntington goes on to suggest that there is a democratic bargain underlying the process of democratization, a 'trade-off between participation and moderation' (Huntington 1991: 169). The upholding of this bargain underlies the continuance of democracy, and this in turn depends on the constraints exercised by civil society, and the continuing commitment of elites to the democratic condition as well as the continued successful functioning of the political institutions that have been created.

Huntington identified three major waves of democratization, and so of institution creation, in the modern state system. The first from 1828 to 1926, the second from 1943 to 1962 and the third from 1974 onwards. Between these periods he locates two 'reverse' waves of de-democratization – the first from 1922 to 1942 and the second from 1958 to 1975.

In Huntington's periodization there is an overlap between the first wave of democratization and the first reverse wave of de-democratization; it is this period just after the end of the First World War that saw the emergence of several new polities in Europe. Indeed we can make a distinction between those countries that emerged from the redrawing of nation-state boundaries following the break-up of the European empires after 1918–19 and others that pre-date these changes. This first reverse wave includes some of the 'new' European nation states as well as some of the older polities. The 'age' of a political system, and with it the presumed embedding of political institutions, was no guarantee of its survival in interwar Europe, although Huntington does suggest that 'only one country, Greece, of the countries that introduced democratic institutions before 1900 suffered a reversal after 1920' (Huntington 1991: 17).

When we take the 'age' of a democracy, as measured by its existence before the First World War, the evidence shows that Greece was not the only 'old' system in which political institutions failed to survive the interwar crisis. Portugal, Italy, Spain and Romania also experienced transitions to an authoritarian regime in this period (although we might express some doubts about their democratic credentials before 1914). We should note, too, that apart from the 'new' polities several other systems also changed their constitution in this period, for example Spain in 1931 (see Table 8.1).

For those who designed new sets of political institutions after 1918–19 there were already established examples of constitution-making and they could draw on past practice and experience. But what models guided the design of constitutions and political institutions for the 'new' states following the First World War? Essentially there were two – parliamentarianism and presidentialism – although, as Sartori reminds us, neither of these

Table 8.1 European democracies 1919–39<sup>a</sup>

	Pre-First World War states	Post-First World War states
Stable democracies	Belgium France Netherlands Sweden United Kingdom	Czechoslovakia (1920) <sup>a</sup> Finland (1919) Ireland (1922)
Breakdown cases	Greece <sup>b</sup> Italy Portugal Spain Romania <sup>c</sup>	Austria (1918) Estonia (1920) Germany (1919) Hungary (1918) Poland (1921)

<sup>a</sup> The dates given are the dates for the adoption of the constitution.

<sup>b</sup> Huntington calls Greece a 'betwixt-and between' case, classifying it a 'semi-democracy' between 1915 and 1936 (Huntington 1991: 12).

<sup>c</sup> Romania was also a pre-1918 state but the growth of a greater Romania after 1918 can be seen as making it more of a 'new' democracy and so comparable to other states that emerged out of the break-up of Austro-Hungary; (see Fischer-Galati 2000: 381–95; for a similar analysis see Linz 1991).

existed in a single 'pure' form (see Sartori 1997; Lijphart 1998). Parliamentaryism is based on legislative-executive power sharing with no separation of powers. Governments are appointed, supported and dismissed by parliamentary vote – although to function effectively parliamentaryism may rely on cohesive and/or disciplined parties. The 'ideal type' was often taken to be the United Kingdom, usually seen as a strong two-party system although this was not the case for much of the interwar period (see Mitchell 2000: 449–63). There were other European parliamentary democracies with multiparty systems and coalition politics but it was the central idea of an executive responsible to a popularly elected legislature that was the important constitutional principle for the emerging states.

In contrast, presidentialism has a directly elected head of state who serves for a fixed term and who appoints and directs the executive. Before 1918 there were no European presidential systems that exactly followed this structure (see Sartori 1997: 83–100). However in both models, parliamentaryism and presidentialism, the key institutions – president and parliament – derive their authority from an electoral mandate, that is they are based on electoral/popular legitimacy. However parliament and president are distinct institutions and, if both exist in the same polity, their separate electoral legitimacies may clash or compete, the authority of a popularly elected president may undercut that of the legislature or parliament, (see Linz 1990).

A majority of the pre-1918 European democracies were monarchies – the exceptions were the Third Republic in France, and Portugal where the monarchy had given way to a republic in 1910. Without an elected head of

state, the other systems in this study were all, in varying degrees, parliamentary democracies. Democratization of monarchical systems involves the expansion of inclusiveness and participation, the increasing use of open and free competitive elections to choose a government with, over time, a growth in the authority of the elected parliament (see Dahl 1971). Since the head of state in such polities continued to be a (non-elected) monarch there was no potentially competing electorally based executive institution. Democratization brought growth in the authority of parliament and decline in the authority of the monarchy. So in some 'old' systems – Belgium, the Netherlands, Sweden and the United Kingdom – over time parliament accumulated, if not an unchallenged authority then at least a predominant one. The importance of a non-elected head for the democratization of nineteenth century European polities is underscored by the example of the Third Republic in France. Before 1870 France had experience of a regime with strong executive and weak legislative power, so those who drew up the constitution of the Third French Republic deliberately located authority with the popularly based assembly, the president having little independent executive authority.

Most of the new post-1918 European states had previously been part of monarchical regimes – Austria, Czechoslovakia and Hungary in the Austro-Hungarian dual monarchy, Finland and Estonia in the Russian Empire, and Ireland as part of the United Kingdom. The two others, Germany and Poland, emerged from the redefinition of existing states and/or the redrawing of the boundaries of the European state system. In none of these new polities was a monarchical head of state a viable option: in almost all cases the new constitution defined a president as head of state alongside a popularly elected legislature.

While in both parliamentarianism and presidentialism there is, or at least there is supposed to be, a single source of authority – the elected legislature or president – the pre-1918 European examples of an elected head of state were problematic for constitution makers. The republic in Portugal was too recent to serve as a constitutional model and the political system in France seemed to have other negative implications. The Third Republic was presidential but it was also a republic of deputies. Power lay mainly with the fragmented, popularly elected chamber although the instability of government was influenced by aspects of the compromise underlying the bicameralism of the Third Republic (see Dobry 2000: 168; Tsebelis and Money 1997). Such was the relationship between this chamber and the president, and within the chamber between deputies and the government, that Sartori has suggested that the regime should more properly be called 'assembly government' (see Sartori 1997: 100–11). As a consequence, constitution makers faced a dilemma. While they could not have a non-elected head of state, the Third Republic showed what might happen if a weak elected president coexisted with an unchecked popularly elected legislature.

In the case of Weimar Germany 'the drafters of the constitution looked with awe at the Third Republic, and their overriding concern was to impede assembly government' (Sartori 1997: 127–8). They did this by creating a parliamentary system balanced and counteracted by a strong presidency, a system with a dual authority structure that can be called semi-presidentialism (for more on semi-presidentialism see Sartori 1997: 121–40; Duverger 1986; Bahro et al. 1998). In the Weimar system the governing-legislative authority of the *Reichstag* could be overridden by the decree-making powers of the president and there were also other provisions for the president to appoint and dismiss governments, and to dismiss parliament. The purpose of this dual structure was to avoid the emergence of a system comparable to the Third Republic, with a strong legislature and a weak president. Although there are other important contributory factors, such as the highly fragmented and polarized party system and the rise of extra-parliamentary opposition, this division of power with its competing legitimacies certainly contributed to the breakdown of the Weimar system. As Arends and Kümmel note: 'in 1930 the so-called presidential cabinets were installed... who ruled with the help of Article 48 of the Weimar Constitution without having to rely on parliamentary majorities', that is presidential authority was used to circumvent and undercut the authority of parliament (Arends and Kümmel 2000: 184–212).

One other polity also adopted a semi-presidential constitution. In Finland the head of state was elected for a fixed term. Effectively he chose the prime minister, constructed the governing coalition and chaired cabinet meetings concerned with foreign affairs, an area that was reserved to the president. As in Germany, the commitment of conservatives in Finland to parliamentarianism was lukewarm at best, and, as in Germany, an extra-parliamentary opposition developed in the late 1920s that could have undermined parliamentary democracy. However in Finland the President condemned the activities of the extra-parliamentary *Lapua* movement, so contributing to the survival of the system and the formation of the Red–Green coalition of 1937. We can contrast the Finnish experience to that of Weimar Germany. Although both polities were semi-presidential, in Finland the President supported the parliamentary regime whereas in Germany the President acted to bypass and undermine the authority of the legislature; (see Karvonen 2000: 129–58 and Arends and Kümmel 2000).

Culturally, socially and economically Estonia was similar to Finland. But the systemic response to the series of crisis events differed. In Estonia the parliamentary system established by the 1920 constitution was replaced by an authoritarian regime in 1934 – a state of emergency was proclaimed, the presidential election was postponed and the State Assembly was dissolved by decree. Under the original constitution, authority was vested in the popularly elected state assembly – 'the head of state was the State Elder whose powers were combined with those of the Prime Minister. The State

Elder was dependent on the confidence of the State Assembly, which was elected for three years', (see Varrak 2000: 113). The fragmented Estonian party system had produced unstable coalitions – between 1919 and 1933 there were twenty-one different governments. In response to this, and the economic crisis of the late 1920's, there were calls for constitutional reform to strengthen the executive and substitute a directly elected president. The results of the October 1933 referendum would have consolidated 'the power of the executive branch of government. The newly created institution of the presidency was provided with a wide range of powers which decreased popular control of government and made the executive virtually independent of the State Assembly'; (Varrak p. 120; see also Linz and Stepan 1996: 402 ff.). These changes transformed a parliamentary system into a semi-presidential one and this ambiguity over authority contributed to the authoritarian takeover by Päts – who was both the State Elder and one of the candidates for the presidency.

In other new European states the role of president and parliament was different. In Czechoslovakia the structure of the political institutions 'bore a striking resemblance to the French Third Republic, although in reality it was a partial copy of the Austrian system' (Bradley 2000: 95). Although not directly elected, the president had considerable powers to appoint and dismiss governments and to dissolve parliament. Masaryk, who was president from the founding of the Republic until 1935, exercised considerable personal power in creating coalitions and governments and enjoyed the prestige of being the major architect of Czech independence. Bradley comments that 'with all this power Masaryk could have been an enlightened despot, had he not been a committed democrat' (Bradley 2000: 97). He used his considerable personal influence to maintain the Czechoslovakian political system, and democracy survived the economic crisis. When Czechoslovakia faced a combination of internal and external pressures in the 1930s it was not internal institutional factors that undermined the stability of the Czech polity.

In Ireland De Valera came to occupy a somewhat similar position to Masaryk in Czechoslovakia. Coming to power in 1932 he presided over the transformation of the constitution in 1937. In Ireland after 1922, in the absence of strong anti-democratic movements, Zink emphasises the stability and strength of the Westminster tradition that was inherited from Britain. He suggests that in the new constitution the existing 'political system was preserved with only minor changes so that a maximum of political and institutional continuity was assured', and that 'the system of parliamentary democracy itself was never an object of contention. In these circumstances, a radically different outcome to the crises of the 1930s appears to have been neither possible nor conceivable' (Zink 2000b: 291, 293).

The crisis at the end of the 1920s had a very different effect in states where key political actors played a less positive role than Masaryk did in maintaining democracy. In Hungary a form of a constitutional monarchy

was retained after 1918, with the role of the monarch being taken by the Governor, Admiral Horthy (see Ilonszki 2000: 256). Horthy became the father figure of the regime but, unlike Masaryk, he had little commitment to democracy.

Parliament was not the major focus of political decisions in Hungary ... it was the governor (Admiral Horthy) and the small circle around him that decided who became prime minister and nominated ministers ... As the consolidation of the regime proceeded Admiral Horthy became more and more a father figure and representative of the nation ... but the function of the governor was not only symbolic, he had very concrete rights and duties within the system, and these were extended over time. In the end he had acquired all the functions of a constitutional monarch.

(Ilonszki 2000: 256–7)

As a result, over time, parliamentary democracy was replaced by a system in which the governor was a major and alternative source of power and authority – ‘by 1933 [he had] established his right to adjourn and dissolve the chamber of representatives ... and ... in 1937 ... achieved an almost complete veto power over the legislative process, together with the right to suggest a successor’ (Ilonszki 2000: 257).

Similarly Poland was formally a parliamentary democracy until 1926. Pilsudski had been head of state when the new state was established in 1918. Under the constitution of 1921 the president had only representative functions and the government was controlled by parliament, the Sejm. Although he had not been a candidate for the presidency in 1921, ‘as time went by and popular discontent grew, Pilsudski gradually became the hope of an increasing number of people who wanted reform of the republic’ (Holzer 2000: 346). After the coup of 1926, both the government and the President resigned and Pilsudski became dictator with widespread popular support. The constitution was amended with the powers of the President strengthened and, formally, Poland remained a parliamentary democracy. But ‘the dominant position of Pilsudski was not reflected in law’, and ‘the government [had] exemption from parliamentary control’ (Holzer 2000: 349). So, as in Hungary, there was a dominant external, non-parliamentary authority. Even after the death of Pilsudski the system remained authoritarian and Holzer concludes that ‘parliamentary democracy was not a success during the first years of independent statehood’ (Holzer 2000: 353).

When we examine some of the ‘old’ states, a similar pattern of institutional change can be identified. Romania, unlike the polities considered so far, remained a monarchy after 1918 and although it was not a ‘new’ state it had been substantially transformed by territorial additions after 1918 (see Fischer-Galati, 2000: 381–95). The 1923 constitution, via the electoral system, guaranteed control of parliament to the party in power. Only the

monarch 'could repudiate the actions of ministers and order their removal from the cabinet'. Given the weak position of parliament, Romania was even less formally democratic than either Poland or Hungary. But in Romania too the position of the government was progressively challenged, and then supplanted, by the exercise of an alternative authority – initially a royal dictatorship that itself was replaced by the military dictatorship of General Antonescu in 1940 (Fischer-Galati, 2000: 389–90).

We find the same pattern of royal authority and ambivalence towards parliamentary institutions in Greece, although the dynamics are more complex than in Romania. During the interwar period Greece was not characterized by either regime stability or significant degree of democratization, indeed Huntington classified it as a semi-democracy for much of this period. Formally Greece was a constitutional monarchy between 1910 and 1924, a republic from 1925 to 1935 – with an authoritarian interlude in 1925–26. The monarchy was restored in 1935 but 'the king... [was] hardly a protagonist of genuine democracy'. Indeed the monarch was an alternative source of authority to parliament and it was he who 'gave... his assent for the overthrow of the constitutional order and the establishment of an authoritarian regime'. The ambiguity or duality of political authority is clear in the relations between the dictator Metaxas and the king. 'Metaxas assumed the title of archigos (leader)... but never wielded absolute personal power since he was dependent upon the king... who was jealous of guarding the reigns of power in his own hands' (Zink 2000a: 231, 233–4).

Other polities had slightly different structural problems. In Austria, Gerlich and Campbell conclude that 'the economic disturbance of the 1930s did not create the political problems – they just amplified effects that already existed' (2000: 42). Chief amongst these was the lack of the consensus needed to establish the authority of the parliamentary republic founded in 1918. But this interacted with the absence of religious and linguistic pluralism, the existence of exclusivist political camps (Lager) and the regional divisions within Austria to produce an unstable internal political dynamic. Austrian politics and society was fundamentally bipolar with the Social Democrats 'the driving force in the establishment of the parliamentary system, but, [they remained]... in opposition after 1920', while the other major party, the Christian Socials, eventually 'abandoned their belief in parliamentarianism' (Gerlich and Campbell 2000: 40–51). The transition to authoritarianism was helped not so much by any ambiguity over the authority of parliament as by a fundamental lack of consensus.

In this Austria is similar to Hungary, Poland, Greece and Romania, where a non-elected extra-parliamentary authority challenged and eventually supplanted, the authority of the elected parliament. In all these polities the sources of such external authority were structural and long term, preceding or coterminous with the establishment of the regime. If semi-presidentialism is defined in terms of an elected dual authority structure – 'a dual

authority structure...is the distinctive feature [of semi-presidentialism]' (Sartori 1997: 134) – then these systems are, by analogy, semi-parliamentary. In semi-presidential systems the duality is formally defined and electorally legitimized, in semi-parliamentary systems it is not. In semi-parliamentary systems one element, the parliament, is formally defined and electorally legitimized, the other element is non-elected and informally derived. So crucially both presidential and parliamentary systems can have a single or a dual structure of authority, and using these conditions Table 8.2 defines the possible regime types among European democracies between 1919 and 1939.

*Table 8.2* Regime types among European democracies 1919–39

		Regime type	
Authority structure	Single	Parliamentary (e.g. Czechoslovakia)	Presidential (No European example 1919–39)
	Dual	Semi-parliamentary (e.g. Hungary)	Semi-presidential (e.g. Germany)

We do not need to define semi-parliamentarianism very precisely (cf. 'façade' democracy in *Finer 1974*, and *Dogan's 1987* 'mimic' democracy). Indeed it cannot be defined in terms of formal political institutions since the authoritative non-parliamentary institution varied across polities – the king in both Greece and Romania, the regent Horthy in Hungary, and in Poland, Pilsudski, 'whose dominant position was not reflected in law' (*Holzer 2000*: 349). What we can say is that semi-parliamentarianism was a transitional and often unstable type of regime with an inbuilt internal contradiction. Democracy is characterized by growing inclusiveness and by the increasing electoral legitimacy of political institutions. In semi-presidentialism there is a dual structure of authority, with both institutions having a claim to electoral legitimacy. In semi-parliamentary systems there was also a dual structure of authority one with, and one without electoral legitimacy.

In the democratization of European monarchies, such as the Netherlands or Sweden, the elected parliament established its authority at the expense of the non-elected head of state. As the authority of one increased, the authority of the other decreased. If we can talk of an 'authority game' between institutions in the process of democratization, then the competition between the non-elected head of state and the elected parliament in democratizing monarchies was zero-sum. In the case of both semi-presidential and semi-parliamentary systems the equivalent game is a non-constant sum one. As the authority of one institution, either elected or non-elected, increases there is no necessary transfer from, or decrease in, the authority of the second institution. In parliamentary systems there is an asymmetric dyarchy, in both semi-parliamentary and semi-presidential systems there can be a symmetrical, competitive dyarchy. The result in the new European semi-presidential and semi-parliamentary polities during the interwar period was



that the position of the parliamentary institutions was undermined and the process of democratization broke down. We can combine Tables 8.1 and 8.2 to summarize this relationship between regime stability and authority structure (see Table 8.3).

*Table 8.3* Regime type and the survival/breakdown of European democracies

	Regime type			
	Parliamentary	Semi-parliamentary	Presidential	Semi-presidential
Survivors	Belgium, France Czechoslovakia Netherlands Ireland, Sweden United Kingdom			Finland
Breakdowns	Italy Portugal Spain Austria	Greece Hungary Poland Romania		Estonia Germany

The distribution of outcomes in Table 8.3 suggests two obvious points – the stability of parliamentary regimes and the instability of dual authority semi-parliamentary regimes. If we add Germany to these instances of breakdown then this would include most dual authority regimes, and such a conclusion is strengthened further if we consider Estonia as semi-presidential after the constitutional changes in 1933. We might also add Austria where the absence of consensus did not produce a dual authority structure but rather one without an accepted single such structure. The only exception amongst dual authority regimes is Finland where the intervention of the president helped ensure the survival of democracy within a semi-presidential system (see Karvonen 2000: 155). Note too that other European democracies fit relatively simply into this classification – Denmark and Norway were both monarchical, parliamentary ‘survivor’ systems, Latvia and Lithuania further cases of semi-parliamentary breakdown.

But what of the breakdown cases of Italy, Portugal and Spain? If we simply focus on the period at the end of the 1920s then these three polities had all suffered a political breakdown before the world economic crisis. Italy had seen the establishment of a fascist regime in 1923–24, in Portugal the brief Sidonio dictatorship of 1917–18 had been followed by a transition to an authoritarian regime in May 1926, and Spain had suffered a ‘double breakdown’ – the Primo de Rivera regime of 1923–30 was followed by the collapse of democracy after 1936. However, aspects of ‘semi-parliamentarianism’ can be identified in these polities, too. In the case of Italy, Tarchi notes the weak legitimacy of democracy and the role of the non-elected

head of state. The king was a 'symbol of national identity and the constitutional arbiter of political competition'. As such he gave authority to governments and governmental change, so in late 1922:

The king certainly undermined the principles of democracy by appointing the leader of a party which held only 35 parliamentary seats as prime minister, but he made the only available choice to reunite legality and legitimacy in a government.

(Tarchi 2000: 303)

This effectively created a regime in which power and authority lay outside the parliamentary regime, although initially it may have had the semblance of political legitimacy. So 'the rebellion of the democratic opposition allowed the prime minister to accuse his enemies of aiming at a change in the fundamental rules of the game, and to anticipate them by declaring the end of the liberal state' (Tarchi 2000: 319).

In Portugal a republic had replaced the monarchy in 1910. A parliamentary regime was established in which the president was elected by parliament and had no substantial powers. The period between 1910 and 1926 was characterized by electoral stability and cabinet instability – 'between 1910 and 1926 Portugal had 45 cabinets of various types' (Costa Pinto 2000: 365). As Costa Pinto points out the republican regime did not enjoy majority support, indeed the 'regime question' became an important division in society. So while there was no single extra-parliamentary challenge, support for the regime was weak and fragmented and this facilitated the transition to authoritarianism in a system in which key elites were hostile to liberalism and democracy (see Costa Pinto: 354–80).

In the case of Spain, Bernecker suggests a somewhat similar analysis: 'the Republic proved to be too weak to defend itself', but he adds an important proviso. By the mid-1930s there were examples of authoritarian regimes that could provide an alternative to the democratic order:

... the existence of numerous regimes which were not democratic during the interwar period surely contributed to the creation of a mental and political climate favourable to rebellion against the democratic order.

(Bernecker 2000: 425)

By the late 1930s there were non-democratic or authoritarian regimes in power in Germany, Italy, Portugal and other European polities, but the existence of such examples is not by itself sufficient explanation. The authority of democratic institutions had to be problematic too, as in the case of Spain where Bernecker suggests that 'structural problems became the cause of the final breakdown' through the interventions of political and social actors (see Bernecker 2000: 423).

## Conclusion

This analysis of the major breakdown cases suggests that the crisis of European political institutions between 1919 and 1939 was partly a crisis of institutional design. In the successful cases of democratization, authority was transferred from a non-elected institution to an elected one, as in the cases of Sweden, Belgium and the Third French Republic. This pattern of democratization was not replicated if a dual authority structure was either formally created, as in Weimar Germany, or came about informally, as in Romania, Greece and other cases. In these systems, the 'non-zero sum' nature of authority, and competition within the dual authority structure, eventually undermined the electoral legitimacy of the parliamentary institutions, and contributed to the breakdown of democracy.

Of course institutional (mis-)design is not the only factor producing such an outcome. But the importance of avoiding an 'authority game' between competing political institutions is reinforced by examples of later political reconstruction and democratization in Europe. After the Second World War, political institutions were designed that minimized this possibility in the constitutions for Austria, Germany and Italy. The president was given largely formal powers and was often indirectly rather than directly elected. These polities are now stable parliamentary democracies. Similarly, after an authoritarian interlude, Spain became a constitutional monarchy with a non-elected head of state. In all of these systems an attempt was made to minimize the development of an institutional dual authority structure. The assumption of constitution-makers was that if electorally based parliamentary institutions have sufficient legitimization then a transition to semi-parliamentarism or semi-presidentialism can be avoided.

The stability of the Fifth French Republic illustrates this same point. The 1958 constitution created a dual authority, semi-presidential system similar in basic structure to Weimar Germany with both an elected parliament and an elected president (see Duverger 1980; Sartori 1997: 121–5). During the early institutionalization of the regime the same party held the presidency and formed the government with a majority in the national assembly, the 'competitive dyarchy' of president and parliament was avoided. It was only after the regime had existed for thirty years, in 1988, that a president of one party was forced to 'co-habit' with a government of an opposition party (see Pasquino 1997). By then the constitution of the Fifth Republic had become sufficiently institutionalized for it to be unlikely that the competition between the two elements of the dyarchy would destabilize the democratic regime – and both president and prime minister also then acted in a manner to limit this possibility.

Finally we should note that faulty institutional design is not by itself enough to explain the breakdown of democracy. Political institutions are embedded in a social, cultural and economic context, one in which

individuals, groups and ideas also play a part in the political process and mediate the relationship between constitutional theory and political practice. In Finland the actions of President Svinhufvud contributed to the survival of Finnish democracy. For modern Italy, Putnam has argued that it is the presence or absence of a civic tradition and a civic community – in short the absence of a developed civil society – that is a decisive factor for the functioning of democracy locally (Putnam 1993). If this is the case for democracy now, then it may have been even more important for the viability of European democracies between the wars. It may be that we need to further explore the role of political culture in the linkage between political institutions and political stability for this period – we need to ‘bring civil society back in’, see Ertman 1998: 497–505, the essay by Zink (Chapter 5 above), and the more comprehensive analyses in this volume.

# 9

## External Factors

*Gerhard Kümmel*

### 1 Introduction

International relations are a highly complex field at any time. Therefore, to evaluate the influence of the international system and of external factors upon the events in a given country, especially in a period of crisis, is not an easy task. First of all, the international system is not a given entity, it is permanently developing and changing over time. Secondly, 'the structure of the system and its interacting units mutually affect each other' (Waltz 1979: 58). The countries under consideration, however, differ greatly in their susceptibility towards external factors and in their capabilities to influence the system. This is due to the differing power structures of the countries with regard to their politico-military and economic basis as well as their dependence upon other states and the world economy. Thus, we may distinguish between great powers, regional great powers, middle powers and small states. Thirdly, we have to acknowledge the fact that the states have different histories, different cultures and different experiences. Indeed, they are living 'in different social times' as Czempiel has put it regarding the post-cold war world (Czempiel 1991: 72). In addition, and more generally speaking, the unequal pace of development produces the 'inequality of nations' and states (Tucker 1977).

The approach employed here is based on theories of international political economy (see Meyers 1989). This perspective unites two aspects of analysis, the international political system and the international economic and monetary system. Such a procedure seems to be valid because 'politics and economics are almost inevitably linked at the systemic level. An international economic system is affected by the international political system existing at the time, and vice versa' (Bergsten et al. 1975: 5). In this respect, Susan Strange's distinction between relational/direct and structural power is important. Relational power coincides with Weber's classical definition to induce someone to do things which this person otherwise does not want to do. Strange conceives this kind of power as direct power resources such

as the military. Structural power, then, is defined as the ability 'to shape and determine the structures of the global political economy within which other states, their political institutions, their economic enterprises and (not least) their scientists and other professional people have to operate' (Strange 1988: 24 f.). In detail, this means the degree of control in four categories: security, production, credit and know-how. Each constitutes a separate section with a specific power structure, but they are interdependent, and mutually affect each other.

Based on these assumptions, the purpose of this chapter is to assess the influence of the international system and external factors upon the course of events in the states under consideration. I will first present an overview of the most important events in the international system in order to determine the character of its structure and its changes. In a second step, I will attempt to describe the influence of this structure and of external factors upon the respective states.

## 2 The implications of the First World War

Europe in 1919 looked very different from what it used to be before the war (see also Chapter 1 above). There was a huge shift in the architecture of the international system, which then became a truly global system. In one respect, the war had a profound impact on the individual economies and the international economic system on the whole. First, during the war years the state in the warring countries assumed a much stronger role in the economy than previously in supervising and controlling production and labour, which meant a considerable break with the traditional *laissez-faire* practice in most of the states. The governments thus assumed greater responsibility for the economy and this was important for the way in which stabilization was sought in the 1920s. Second, the war induced the growing power of the unions and an altered social position of women because of their employment in war industries. A considerable social change thus occurred.

Third, the patterns of world trade were changed. The war cut the existing trade links and created new ones which favoured countries like Spain, Latin America, Japan, Canada and – foremost – the United States, which became the world's largest creditor nation and the strongest economy in the world. The terms of trade were altered to the benefit of the primary goods-producing countries and the prices for raw materials soared. Some countries of the periphery profited from the increased demands for war-related raw materials which in turn spurred their own industrialization. Soon after the war, however, they had to learn that this was in part only a 'hothouse growth' (Aldcroft 1978: 59). With trade relations returning to some state of normalcy they faced increasing difficulties because Europe and its new states resumed production in all branches. Fourth, the war distorted the normal relationship

between supply and demand which resulted in overcapacity in some branches like shipbuilding, the iron and steel industry, machine building, and the coal industry. Consequently these industries had difficulties in adapting to peacetime production. Fifth, the governments usually financed the war expenditures by credit and avoided new taxes. This resulted in an overall state indebtedness, inflationary tendencies and the depreciation of currencies, which meant a considerable burden for post-war reconstruction.

Finally, the war gave birth to new states and redrawn borders and thus to new tariff systems, new currencies and transportation problems. The task of reconstruction was extraordinarily difficult for the states in eastern and south-eastern Europe where the problem of land reform alone was immense. In 12 European countries 24.3 million ha – 11 per cent of the territory were redistributed in the 1920s (Aldcroft 1978: 69). Their financial situation was a mess: while Austria and Hungary were charged with the payment of reparations, Czechoslovakia and Romania had to pay so-called Liberation Payments and to accept a share of the old Habsburg internal debt. This situation sometimes became so critical that the League of Nations had to arrange loans for Austria, Hungary and Greece (Black and Helmreich 1959: 339f.). The governments held an important position in the stabilization process and this also resulted in increasing tendencies towards self-sufficiency and more egotistic and nationalist economic policies, caring less about the proper working of the international economic system. Another aspect concerns the specific peace treaties negotiated in Paris which created lasting legacies. The task which confronted the peacemakers was a huge one. They wanted to bring peace to Europe and this implied that they had to find a working solution for the problem of drawing the new European frontiers, of solving the territorial disputes. The principle of self-determination they adhered to seemed promising, but it soon turned out that its realization was not an easy undertaking because of the minorities problem, the ethnic patchwork which prevailed in large portions of Europe (see the data on minorities in several countries in Anderson 1958: 143). In addition, there was the question of what to do with the defeated countries. As a consequence, the peace treaties of necessity bore the character of compromise. This also meant that a considerable number of issues could not be solved to the satisfaction of all the parties involved, which sowed the seeds for future conflicts (see also Chapter 1 and the respective country chapters in Berg-Schlosser and Mitchell 2000).

A summary of these events reveals that the general pattern pursued by the great powers – often through the League's Council – in the problem of territorial disputes consisted of a quite clear distinction between what has been termed 'back-yard problems' and 'clubhouse troubles' (James 1990). This means that the more a given territorial problem was touching the interests of one or more of the great powers, the more these powers were interested in actively shaping the outcome of this dispute.

Throughout the war years politicians and others thought about the proper shape of the post-war settlement. The idea of creating a new type of international order was widespread and created different moods, opinions and proposals which all had their roots in the ubiquitous war-weariness. The immediate post-war period, then, witnessed the advent of mass politics and its effect on international relations. Indeed, it represented something extraordinary: the peoples demanded that their voice be considered in foreign policies (Clark 1991: 156; Holsti 1991: 175–8). This had a fundamental impact upon the peacemakers in Paris. They, sometimes quite reluctantly, had to take the opinion of their citizens into account when shaping the post-war order. This was particularly the case for the League issue. 'The background of the League of Nations must be sought far more in the non-official than in the official relations of the peoples of the world' (Anderson 1958: 123).

In particular, the American President Woodrow Wilson demanded the creation of an international organization to prevent 1914 from happening again. The analysis of the reasons for the outbreak of the war gradually convinced him that something entirely new had to be invented to secure global peace. Due to America's stance in the world, politicians in the major countries responded to Wilson's ideas and to similar moods in their own countries by drafting plans for an international organization. These plans reflected their attitudes and convictions towards the nature of international relations and thus differed vastly. 'To Wilson it was the symbol of a new dawn of just and open international relations based on a firm territorial and political guarantee; to Lloyd George it was a useful mechanism for investigating and settling disputes, and for protecting Britain from a costly arms race especially with the United States; to Clemenceau it was an absurdly idealistic irrelevance' (Henig 1973: 13; see the excellent discussion of the main plans in Holsti 1991: 181–96). The organization which later became the League of Nations meant so much to Woodrow Wilson that he even blackmailed his allies into participating by threatening a separate peace treaty with Germany. The British, Italian, French and Japanese, however, traded their support of the League for Wilson's inclination to approve their territorial and political designs. As a consequence, the League which came into being on 10 January 1920, was an 'intergovernmental institution' (Pfeil 1976: 1). It was ardently supported by the small states in Europe, particularly by the western and northern states, because they saw the League as a guarantee that small states would not be swallowed up by the expansion of the great powers.

The scope of the League's activities was widespread. It operated in the fields of disarmament, arbitration, economics, social politics and humanitarian issues. The sphere of humanitarian action, in particular the minority treaties or the slavery question, was a powerful proof of the attention the League paid to the concerns of peoples. Poland, Czechoslovakia, Romania, Yugoslavia,



Austria, Hungary, Bulgaria, Finland, Albania, the Baltic States, Greece, Turkey and Iraq agreed to draw up minority treaties. Yet, there is another side of the coin. These states signed the treaties only after bitter protest as none of the great powers such as Italy, France, Great Britain and Germany, which all had minorities within their borders, felt compelled to guarantee minority rights. This is evidence that 'although humanitarian considerations were part of the picture, the great powers were primarily concerned with insuring the tranquility of Europe' (Black and Helmreich 1959: 159).

The League represented radical as well as conservative trends in the development of international relations. To establish an international organization for the promotion of peace and international cooperation dealing with a wide range of problems, and to superimpose a comprehensive and permanent system of conferences upon the existing order, was something radically new. On the other hand, there were conservative traits, because the League was based on an existing international order in which the sources of authority and power largely remained the same, and in which the basic principle remained the sovereignty of national states which voluntarily cooperated. 'Because of its lack of independent power and authority, the League was destined to reflect the general state of international relations, rather than to represent a positive force for redirecting the course of international affairs' (Bennett 1991: 38). The problem of providing means for peaceful change and adjustment in order to substitute for military conflict constituted a grave dilemma for the League. Nevertheless, the League represented 'a breakthrough in the development of international organization' and stands 'as a landmark in the evolutionary process of achieving a more orderly world' (Bennett 1991: 39).

After the war two concepts of securing peace were presented: Wilson proposed a liberal model encompassing the liberalization of the world economy, the democratization of world society and the creation of an international organization, while Lenin propagated his socialist model aiming at the proletarian International. Both models represented an almost equally revolutionary attempt at determining the course of world politics. They competed with each other because they excluded each other. Indeed, 1917, the year of the Russian revolution and American entry in the war, bears an epochal character because then the previous regional conflict became a global conflict, east-west conflict, which was to become the constituting conflict after the Second World War, but which already produced a heterogeneous international system. Both models, moreover, stood against the traditional model of the balance of power.

Indeed, both designs aimed at a radically new type of world order attempting to answer the question of what to put in place of Britain's former position as a global hegemonic power. In the Soviet model, the course of world revolution would make statehood obsolete in a prospective socialist world society; in Wilson's view the League of Nations was destined to tame the

states and to democratize world politics. Lenin's hopes did not come true. Though the initial phase of Soviet foreign policy was determined by the great enthusiasm about the prospects of world revolution, it became soon apparent that the revolution remained isolated and had to secure its own survival. Therefore, Moscow had to adopt the traditional, pragmatic means of foreign policy pursuing its national interest. But while following a strategy of hibernation there were also revolutionary-ideological elements encouraging the spread of the socialist revolution which caused considerable concern in Western governments (Niedhart 1989: 12–26).

Wilson's thoughts, however, found expression in the League of Nations. In assessing the achievements of the League we arrive at a mixed conclusion. They were positive in the humanitarian and social dimensions as well as in the promotion of international cooperation and providing a forum for discussion; but they were negative in the fields of collective security, disarmament and peace protection, as Japanese aggression in Manchuria, the Italian conquest of Abyssinia, the failure of the disarmament conference and the outbreak of the Second World War revealed. This is largely due to the fact that the League operated in the shadow of the sovereign states. If the League was to function successfully a transfer of some authority from the member states to a central body would have been indispensable but this conflicted with the states' concern about their sovereignty. It rendered the League unworkable. The relationship between the League's Council and the Allied High Council or the Conference of the Ambassadors was evidence of the instrumental handling of the League in dealing with problems. Matters which were perceived as belonging to the exclusive sphere of activities of the victorious powers were kept out of the League. On some issues, there was cooperation; sometimes, the Great Powers left the handling of difficult problems to the Council, such as the question of Upper Silesia in 1921. And sometimes the non-permanent members urged the League's action in cases where the interests of great powers were concerned, such as in the Corfu problem in 1923. The question of reparations, however, was retained as entirely the great powers' prerogative.

A major deficiency of the League was that, in the beginning, it incorporated neither the defeated countries nor the Soviet Union; it appeared to be an institution of the victors. Another major setback for the League was the decision of the US not to become a member and, consequently, 'the League became primarily a European organization' (Anderson 1958: 130). The British became less enthusiastic about the League after the US decided not to join, because in the British view this considerably constrained the scope of the League's activities and authority.

Furthermore, the Great Powers had to bear the primary responsibility for the functioning of the League, but with rivalries among them the Council was unlikely to be efficient. Moreover, there appeared to be the existence of double standards, an ambivalence, by which the states were not treated

equally. This was reflected in the question of the minorities. There was strong ill feeling among the states which had to sign minorities treaties, through 'the failure to apply the doctrine of equality of states, by exempting not only Italy, France, Belgium and Denmark which obtained territorial gains and new minorities under the peace treaties, but even defeated Germany from the international minority provisions' (Robinson et al. 1943: 264). And the Council turned out not to be prepared to act to save the minority treaties. This became thoroughly evident in 1934 when Poland, by the Beck Declaration, repudiated her international minority obligations and the League did not respond effectively to this violation. The League system for the protection of minorities disintegrated.

Taking together the inefficiencies of the League and the widespread discontent about the post-war order one can well say that the Paris Peace Treaties did not produce the just peace conceived by Wilson. Instead, they largely prescribed and shaped the political course to be followed by the victorious countries, namely stabilization and security, and by the defeated nations, namely revision.

### **3 The 1920s: from turmoil to stabilization and back**

#### **3.1 Stabilizing the international economy**

The international economy was burdened by unwillingness to adapt to the changes induced by the war which made the return to pre-war conditions almost impossible. This is true especially for the United States and the UK. Washington proved to be unable and unwilling to adapt to its new role as a huge creditor nation which gave her strategic importance in the world economy. Washington was 'at the centre of world financial affairs' (Bessel 1992: 159), but after the boom in 1919/20 and the widespread post-war recession in 1920/21 the US did not provide Europe with the capital needed and American imports from Europe were declining. There was no attempt to guide the international economy or to create an international regime for the steering of the world monetary system (attempts like the world economic conference in Genoa in 1927 to reduce trade barriers were an exception). The failures and omissions made by the individual countries were later reinforced and were to contribute heavily to the depression. Thus, the international economy was built on sand.

Naturally, after the war economic reconstruction was one of the most important tasks. However, unlike the period following the Second World War, there was no general plan, no concerted effort. The overall picture of the stabilization procedures in Europe, which were sometimes – as in the case of Austria, Hungary and Poland – carried through and supported by the League of Nations, showed remarkable similarities across national boundaries. These measures tried to bring state budgets into balance by

cutting public expenditure and raising taxes. They applied deflationary pressure on the economy and sought the confidence of the – usually conservative – banking community in New York and London in order to obtain credits. Moreover, in dealing with the problems of stabilization there was no radical change from the pre-war economic system. Most contemporaries could not think of anything radically new. By contrast, the belief that the economic pre-war machinery could be applied to post-war Europe was widespread. Therefore, the overall trend was to return to the old and sound system which was especially true for the monetary system. The return to the gold standard was interpreted as a precondition for stable currencies and stable monetary relations because it had worked in the pre-war period – though only because of an accidental combination of favourable conditions. But this was not recognized by contemporaries and thus the return to gold ranked high among national economic goals; it became a matter of prestige. In this search for stabilization, then, the cornerstone was the consolidation of currencies which was, in effect, a stabilization vis-à-vis the dollar which in 1919 had returned to the gold standard (see Bessel 1992; Aldcroft 1978).

The process of currency stabilization cannot be described as a success because the exchange rates were neither balanced against each other nor did they reflect a proper relation to the different levels of prices and costs. In the British and the French case this was particularly important. London returned the pound sterling to the gold standard in March 1925 at the pre-war parity of \$4.86 which left the pound sterling heavily overvalued. This in turn complicated the position of British industries in the world economy, but furthered the interests of the British financial community which sought to make the 'City' the centre of the world monetary system again (Moggridge 1972). After the fall of the franc in mid-1926 the new right-wing government of Raymond Poincaré stabilized the currency. In June 1928 Paris formally returned to the gold standard. But the parity of the franc was then only 20 per cent of that before the war which meant an undervaluation of the currency and helped French exports.

Thus the international monetary system was not balanced: there were over- and undervalued currencies. The parities did not reflect the real situation – partly because of speculation, partly because of political interference. In addition, there was no willingness to alter the exchange rates. Cooperation between the financial centres of the world, New York, London and, to a lesser extent, Paris was not sufficient. London and New York usually worked together whereas Paris was distrustful towards the American and British goals, in particular with regard to the German reparations. Furthermore, the cooperation of the leading monetary nations was deficient because of the increasing dependence of the central banks upon national monetary and economic goals. In addition, their asymmetrical monetary power complicated the situation. The US and later France disposed of the

monetary and gold reserves to assume a higher burden for the international monetary system, because in the 1920s there was a flow of international gold reserves to the US and France and some other countries. London, however, which did not have sufficient gold reserves, came increasingly under pressure.

In the international economic and monetary system of the 1920s reparations and war debts constituted one of the most complicated issues, they 'corrupted' the international economic relations (Kindleberger 1984: 38). The problem of reparations had considerable economic implications and was at the same time a contested issue of international politics, especially in Franco-German relations. In this respect, Krüger's observation seems to be valid: 'The reparations were because of their direct effects upon domestic and foreign politics an indicator for the prevalence of confrontation or cooperation in Europe and in Germany since 1919' (Krüger 1985: 134). After the war the victors demanded compensation for wartime damage from Germany and the other defeated countries; they thought the reparations' payments would stimulate their own economic development and thus they preferred cash payments instead of German exports in kind. This would have allowed Germany to earn high trade surpluses which would have made it the export champion of Europe, conflicting with the industrial and trade interests of the other countries. It is therefore highly doubtful whether this problem really could be solved in this way (see Keynes 1920).

The reparations issue overlapped with the problem of war debts which further complicated the situation and produced conflicts among the victorious powers (in France, for example, the Herriot administration actually collapsed over of the question of payment of the tranche of war debts to the US on 15 December 1932). London and Paris wanted to balance debts with reparations: they made their payment of war debts – foremost to Washington – contingent upon the German reparations payments to them. Of course, the US strongly opposed this solution in case Germany was unable to pay, leaving them to bear the burden. In the early 1920s, attempts to solve these problems failed because of differences among the European states, especially the conflict between Germany and France. Hyperinflation and the resulting French occupation of the Ruhr brought London and Washington closer together. After the franc declined dramatically in the course of these events, the time was ripe for American intervention which led to the Dawes Plan. Germany then adopted the gold standard which was the prerequisite for reintegration in the international monetary system and access to international capital. The large influx of foreign, mostly American, capital into Germany and other European countries spurred economic growth, but only veiled the problems; it did not tackle them at their roots. The credit policies of the US were often not wisely and cautiously designed. Access to American credits was sometimes too easy and a supervising institution for their productive use was completely absent.

The international credit policy in the twenties, then, nourished an illusion of sound economic conditions and stability. Omissions of the debtors have to be considered also, because credits were often used for unproductive purposes which made their repayment difficult. The financial situation of most countries was not sound, which made them more susceptible to economic crises. In the case of Germany this led to mounting problems in the transfer of reparations, and at the end of the 1920s a revised plan was necessary: the Young-Plan of 1929/30.

The years 1926–9 are commonly regarded as economic boom years, in which the world's industrial production increased by about 20 per cent. However, this development largely reflected a process reconstruction after the war and was by no means a homogeneous process. These years can better be described as a period of real but interrupted growth. The growth in industrial production, however, was not reflected in a strong demand for raw materials and foodstuffs and consequently the prices for raw materials decreased. This can be described as structural deflation within a boom (Aldcroft 1978: 216–25; Kindleberger 1984: 108).

Until 1928 the gold standard was more or less completely re-established. Yet in the same year it began to crumble. Countries which exported raw materials experienced a decline in prices and incomes and this in a situation in which they were obliged to repay their credits. Thus they were compelled to reduce their gold reserves. The demand for liquidity on the international financial markets increased dramatically but neither Paris nor Washington responded with more capital exports, leaving it all up to London which experienced a drastic decline of its reserves. The economic and financial basis in the 1920s thus remained precarious although progress was made.

### 3.2 The Versailles system

The structure of the international system can be described by adapting Ziebur's distinction between two subsystems, the Versailles system and the Washington system, which together constituted the global international system at that time. These two subsystems were tied together by the US which performed the function of a 'hinge power'. This role gave her a unique position in the international system of the 1920s (Ziebur 1984).

The 'cardinal problem in world politics' (Parker 1992: 10) in the post-war period was the German question. There were two different approaches in handling this problem. The first, recommended by the British and the Americans, originated in the liberal model and aimed at the rapid integration of Germany in the international political and economic system, thereby following a kind of win-win strategy. The second, however, perceived international relations as a zero-sum game in which gains for one side mean losses for the other one. This was the French position (Niedhart 1989: 33f.). Whereas the Americans and, to a certain extent, the British conceived a working Germany as indispensable for the world economy and

for the balance of power in continental Europe; the French insisted on a permanent weakening of Germany. The Treaty of Versailles clearly showed the handwriting of the French; it was a '*Diktatfrieden*' and not 'peace without victory' in the Wilsonian sense.

Indeed, it can be argued that the 'most important and persistent single factor in European affairs in the years following 1919 was the French demand for security' (Carr 1961: 25). To secure the cooperation of Paris, Great Britain and the United States were even willing to guarantee their wholehearted assistance in case of a German attack on France (June 1919). This pact, however, never came into being because the US Congress and the majority of the American people interpreted this treaty as well as the Covenant of the League of Nations as cases of the 'entangling alliances' George Washington had warned of. In fact, the defeat of Wilsonian foreign policy was a clear expression of American isolationism (or rather unilateralism). Harding's slogan 'back to normalcy' had more appeal. London, on the other hand, pursued its traditional balance of powers policy and was not inclined to allow a French preponderance on the continent. Moreover, they cast doubt on the advisability of a harsh peace treaty towards Germany fearing the danger of Bolshevism spreading to Germany.

France saw herself without powerful allies to guarantee her security. She worked feverishly, therefore, during the next four years in order to compensate for her natural inferiority to Germany. Paris sought its security through the League and through alliances with Eastern European states. Treaties were signed with Poland (1921) and with Czechoslovakia, Yugoslavia and Romania – which had formed the Little Entente in 1920/21 – in 1924 as a safeguard principally against Hungary. These treaties considerably increased French security interests. Furthermore France provided economic and financial help and promised to support the Little Entente against Hungary, Yugoslavia against Italy, Poland against Lithuania, and Romania against Bulgaria. Treaties of friendship with Romania and Yugoslavia in 1926/27 completed the scenario. Paris even saved 'her friends from the inconvenience of a too rigorous interpretation of their obligations towards the minorities' (Carr 1961: 43).

In addition, Paris relied on the League mechanism in cases where a unilateralist approach was not possible. The Saar question was a case in point and fell into the category of 'clubhouse troubles'. Though there was hardly any doubt that the Saar belonged to Germany, France claimed this economically important region in order to strengthen herself and to weaken Germany. This, of course, constituted a major violation of the principle of self-determination and the British were reluctant to give backing to such a potentially explosive situation. Therefore a compromise was sought and implemented which provided for the ruling of the Saar by the League for a period of 15 years, after which a plebiscite was to be arranged. This took place on 1 March 1935, and resulted in an overwhelming vote in favour of

Germany. There were no difficulties in the execution of the plebiscite because France had anticipated the loss of this territory and was not in a position to rely on power politics, and for Germany, on the other hand, 'there was no need to aggravate the situation by shaking the tree if the apple was in any event almost certain to fall into her lap' (James 1990: 78). As a consequence of these events, it can be said that between 1920 and 1924 France reached the 'summit of her prestige and power in Europe'. She was the champion of the status quo and the sworn enemy of what came to be known as "revisionism" (Carr 1961: 43).

Other great powers equally followed a policy of national interest. Italy tried to enlarge its position in the Adriatic by challenging Yugoslavia and Albania and violating the principle of the self-determination of peoples. Albania which had become a sovereign state in 1913 and was faced at the end of the war with Italian, Yugoslavian and Greek troops on Albanian soil was a major field of contest between Rome and Belgrade. In the beginning, Italy withdrew its troops. In October 1921 a League Commission proposed a frontier decision which was implemented. British threats against Yugoslavia, which had recently made a major incursion into Albania, provided Yugoslavian compliance. The key to a solution, however, was to be found in Rome. In the end, the European allies were ready to give in to Italian pressure: In November 1921 the Conference of the Ambassadors decided to ascribe to Rome a kind of protectorate for Albania. This, however, was an 'absurdity, since the only Power likely to threaten Albania's independence was Italy herself. But Italy interpreted it as a recognition of her right to intervene in Albanian affairs to the exclusion of any other Power; and this claim was a source of constant irritation and apprehension in Yugoslavia' (Carr 1961: 70). Hence, in 1939, Albania was to be fully incorporated into Italy. Another example of Italian enforcement policies occurred when in August 1923 the Italian representative in the commission to draw the frontier between Greece and Albania was assassinated. Mussolini promptly ordered the bombing of Corfu. Greece complained in the League about the Italian move, but nevertheless the Council decided that it had to pay indemnity to Italy.

Similarly, Great Britain pursued her own interests in Europe by maintaining special relations to the entities of the empire, by attempting to back Germany as a counterweight against the growing French influence in Europe, and by protecting its client states such as Greece. In 1920–22 Greece fought a war against Turkey with the endorsement of the UK and other great powers to enlarge her territory well into the Turkish sphere – an undertaking which eventually failed. The UK also resented the French position in Eastern Europe. London wanted independent states and thus was even open in the question of frontiers (Kaiser 1980: 11 f.).

The German *raison d'être*, the revision of the Treaty of Versailles, was pursued by a policy of fulfilment which tended to prove the impossibility of fulfilment. Berlin had overcome its international isolation by signing the Treaty



of Rapallo in April 1922 with Soviet Russia, forming an 'alliance of pariahs'. The USSR for its part experienced a major success in breaking up what Moscow perceived as a united front of capitalist states against the only socialist country. In 1922/23 the economic situation in Germany rapidly deteriorated and the Cuno government cancelled the payment of reparations. This, in turn, aroused French apprehensions, but they then saw this as an opportunity to enlarge their influence and to create an independent buffer state on the river Rhine. Together with Belgium they occupied the Ruhr area in January 1923. Germany passively resisted the French demands, but the increasingly desolate economic and financial situation (the hyperinflation period) prescribed a settlement of the dispute. Paris, on the other hand, found itself exposed to diplomatic and international pressure, particularly after Stresemann resumed the policy of fulfilment. Moreover, the French currency lost its value. Thus, France, too, was interested in settling the conflict.

This was the chance for American interference. Business and financial groups perceived the difficulties in Europe as fundamentally detrimental to American economic interests in the export business. Moreover, the Americans as the largest creditor were interested in collecting war debts. Their open door policy demanded a working global economy based on free trade principles and not on protectionism, which could be observed in most of the European states, and a settlement of the reparations question which would lead to the payment of the war debts. The appropriate 'lever' for American intervention into European affairs was represented by Germany (Junker 1975: 23, 33). Thus, the Americans pushed forward an investigation of the German capacity to pay and these commissions, led by the English banker Reginald McKenna and the American banker Charles G. Dawes, worked out a reparations scheme called the Dawes Plan during the second half of 1923. It was signed in August 1924.

The American strategy was complemented by the signing of agreements with Germany in December 1923 which included a trade treaty on the basis of the most-favoured-nation principle by which Washington tried to implement free trade principles in Europe. Both events signalled 'the end of French predominance in Europe' (Schuker 1976), the return of the United States to European politics and the emergence of the 'Versailles system'. As a result, American and European interests in the consolidation of the world market and the respective national economies cooperated and stimulated the prosperity of the 'golden twenties' largely through American loans. It was the 'bankers' diplomacy' (Niedhart 1989: 61) of the Americans and the British that created the material preconditions for this period of stabilization, together with the close American-German cooperation made possible through parallel interests (for an overall discussion see Link 1970).

The years following 1924 are generally seen as the honeymoon in international relations in the interwar period. In Europe, the political and economic conditions improved and showed traits of cooperation and detente.

Of utmost importance in this respect was the Treaty of Locarno signed in October 1925. In January, the German foreign secretary Gustav Stresemann approached the French with a proposal to guarantee the existing western frontiers. French hesitation gradually disappeared when London did not ratify the Geneva Protocol which aimed at the strengthening of the principle of collective security in March 1925, not only because the dominions rejected the mechanism of sanctions involved in it but also because London did not want to rigorously defend the status quo. This implied a dismissal of the principle of collective security and led to the search for regional security culminating in the Locarno Treaty between Germany, France and Belgium. This climate of detente largely led to European tranquillity.

The Briand-Kellogg Pact of August 1928 to outlaw the resort to war was born out of the same atmosphere and in February 1929 the Soviet Union, Romania, Estonia, Poland and Latvia signed the Litvinov Protocol, a system of non-aggression treaties.

### 3.3 The 'Washington system'

In the Pacific, the war witnessed the emergence of Japan as a Great Power, both economically and politico-militarily contesting the British and the American position. South-east Asia represented a major and traditional area of interest for the American open-door policy and for British foreign policy goals. London's position, however, was declining and therefore Washington took the lead in creating stable conditions. The Americans vigorously pushed for a conference dealing with the problem of creating a stable order in Asia. This conference took place between November 1921 and February 1922 and led to the conclusion of various treaties defining the status of this region according to international law. The Four-Power Treaty (USA, UK, France and Japan) guaranteed the existing status quo, amounted to a non-aggression pact and implied a weakening of Japan; the Five-Power Treaty (which included Italy) provided for quotas of the Great Powers' battleships and impressively documented the decline of London which had to abandon its 'Two-Powers Standard'; the Nine-Power Treaty (including Portugal, Belgium, the Netherlands and China) aimed at the equal treatment of China in trade politics, guaranteed her territorial and administrative integrity, and incorporated – important to note – the first formal international recognition of the open door. Under American leadership the Washington Conference provided a working and adequately stable state of affairs in south-east Asia (Zieburá 1984: 124–8).

## 4 The collapse of the post-war order

### 4.1 The Great Depression

Even without the crash there were signs that the global economy was in for a recession. In the United States, the decline of activities in the construction

industry – a precursor of recession – could already be felt in March 1929. The crisis in the agrarian and primary products sectors of the international economy preceded that in industrial production. Prices for agrarian products and raw materials were already dwindling before 1929. Furthermore, the US adopted restrictive monetary policies in 1928/29 which brought a sudden halt in the flow of credits. Then the Wall Street crash in October 1929 triggered a process which soon developed its own dynamics.

The Great Depression hit world production severely, but with sectoral differences. In the beginning, the producers of primary goods were hit harder than industrial producers; the price level for foodstuffs and raw materials declined enormously. So the terms of trade changed in favour of the industrialized countries. This proved to be only temporary and soon these countries were also grossly affected by the crisis. Their industrial production plummeted. During the depression the countries exporting raw materials experienced a drastic downswing in their exports (see also Chapters 10 and 13 below).

What at first seemed to be a severe, but nonetheless usual, cyclical economic contraction was transformed into the worst depression in modern history by the financial crisis of 1931 (Bessel 1992: 168). In 1929/30 the creditor nations were no longer willing to supply new credits to the debtor nations. New credits were not issued because of the declining prices, and the prices further declined because there were no new credits. This contraction of credits at a time when they were most urgently needed was closely related to the downward trend in the international economy and led to the collapse of banks and the depreciation of currencies. These processes ultimately culminated in the European banking crisis of summer 1931 which began with the collapse of the Austrian Credit Anstalt, but soon spread to Germany where several banks collapsed and to middle and eastern Europe. France, which had become a financial great power after 1926, refused to help the Credit Anstalt because Germany did not respond to their wish to stop the customs union with Austria. In the end, London, which had become the focus of hopes, stepped in, obviously embarrassed by the French. The alienation of the two central bank governors mounted when France responded by converting its reserves of pounds sterling to gold, which increased pressure on the British currency. As it turned out, London's credit to the Credit Anstalt marked the end of the British role as a lender of last resort because of its worsening balance of payments and shrinking liquidity (Kindleberger 1984: 158).

In 1931 it became obvious that Britain, which had strived for the restoration of the status quo ante, was not able to perform leadership functions for the system. Hence, the international capital market dried up in the 1930s. On 20 June 1931, the banking crisis came to an end when President Hoover announced a temporary moratorium on intergovernmental debt payments. France opposed this solution because it calculated a loss of

100 million dollars worth of reparations, but had to give in eventually and thus the moratorium started in July.

Protectionism and interventionism in monetary politics mounted to new heights. Several countries such as France, Italy, India and Australia raised their tariffs. Of utmost importance in this respect was the American decision in favour of the Hawley-Smoot Tariff in 1929/30. This tariff which considerably raised the walls for imports into the United States was signed by President Hoover on 17 June 1930, and showed a lack of responsibility for the world economy. The US, indeed, had a tremendous multiplying effect in making the depression a world economic depression. Efforts for an international conference in February 1930 to reach a standstill agreement on tariffs had failed because the US and the Dominions did not take part in it. The American decision thus triggered a widespread wave of tariff increases. The French raised their agricultural tariffs in March 1930 and prohibited the import of agricultural products in July and September 1931. Import quotas became normal after 1932. The competitive depreciation of currencies was another instrument in which the governments sought their rescue. Britain took the pound sterling off the gold standard on 21 September 1931, which amounted to a 20–40 per cent depreciation (Kindleberger 1984: 171). The Commonwealth countries, the states of Eastern Europe, Scandinavia, Argentina, Portugal and Egypt, 25 nations in all, followed. In November–December 1931 London imposed a 50 per cent tariff on imports. In March 1932 the Import Duties Act followed. This picture was completed by the Ottawa Agreement of 20 August 1932, for the preferential treatment of the Commonwealth. London thus abandoned a leading role in free trade.

Germany refrained from measures affecting the stability of the currency in part because of the experience of hyperinflation (see Feldman 1985) and adopted a system of foreign exchange controls in 1931. In addition, tariff barriers were erected and foreign economic policies shifted to attempts to create a preferential system, a German-dominated economic bloc in eastern and south-eastern Europe – a policy which was later forcefully pursued by the National Socialist government. Furthermore, Berlin made use of the seemingly ‘favourable’ situation in the international monetary system and urged the cancellation of reparations payments by unilaterally using the financial mess as a strategic weapon to underline the German inability to pay. This strategy worked and at the conference in Lausanne in July 1932 the reparations were cancelled. The United States also set their priorities in domestic politics. In April 1933, the dollar was taken off the gold standard which meant a depreciation of the dollar. These trends were global and resulted in a paralysis of world trade.

#### 4.2 The Versailles system

The post-war order in Europe was not a system which enjoyed strong support everywhere. It was basically divided into status-quo and revisionist

powers. Germany represented the strongest and thus major revisionist country. After initial disturbances, German foreign policy under Stresemann followed a course of revision through *Verständigung*. Cooperation with the US and Great Britain plus a détente with France were destined (in the long run) to produce a situation in which German revisionist aims could be realized. To be sure, even at this stage German foreign policy implied certain aggressive traits, in particular towards Poland. German minorities in Poland and Czechoslovakia were unofficially supported by the German Foreign Office (Golczewski 1977: 131). After the onset of the Great Depression, German foreign policy experienced a transition from cooperation to confrontation. The Presidential Cabinets from 1930 onwards increasingly turned towards a unilateral foreign policy, a process which was enforced after the reparations issue was settled in 1932. Italy was another dissatisfied regional great power. Rome did not agree with the geographical order the Paris Peace Treaties had produced and was inclined to take what she perceived to be hers – even by force. After Mussolini seized power this tendency was reinforced. The secret Treaty of London (1915), negotiated as traditional cabinet politics, promised Italy territorial gains which the allies could not allow in the changed conditions after the war when the principle of self-determination prevailed. For this reason, Rome followed an expansionist foreign policy.

In 1926 Italy and Albania agreed to a pact which one year later became a defence alliance. Indeed, Albania was economically and politically almost completely penetrated by Italy during the 1920s and when Albania attempted to follow a more independent course in its policies in 1932–34 it met with determined Italian resistance. Italy prevailed, but became more conciliatory. Similarly in 1927, Italy signed a treaty with Hungary by which revisionist Budapest overcame her international isolation, especially as regards the Little Entente; Italy, in turn, from now on supported the revisionist policies of the Hungarian government (note that in June 1928 Mussolini for the first time publicly demanded the revision of the peace treaties). Rome in this way attempted to undermine the French security system in eastern Europe. This policy was flanked by neutrality pacts with Greece and Turkey in 1928 and by the marriage of King Boris of Bulgaria with Princess Giovanna of the House of Savoy in October 1930 which established close ties to another revisionist country. This friendship was based on mutual antagonisms which were directed against Greece and Yugoslavia. The most important step, however, in finding allies against the French position in eastern Europe was the intensification of relations with Germany. As a kind of re-insurance, however, the treaty of friendly relations with Vienna provided a clear barrier against Germany (Black and Helmreich 1959: 175; 362–4).

Hungary was less revisionist only in comparison to the Germans. Its foreign policy looked for partners that were equally inclined to change the existing frontiers. Germany, under Stresemann, was quite reserved with regard to the ambitions of the Horthy regime. With the signing of the pact

with Italy Budapest overcame its international isolation and found a partner who publicly declared the frontiers in Europe to be in need of change. In the years 1929–33 both Hungary and, to an even greater extent, Italy interfered in Austrian politics. Italy favoured the extreme right in Austria because in case of their electoral victory this could prove favourable for the Italian policy of hegemony towards south-eastern Europe (Riesenberger 1977: 239).

In parallel to the renewed revisionism we have to note that the *détente* of the mid-1920s was transitory. The promising Locarno era proved to be superficial because, eventually, it not only meant the revival of the traditional practice of the concert of European powers, but the Locarno system also lacked a leading power assuming global or at least regional steering and consolidation functions (Niedhart 1989: 74; Pfeil 1976: 96). Mussolini bluntly expressed this when he stated that Locarno had to be considered as a temporary ceasefire that the various parties adhered to only in order to gain new power and strength (Parker 1992: 99 f.).

### 4.3 The Washington system

Tokyo, too, was dissatisfied with the post-war order established in south-east Asia. In fact, the Washington Treaties were often perceived as the 'Japanese Versailles'. The Japanese determination to revise the Washington system became obvious in 1927 when the national-revolutionary Kuomintang Movement of Chiang Kai-shek gained the upperhand in China, thus opening the prospect of a more self-assured course of Chinese politics. In 1931, the Japanese conquest of Manchuria demonstrated the unpreparedness of the League and its leading powers to stop aggression committed by a powerful state. As a result, a heavy blow was dealt to the League's authority and it was highly doubtful whether the League would be able to prevent the 'looming relapse into the state of international anarchy' (Pfeil 1976: 112).

Summarizing these events, we can observe that the allied peace plans to create a strong and balancing *cordon sanitaire* between Germany and Russia consisting of a western-oriented, independent belt of states failed (Golczewski 1977: 131). The alliance treaties negotiated by Paris with the successor states and Poland hoping to assure security and the maintenance of the status quo gradually engendered a counteralliance system determined to eradicate the treaties. Thus, the search for security in the twenties failed. Neither the League, nor disarmament, nor alliances succeeded.

## 5 The 1930s: economic fragmentation and political turbulence

### 5.1 The amorphous global economy

In 1933, many hopes rested on the international economic conference as a possible source for a concerted effort to overcome the depression. It was

scheduled for London in June–July 1933. Preparatory discussions were held and plans for establishing a coordinated effort in the economic and monetary field were debated. In the end, the conference was spoiled by Roosevelt's 'bombshell message' of 3 July 1933. However, the conference went on for a couple of days in which the countries belonging to the British Empire agreed to form the sterling bloc, and the countries which still adhered to the gold standard also moved closer together. Now the world economy faced its definite decomposition; it crumbled into different blocs and became the 'amorphous world economy' (Kindleberger 1984: 292): (1) the gold bloc led by France in connection with the French colonial preference system; (2) the sterling bloc of Commonwealth countries (the Commonwealth Preference System) under London's leadership; (3) the dollar bloc; (4) the countries with foreign exchange control systems such as Germany or Italy; (5) the Japanese-led yen-bloc in the Far East; and (6) the Soviet Union as a rather isolated economy. These preferential systems promoted trade within each bloc, but discouraged trade with third countries.

The depression reached its lowest point in 1932/33, then the economies began to recover. Prices, exports, industrial production and national products went up, especially from 1934 onwards. Hence, the process of depreciation of currencies came to an end in 1935/36 when the gold bloc countries devalued and the gold bloc itself crumbled. The United States eventually assumed a greater responsibility for the world economic and monetary system. In the years after 1933 American policy had been ambivalent. On the one hand, the buying of silver had been an example of America's self-centred attitude, on the other hand, the Reciprocal Trade Agreements Act of 1934 had been a positive sign.

In the monetary field, with the Tripartite Agreement of 1936 between Washington, London and Paris which came into being because of an American initiative, prospects for the world economy brightened. Though the Great Powers did not assume great obligations, it marked an important step towards the restoration of healthy monetary relations. The Americans and the British agreed not to adopt competitive devaluations, which constituted a welcome guarantee for the French. Accordingly, the world economy improved considerably in 1936/37. Although world industrial production in 1937 was 20 per cent higher than in 1929 this was not accompanied by an equal restoration of international trade. World trade in 1937 represented just 95 per cent of that in 1929 (after 74 per cent in 1932) (Pinder 1986: 387).

## **5.2 The return of Hobbes in international relations**

The international system of the 1930s was quite different from the system of the 1920s. The structure of the 1920s with the Versailles and the Washington system, tied together by the US as a mediator, crumbled under the onslaught of the revisionist powers and the Great Depression. Fragmentation in the international system followed and Europe assumed much more the character

of a distinct subsystem. At the beginning of the 1930s we can identify two groupings of states, one following revisionist and expansionist policies and the other clinging to the status quo, but because of domestic considerations refraining from international conflicts and thus only lukewarm as to defense of the status quo. The major driving forces in the overthrow of the existing international system in the 1930s were Germany, Italy and Japan, that is, in both the former Versailles and the Washington system there was trouble.

In the European system, Germany became the strongest power on the continent. It appeared as if Berlin's drive towards the east (and then the west) could hardly be stopped (see Kaiser 1980). London was not powerful enough to face the Germans alone and, in addition, had to balance her global interests which led her to pursue a policy of appeasement; France experienced a remarkable decline. Hence the development of events between 1933 and 1939 proved the danger of the German threat towards the international system (see Rohe 1982). Italy was a natural ally for Hitler's Germany because of geostrategic considerations. Rome's *Mare-Nostrum* ambitions did not conflict with the geographical aspirations of German expansion (Funke 1977: 78). An alliance of the two powers most determined to overthrow the existing order would pose a fundamental threat. Therefore, one of the most significant events in the history of Europe in the thirties was Italy's break with Britain and France and the resulting shift in her alignment from western to central Europe. Italy resented France's position as a Latin great power and her strength in Central Europe. Thus Italy supported Hungary against the Little Entente and Bulgaria against Yugoslavia and endorsed German revisionism. In the Rome Protocols of 1934 Italy established closer relations with Austria and Hungary and became for a brief period 'the great champion of Austrian independence', until the crises in Ethiopia and Spain cleared the way for a rapprochement with Germany (Black and Helmreich 1959: 428).

After the Italian aggression in Ethiopia France manoeuvred between Great Britain and Italy which annoyed the UK. But Italy did not honour the French position. As a result the inclusion of Italy in the French concept of European security failed (Kiersch and Höhne 1977: 43f.). Moreover, the Italian venture in Ethiopia revealed something more. In contrast to the Japanese seizure of Manchuria, the League acted instantly in the case of the Italian aggression in Abyssinia by imposing sanctions (for the first time in the League's history) in November 1935. Sanctions, however, could not prevent the Italian triumph. This in turn meant another terrible blow to the League's credibility.

Since the days of the Locarno Agreement, the Eastern allies of the French no longer perceived Paris as a trustworthy partner because the French were content with the international guarantees for her frontiers with Germany, while neither Poland nor Czechoslovakia obtained a similar guarantee. The events around the proposed Four Power Pact in 1933 comprehensively



revealed to the Little Entente that Italy had attacked their vital interests, and that the opposition coming from Paris was lukewarm at best. Benes recognized these flaws and tried several times to reach a treaty with the Weimar Republic and even with Hitler to save Czechoslovak integrity. These efforts failed and Prague signed a treaty of friendship and mutual assistance with Moscow. Poland, in particular, resented her exclusion from the club of the great powers and the success of Italian foreign policy alienated her from her principal ally, France, and paved the way for the non-aggression treaty with Germany in January 1934. In the meantime, Poland from 1930 onwards put together a bloc of agrarian countries consisting of Poland, Czechoslovakia, Yugoslavia, Hungary, Romania, Bulgaria, Estonia and Latvia to press the Western powers to make concessions to these countries in commercial matters and to grant them preferential treatment.

With the Balkan Conference in 1930, a foundation-stone was laid for greater cooperation among the Balkan countries, but in the end this proved fruitless. One part of the explanation is provided by the structure of their commercial exchanges: though Czechoslovakia maintained a substantial trade with Romania and Yugoslavia which mainly rested on the more advanced state of Czech industrialization, Romania and Yugoslavia, both mainly agrarian in economic structure, traded very little. Prague was not able to import large quantities of agrarian products either. And both Hungary and Bulgaria made no pretense of refraining from their territorial claims for the sake of friendly relations with the Little Entente.

The question of Austria was also important for the successor states. The depression in Austria revitalized the debate about the '*Anschluß*' because it seemed certain that Austria would not be viable in its present form. The Little Entente officially endorsed Austrian independence, but in case Austria ceased to be a sovereign state strategic reasons made it imperative for Czechoslovakia that the patron state should be Italy whereas Yugoslavia favoured Germany.

At the beginning of the 1930s the Soviet Union considered herself a communist island 'in the dull ocean of the capitalist chaos' (Woroschilow) and followed Litvinov's policy of collective security (cited in Fischer 1981: 201). In the fall of 1932 the Soviets signed non-aggression treaties with Italy and France, and in May 1934 a French-Soviet alliance was implemented reconstituting the pre-war Alliance between Paris and Moscow. In May 1935, a military pact between Czechoslovakia and the USSR was signed and at the same time the French-Soviet Mutual Assistance Pact was agreed upon between France and the USSR.

The Scandinavian states were on friendly commercial terms with Germany. Nevertheless, their foremost goal was to establish closer relations among themselves. In 1930 the Netherlands, Belgium, Luxembourg, Norway, Sweden and Denmark, and later Finland, signed the so-called Oslo agreements which aimed at enlarged cooperation in the trade relations among the small states.

These agreements, strengthened in 1937, were, however, of limited commercial importance because of the hostile position of the great powers. The Convention of Ouchy signed in 1932 by the three lowland states to reduce tariff barriers was practically nullified by British insistence on being included. The loose organization of Norway, Sweden, Finland, Denmark and Iceland, established in 1934 to promote economic cooperation, went in the same direction. Regular conferences of the foreign ministers became the rule and therefore cohesion in the 'Scandinavian bloc' was far greater than in the larger grouping of the 'Oslo states'. This cooperation was never extended into the military sphere although all these states pursued a strict policy of neutrality (underlined in May 1938) and increased their armaments.

All in all security issues became more and more important in the 1930s. In fact, these years were marked by a mounting security dilemma which was of primary concern throughout Europe and beyond. This was accompanied by a widespread and spiralling armaments production, and led, finally, to another great war.

In the period of the great depression, the pattern of interaction was thus marked by non-cooperative behaviour. International cooperation, by contrast, might have prevented some of the catastrophic results of the depression. Kindleberger maintains, however, that in these years cooperation was not enough. Even a duopol, a 'pax Anglo-Saxonica' (Carr 1966: 234) would have been unstable. What was required according to the theory of hegemonic stability was the leadership of one country. But such a decisive international leadership was lacking. Britain, on the one hand, was no longer able to perform the role of guarantor to the international economic, monetary and political system, and the United States, on the other hand, was not willing to assume this role and retreated into isolationism/unilateralism in order to 'put first things first' as the newly elected President Franklin D. Roosevelt called it. Accordingly, in Kindleberger's analysis the shifts in the international leadership pattern were largely responsible for the severity of the depression and its consequences. These shifts promoted instabilities in the international monetary system which had two centres, or rather one centre which was losing its leadership capacities, and one which was in a slow process of assuming such a leadership role. This constellation promoted the breakdown of the gold standard and the smaller countries contributed to this instability by also showing disregard for the public good and the stability of the system as a whole. France just had the power to destabilize the system as a kind of chaos-power, but was not powerful enough for a stabilizing role (Kindleberger 1984: 26 f., 304–19; see also Carr 1966: 234).

However, the theory of hegemonic stability has some flaws (see, for example, Grunberg 1990). Therefore, the perspective chosen here maintains that what was needed was either a leading power or international cooperation. Both were notably absent (Bredow and Brocke 1981: 54). Instead, the contraction of world trade led to defensive, national economic

policies ('beggar thy neighbor'). This resulted in the decomposition – the regionalization or nationalization – of the world economy and the international system. At the same time the networks of linkages, creating a certain interdependence, were reduced. In the course of these events the European subsystem gained more autonomy in the international system, and power politics experienced a renaissance.

## **6 The impact of external events on the cases under consideration**

### **6.1 The greater powers**

With regard to Great Britain, the influence of external events was quite decisive, because the British economy was more dependent on the world economy than was the case for other countries. The integration of the British economy in the world market and London's importance concerning the international financial system represented factors the British governments felt bound to take into account. This could be sensed in the expenditure crisis in 1931 and led to reformist, and by no means radical steps.

By contrast, the integration of the German economy into the world market did not prevent a radical/extremist crisis solution. Equally, if not even more exposed to the forces of the global economy, the German case is proof of the possibility that a government determined to cut the links of international economic interdependence may succeed in doing so. The widespread feeling of having been humiliated and put at a disadvantage in the post-war period favoured unilateralist policies which were implemented most radically by the Hitler regime. Therefore, we may conclude that in the case of Germany external factors such as the Great Depression and the imposition of the Versailles Peace Treaty had some importance in the creation and the 'solution' of the crisis in Germany. It is, however, interesting to note that during the first crisis in Germany in 1922–24, which also was a politico-economic crisis, as in 1930–33, and in which external factors played a similar role, no transition to an authoritarian/fascist regime had taken place (Arends and Kümmel 2000).

Events in France were considerably shaped by external factors, too. In the post-war period Paris was determined to create a full security network as a safeguard against Germany. The perception of Germany and the reactions of other major powers towards the German question therefore played an important role in French politics which was almost permanently determined by conservative governments up to 1932. The Great Depression, then, had a fundamental impact upon the economy in France, where though hit later than other states, the crisis endured much longer (Wippermann 1983: 127–30). In addition, from 1930 onwards, and especially after 1933, Paris experienced the revival of German strength and the foreign policy

successes of the Hitler regime, and perceived this as a fundamental threat towards her security. All these events amounted to a severe social, political and economic crisis situation in France in the 1930s. Domestic political polarization prevented the creation of a stable government by any political camp. Then, in 1936, the popular front experienced an overwhelming electoral success, but this also did nothing to consolidate French politics (see Dobry 2000).

The impact of the international constellation upon the Italian crisis period was negligible; Mussolini's access to power was overwhelmingly determined by internal conditions (see Tarchi 2000). The only factors which were of a certain, but supposedly small, importance were the consolidation of Soviet Russia and several attempts at socialist revolutions in Europe. These events aggravated political polarization in Italy, favoured extreme political positions and consequently had a certain impact on the Italian right and upon the development of Italian fascism. Later, the trend in international relations towards authoritarian/fascist regimes in connection with certain successes in Rome's foreign policy (stemming to a large part from a strategy of social imperialism) had its share in the stabilization of Mussolini's regime.

In the Polish case, Anderson noted: 'Nursing pretensions to be a great power, Poland behaved with superior self-confidence toward her neighbors, including Germany and the Soviet Union, quarreling with them all' (Anderson 1958: 272). This meant that Western interference in what was considered genuine Polish affairs like the minority question, was thoroughly resented. Therefore, relations of the Poles to the West were unpopular among the majority of the Polish people and one has to conclude that 'calculating pragmatism determined the relations to the West' (Golczewski 1977: 131). The alliance with France was sought as a re-insurance against Germany (and the Soviet Union) and, consequently, Rapallo meant a consolidation of the alliance with France, while Locarno let it cool down. At the beginning of the 1930s events in Poland were more and more influenced by external events. The rise of an aggressive Germany, then, is evidence that the 'pressure of foreign affairs played a significant role in the decline of the parliamentary system in Poland, and after 1930 the legislative and executive power was gathered increasingly into the hands of a small clique of army officers' (Black and Helmreich 1959: 390).

## 6.2 The smaller states

In Sweden in mid-May 1933 a 'red-green' (socialist-agrarian) coalition was put together. The international constellation, i.e. on the one hand the National Socialist takeover in Germany just a few months before, and on the other hand, the Danish Kanslergadeforliget, doubtless helped to bring this about (see Lindström 2000). The Swedish solution to the crisis definitely has to be interpreted as a conscious antonym to the events in

Germany and has thus to be seen in the international context. The time factor seems to be of great importance: states which experience crisis at a relatively late moment can make use of past experience which was not at hand for the states which fell into crisis earlier.

Belgium, located between three major neighbouring powers (France, Germany, Great Britain), knew what external influence meant. Since 1831 it had been a neutral state which was guaranteed by the great powers. This status, however, was destroyed in the war. As a compensation, Belgium received Eupen and Malmedy, reparations payments and the mandate over Rwanda and Burundi as parts of former 'German East Africa'. In 1921, a military pact was concluded with France – despite considerable domestic opposition. The Flemish perceived the alliance with France as a vehicle for French influence in Belgian politics, society and economics whereas the Walloons interpreted any move against the alliance to France as a danger for Belgian security. Locarno, then, represented for Belgium a considerable insurance in security matters (Lademacher 1977b: 219). With the advent of the Hitler regime, Belgian concerns about their status rose because of the memories of the past. German expansionist policies were more and more considered a threat to Belgian security. Furthermore, the Rexists under Degrelle were oriented towards Mussolini's fascism and generated the impression not only of an external fascist threat from Nazi Germany – particularly after the reoccupation of the Rhineland – but also of a domestic fascist danger which somehow appeared to be the 'fifth column' of German/Italian fascism. International developments, therefore, produced a further polarization in domestic politics and this led to a government of national unity in 1936 (De Meur and Berg-Schlosser 2000).

Dutch foreign policy had to find a middle way between the United Kingdom and Germany for geographical, economic and historical reasons. Moreover, the Netherlands were concerned about their colonial empire, which drew them closer to London since the British fleet guaranteed the Dutch empire. With the onset of Japanese activities in the East the Dutch became even more friendly towards Britain and the United States. Geography and trade represented reasons which advocated good relations with Germany, but Dutch foreign policy also basically feared the loss of its colonies to Great Britain. On the whole, then, Dutch foreign policies steered a course of neutrality, friendship to all and cooperation through the League in order to maintain independence (Black and Helmreich 1959: 323), which also prescribed civilized behavioural patterns in the domestic arena. The same is true for the high level of Dutch integration into the world market. Dutch politics of neutrality stemmed from a lack of real power, but also had historical reasons. Neutrality had served the Netherlands very well in the World War, and the primarily naval-oriented balance of power politics which the Dutch had pursued for centuries similarly served the purposes of the merchant and the preacher (Lademacher

1977a: 193). Concerning the Dutch crisis situation we can state that the substantial integration into the world market called for a moderate answer towards the crisis as in the British case. Together with the basic inclination to follow an independent course between Berlin and London, plus (already before, but even more after 1933) a growing aversion to the German 'solution' this resulted in a renewed democratic consensus in the 1930s.

In Spain, the most important political and structural reasons for the breakdown of democracy lay within the country itself. However, external factors contributed to the course of events leading to the victory of Franco. That the *pronunciamiento* of 1936 turned into a civil war can be ascribed to a certain extent to events in other countries, notably Germany, Italy and Austria. In these countries the workers had been deprived of their former rights and the Spanish workers were determined to prevent the same from happening in Spain as well. Furthermore, German and Italian interference in the civil war was a very important feature. Thus, we may conclude that in Spain external factors were crucial for the outcome of the crisis situation, but the crisis itself was largely home-made.

Czechoslovakia came into being as one of the successor states of the Habsburg Empire and experienced a fragile existence throughout the inter-war period. Prague was enmeshed with border disputes and felt highly uneasy about Hungarian and German revisionism. In the 1930s, the Little Entente and the alliance with France failed to provide the Czechs and the Slovaks with a complete feeling of security, and later left them alone in facing the Germans. The minority question of the Sudeten Germans constituted the decisive factor of instability because the German foreign office used the Sudeten Germans as a pretext (Dolezel 1977: 262), and K. Henlein's Sudeten Germans party received discrete support from the NSDAP. The National Socialist drive towards Eastern and south-eastern Europe, therefore, represented the key to the breakdown of the Czech republic.

Austria was rather an object than a subject of events. After the decomposition of the Habsburg monarchy the allies imposed in the Treaty of St Germain the prohibition against merger with Germany – a violation of the principle of self-determination. The determination to prevent the *Anschluss*, in turn, meant that the victorious powers had to secure the material survival of Austria by arranging loans. Austria led a precarious existence and Italy in the beginning pursued its interests in Austria as a potential buffer state towards Germany. The Great Depression, then, nourished the view that Austria could not survive economically and led to the revitalization of the discussion about the *Anschluss* (Riesenberger 1977: 239). Thus, not only Italy, but also Germany (and to a lesser extent Hungary) followed their national interests in Austria. The project of the customs union in 1931 showed the German inclination towards closer relations with Vienna. When the Hitler regime came to power there could hardly be any doubt concerning the German desire to 'swallow' Austria. The Austrian crisis situation, therefore,

was strongly shaped by external influences. German and Italian support of the Austrian Nazi party, which had been founded in 1926 under the direction of Hitler, and the model of the German seizure of power led the Austrian Nazis to attempt a coup d'état in July 1934. Yet, this coup failed because Berlin denied any support due to the negative position of Mussolini. The Austrians tried to put up a native authoritarian regime in 1933–34 under Chancellor Dollfuss and his successor Schuschnigg. Initially, they followed an anti-Nazi policy which failed and they attempted to reconcile the German Nationals with the authoritarian government. Though the German–Austrian Treaty of July 1936, which was to end the trade war between Germany and Austria and to guarantee Austrian independence, represented a major success of Schuschnigg, the authoritarian regime could not be consolidated. German influence grew and Italy acknowledged Austria as a German sphere of influence after the German–Italian rapprochement and Mussolini's Ethiopian venture. Then in 1938 Germany annexed Austria.

In the Finnish case we have to note that although Finnish foreign policy had several options ranging from an orientation towards the Western powers, especially France, to a close cooperation with the Scandinavian states or the Baltic states plus Poland, or joining with either the Soviet Union or Germany, the Finnish rejected these alternatives in favour of an independent policy of neutrality. Finland always had to watch the permanent threat from the Soviet Union, whereas the relationship to Germany was basically friendly though never reaching a closer alliance (Bracher 1977: 176). This basically independent policy was supplemented by active participation in the League. Only when it became apparent that the League had declined did Finland choose to cooperate with its neighbours and joined the Oslo Convention in 1932. This was initially planned to further its members' trade, but after 1935 was extended to military cooperation. Finland tried to maintain good relations with everybody. In 1933, a trade treaty with Great Britain was signed and at the same time bilateral trade with Germany increased. The most important element in Finnish foreign policy, however, was the orientation towards the neighbouring countries. This seems to have been of considerable importance in the crisis. The Mäntsälä Revolt of the Lapua movement in February 1932 showed some German influence. Yet it represented a short-term interlude. In the end, the social democratic–agrarian compromise reflected the pattern set by Denmark, Sweden and Norway (see also Karvonen 2000).

In Portugal, external factors had almost no bearing on the overthrow of democracy and the installation of Salazarism. Domestic political factors reigned supreme. Portuguese policy was basically concerned with the defence of the country's vast colonial heritage. The only influential external power was Britain, which had dominated and guaranteed Portuguese independence since the seventeenth century. Though London, to a certain extent, supported Salazar's rise to power, this was by no means decisive.

The Spanish civil war, however, then dominated Portuguese foreign policy well into the Second World War.

Greece, as a semi-peripheral country, had a long history of foreign interference. After the war against the Ottoman Empire and the subsequent civil war in the 1820s and 1830s, Great Britain, Russia and France had established an 'informal protectorate' in Greece, which in 1863 was taken over by the British who retained this role until 1947. Foreign influence mainly rested upon chronic foreign indebtedness and this was the case in the 1920s, too, when London, as Athens' chief source of credit, often through the League represented the interests of various creditors. Nevertheless, this external factor was not of any major importance in the Greek crisis. A certain European trend towards authoritarianism, however, might have played a role in shaping Greek events. On the other hand, international conditions exerted a remarkable influence on Greece's further development. In the second half of the 1930s, Greece became a kind of battlefield between the two emerging poles of the coming war, with Berlin and London fighting for influence (Zink 2000a).

In the Hungarian case, external factors, particularly the imposition of the Treaty of Trianon upon Budapest, had a strong influence upon its politics. First, the treaty created in Hungary an ardent desire for revision. Second, the implementation of this revisionist programme depended upon the international constellation. Only if there were some other states pursuing revisionist goals could these hopes be fulfilled. Thus, the emergence of Italy and later Germany, plus the revisionism of some smaller countries, had a remarkable impact upon Hungarian foreign policies. Yet, until about 1933, they had only negligible influence on the domestic course of events, though the Great Depression had perceptible repercussions in Hungary. The basic conservative-authoritarian political conditions remained uncontested. From then on, however, domestic politics were increasingly influenced by international factors which shook the traditional non-democratic conservatism.

In Romania, factors of domestic politics were largely responsible for the crisis, but external factors aggravated the turmoil. The country faced a precarious situation. On the one hand, there was the threat of the growing Soviet Union which increased the irredentist actions of Soviets against Romania. On the other hand, Italy and Germany supported the Hungarian irredenta. Furthermore, Romania, because of its petroleum and food resources, was of strategic importance to the Third Reich and consequently Germany tried to increase its grip on the country throughout the 1930s.

As to the Baltic states and Estonia in particular it can be observed that in commercial relations they were involved in a rivalry between Germany and Great Britain whereas their geographical position made them a pawn in the struggle between Germany and the Soviet Union. In the international system of the 1930s, the Baltic states resorted to the conclusion of an entente in 1934 which aimed at their cooperation in international affairs.



Thus they proved to be able to defend their independence and neutrality by shying away from any adherence to either the Soviet Union or Germany until summer 1939 (Black and Helmreich 1959: 382f.). The crisis situation in Estonia was partly shaped by these external factors. The transition towards authoritarianism in March 1934 had its background in the economic and political crisis situation which developed after 1929. At first, the Great Depression was of minor influence, but then in 1931, when London left the gold standard, the exchange rate became a crucial issue in the political debate and led to a weakening of the political parties and to new antagonisms. The fractured and weakened, but still democratic political system collapsed under the onslaught of the populist-authoritarian Veterans' Movement. Except for the perception of a certain trend towards authoritarian solutions, then, external factors seem to have played only a minor role in the development and the outcome of the crisis situation in Estonia, but the linkage in the economic/financial sphere towards Great Britain strongly helped to bring the crisis about (Varrak 2000).

Lastly, Ireland was largely influenced in all aspects of life – economic, political and cultural – by the UK, which resulted in a de-facto isolation of Ireland from continental Europe. Though the depression hit Ireland considerably, the democratic consensus in politics was not contested. The Westminster model remained largely unchallenged because it was effectively shielded from events in Europe by Britain. So, we may conclude that in the Irish case external factors, in particular the British dominance, were responsible for the extremely small political space for alternatives in critical times (Zink 2000b).

## **7 A systematic assessment of the influence of external factors**

We analysed several variables and their impact upon the outcome by using Qualitative Comparative Analysis (QCA). According to this procedure, the possession of colonies, victory or defeat in the First World War and the influence of ideological and cultural factors (Catholicism; Marxism; Slavic, German, Roman or English cultural region) proved to be of almost no significance. Only in the case of Ireland and, to a considerably lesser extent, the Netherlands, was belonging to the English cultural sphere important for the democratic survival.

Then we introduced the variable trading state which takes up Richard Rosecrance's (1987) distinction between trading states and politico-military states. This posits the very crude hypothesis that states nearer to the pole of trading states tend to follow 'civilized' or democratic forms of conflict/crisis management in internal as well as in external crisis situations whereas states which are closer to the politico-military pole tend to favour authoritarian or fascist crisis solutions and to resort to military means.

This idea was operationalized by merging several variables: First, it is appropriate to look at foreign trade data. This is reflected in the variable WMI (world market integration) which expresses the percentage of the value of exports of the national product (Ex/NP). Second, the value of exports alone does not provide us with information about the composition – the structure – of these exports in order to determine susceptibility towards external trade in a qualitative or centre-periphery sense. Variable EcDep (Economic Dependence), then, reflects the structure of exports (ExStr) by looking at the percentage of finished products among total exports. Third, we developed a military expenditures index (MEI) to add information about the scope of the countries' military means. This variable simply reflects the percentage of military expenditures of the state's budget (ME/Bud). The variable trading state (Tradstat) was then created by merging the variables WMI, EcDep and MEI through the formula: If WMI = high (1) and EcDep = low (0) and MEI = low (0) then Tradstat = yes (1), otherwise no (0). This procedure is reflected in Table 9.1.

According to this table, only Belgium, the Netherlands, Great Britain, Austria and Germany could be called trading states. While there is no problem labelling the first four countries as trading states, there are some difficulties with Germany because the German military was engaged in secret arming and there are some problems with Bairoch's data for the national product. The table also reflects only the situation for around 1929 and thus gives no information about the changes over time.

The variable Tradstat, therefore, represents just a small, though interesting, facet in the overall picture, but does not provide a crucial variable for the project as QCA has shown, because the sub-variable MEI proved to be of only minor importance. In the breakdown cases, military expenditures were high in Spain, Italy, Estonia, Poland, but low in Romania, Greece, Hungary, Austria and Germany. In the survivor cases, they were high in Sweden, France and Czechoslovakia, but low in Great Britain, Belgium, Finland, the Netherlands and Ireland.

However, there is another variable which can be drawn out of the above table by merging WMI and EcDep into a variable called competitive world market integration (CWMI). The formula would be: If WMI = high (1) and EcDep = low (0), then CWMI = high (1), otherwise low (0). This variable proved to be very relevant. In the category 'external factors' it turned out to be the crucial variable for the outcomes. The hypothesis is that a high CWMI favours the survival of democratic regimes in periods of crisis. Conversely, we may assume that a low CWMI contributes to the authoritarian or fascist breakdown of political systems.

This result is even more valid for the breakdown cases than for the survivor cases. In the latter category only Germany and Austria can be ascribed a high CWMI. The remaining countries in this group – except Italy which was neither dependent in a centre-periphery sense nor highly

Table 9.1 Trading states and competitive world market integration

Country	NP	Export	Ex./NP	WMI	Ex.Str.	Ec.Dep.	Mil.Exp.	ME/Bud.	MEI	Tradstat	CWMI
SWE	11,286	2,039	18	1	41	0	1,505	18	1	0	1
FIN	4,161	674	16	1	20	1	643	14	0	0	0
BEL	18,156	3,711	20	1	60	0	2,788	8	0	1	1
NET	16,145	3,356	21	1	44	0	1,688	15	0	1	1
FRA	83,366	8,248	10	0	63	0	19,399	28	1	0	0
UK	97,545	14,893	15	1	79	0	23,413	14	0	1	1
CZE	16,816	2,548	15	1	72	0	2,144	18	1	0	1
IRE	4,005	956	2	0	9	1	368	7	0	0	0
AUS	9,876	1,293	13	1	74	0	559	5	0	1	1
GER	102,645	13,483	13	1	73	0	7,080	8	0	1	1
ITA	42,479	3,288	8	0	43	0	9,928	22	1	0	0
HUN	7,497	763	10	0	20	1	10	10	0	0	0
ROM	11,998	727	6	0	2	1	1,950	15	0	0	0
EST	2,213	132	6	0	31	1	209	23	1	0	0
POR	4,425	215	5	0	10	1	n.a.				
SPA	21,747	1,707	8	0	22	1	5,137	22	1	0	0
GRE	5,042	379	8	0	2	1	759	12	0	0	0
POL	22,385	1,325	6	0	20	1	3,827	31	1	0	0
mean			11.1		38.1			16			

Key:

- NP National Product (1929) in mio. Reichsmark. Calculated from Bairoch 1976: 295. The data in Bairoch present the GNP for the year 1929 in US-\$ in US-prices of 1960. Therefore they were transformed in US-\$ in US-prices of 1929 (factor 0.49; calculated from Wattenberg 1976: 224). These data were transformed into Reichsmark (1 US-\$ = 4.20 RM; Statistisches Reichsamt 1936: 493).
- Export Value of exports in 1929 in mio. RM. Calculated from Statistisches Reichsamt 1936.
- Ex./NP Share of exports in National Product in %. (Rounded)
- WMI World Market Integration. If  $Ex./NP > 11.1$ , then  $WMI = \text{high (1)}$ , otherwise low (0).
- Ex.Str. Export Structure. Percentage of finished products on total exports. Calculated from Statistisches Reichsamt 1936.
- Ec.Dep. Economic Dependence in a qualitative centre-periphery sense. If  $Ex.Str. > 38.1$ , then  $Ec.Dep. = \text{low (0)}$ , otherwise high (1).
- Mil.Exp. Military Expenditures in mio. RM, 1928 or 1929 (rounded). Source: Oertzen 1929.
- ME/Bud. Percentage of Military Expenditures on Budget. Source: Oertzen 1929.
- MEI Military Expenditures Index. If  $ME/Bud. > 16$ , then  $MEI = \text{high (1)}$ , otherwise low (0).
- Tradstat Trading State. If  $WMI = \text{high (1)}$  and  $Ec.Dep. = \text{low (0)}$  and  $MEI = \text{low (0)}$ , then  $Tradstat = \text{yes (1)}$ , otherwise no (0).
- CWMI Competitive World Market Integration. If  $WMI = \text{high (1)}$  and  $Ec.Dep. = \text{low (0)}$ , then  $CWMI = \text{high (1)}$ , otherwise low (0).

integrated in the world market – were not only integrated in the world economy below the mean of our 18 cases, but also economic peripheries. In the group of survivor countries, only Finland, Ireland and France cannot be labelled competitively world market integrated. Finland was highly integrated in the global economy, but was economically dependent, whereas Ireland was an economic periphery, but at the same time only weakly integrated in world markets. France, at last, belonged to the economic centre category, but at the same time was not integrated into the world market above the mean. Accordingly, we have only two cases in the subset of breakdown cases which do not fit our hypothesis. In the subset of eight survivor cases, three of them do not correspond to the assumption.

This means that the variable CWMI is important when looking at the question of how democratic political systems react in periods of crisis. Looking at our set of 18 cases we might say as a crude generalization that countries which are highly integrated in the world economy and not economically dependent in the centre-periphery sense tend to look for democratic solutions in crisis periods instead of turning to authoritarian or fascist solutions. Conversely, countries which are only loosely integrated in the world market and economically dependent as a periphery tend to authoritarian or even fascist crisis solutions. However, looking at CWMI as the only determining variable would obviously be short-sighted. Whether the states with high or low CWMI really act according to the hypothesis or not depends on the actual mix of factors and their importance in relation to other factors (see also Part IV below).

# 10

## The Impact of the World Economic Crisis and Political Reactions

*Thomas Saalfeld*<sup>1</sup>

### 1 Introduction

In this chapter, the focus will be on the relationship between economic performance, policy and democratic regime failure. Did the frequency, length and severity of economic crises influence a democracy's chance of survival? How did policy-makers respond to the crises? Did successful economic policy improve a democratic regime's survivability?

Perceptions of the interwar period have been shaped by economic crises. At first glance, therefore, the occurrence of a wave of democratic regime breakdown was often explained by economic problems and their political repercussions. Yet, it was found in earlier research (Zimmermann 1985; Zimmermann and Saalfeld 1988) that neither the severity of the 1929–32 slump nor government policy in response to the Depression were sufficient conditions of democratic regime failure for a sample of eight interwar democracies. In recent years, however, Barry Eichengreen's (1992) insightful work on the gold standard has reaffirmed the importance of currency policy for a country's economic recovery during the interwar years. His work has important implications for the stability of democratic regimes in the interwar period as well. So this chapter will investigate whether the conclusion that economic policy was relatively unimportant as a causal factor for the survival of democratic regimes in the interwar years can be upheld in the light of Eichengreen's findings and on the basis of a larger sample of countries. Moreover, it will investigate whether the plausibility of economic explanations is enhanced if the cumulative effect of economic difficulties over a prolonged period of time – the whole interwar period – is considered.

More specifically, four questions will be addressed: (1) Did democracies suffering a severe economic crisis immediately after the end of the First World War have more difficulty in building a sufficient degree of public support and were, therefore, more likely to collapse during the interwar period than democracies that were less strongly affected by the post-war slump? (2) Were democracies whose economic performance declined substantially

Table 10.1 Sectoral distribution of the work force in European states, 1920

Country	Total size of work force (in thousands)	Agriculture, forestry and fishery: share of work force (%)	Industry and mining: share of work force (%)	Services and rest: share of work force (%)
Austria	3,084	31.9	33.3	34.8
Belgium	3,105	21.8	48.1	39.0
Czechoslovakia	6,016	40.3	36.8	22.9
Finland	1,499	68.8	12.8	18.3
France	21,717	41.5	29.3	29.1
Germany	32,009	30.5	41.4	28.1
Greece	1,867	49.6	16.2	34.2
Hungary	3,653	58.2	19.7	22.1
Ireland	1,302	52.1	14.7	33.3
Italy	18,283	56.1	24.6	25.7
Netherlands	2,718	23.6	35.6	43.8
Poland	13,414	76.6	9.4	14.0
Portugal	2,545	57.4	21.9	26.7
Romania	10,658	77.2	8.9	13.8
Sweden	2,602	40.7	31.1	28.2
Spain	8,093	56.1	20.9	23.0
United Kingdom	19,359	7.1	47.5	45.4

Source: Wolfram Fischer: 'Wirtschaft, Gesellschaft und Staat in Europa 1914–1980', in Wolfram Fischer, Jan A. van Houtte, Hermann Kellenbenz, Ilja Mieß and Friedrich Vittinghoff (eds): *Handbuch der Europäischen Wirtschafts- und Sozialgeschichte*, vol. 6 (Stuttgart: Klett-Cotta, 1987), p. 93.

during the Depression of the 1930s more likely to collapse than democracies that were less strongly affected by the crisis? (3) Were democracies that were strongly affected by the cumulative effects of both crises more likely to collapse than democracies that were less affected by the first one? (4) Was economic policy a significant intervening variable affecting the speed of economic recovery and, hence, indirectly, democratic regime survival?

The level of economic development in the various countries of our sample makes comparisons of economic problems and policies extremely difficult. Table 10.1 shows that in most countries of western and central Europe, the industrial and service sectors dominated the economy by 1920 (in terms of the workforce employed). By contrast, most southern, south-eastern and eastern European countries were still predominantly agricultural. As we shall see later, these differences influenced the nature and consequences of economic crises in the interwar period significantly.

## 2 Economic crises in interwar Europe

The First World War destroyed Europe as an economic unit. It interrupted the flow of commodities, services, capital and labour. The establishment of

the Soviet Union (1917) divided the continent into two different economic spheres – a capitalist and a state-monopolist one (Fischer 1987: 84). Pre-war economic cooperation was never completely restored during the interwar period. The impact of the Depression of the 1930s cannot be understood without understanding the effects of the First World War. This war resulted in formidable economic, social and political problems for all European governments (see also Chapters 1 and 2 above). Yet the conditions varied. Most countries of western and north-western Europe suffered a short but sharp recession between 1920 and 1921/22 and recovered quickly thereafter. Some countries such as Ireland, the Netherlands and Sweden can be said to have benefited economically from the war and were able to improve their position significantly between 1913 and 1920. Other states such as Austria, Germany or most countries of east-central and south-eastern Europe were unable to return to pre-war prosperity until the second half of the 1920s. Unlike the western and north-western European states mentioned above, hyperinflation was one of the consequences of the First World War and the main problem for important interwar breakdown cases such as Germany, Austria, Czechoslovakia, Hungary and Poland. One could, therefore, hypothesize that the economic conditions in 1919–20 (especially if compared to the pre-war experience) are a crucial explanatory variable for variations in democratic regime legitimacy and survivability. Democracies that emerged from the First World War with little, or only short-term, economic disruption could be expected to have better chances of survival than democracies whose economic performance did not give the young democracies enough time to build up a sufficient degree of what David Easton (1965; 1975) calls ‘specific’ and ‘diffuse’ support.

Table 10.2 provides data on the aggregate production of goods and services (GDP) in ten out of our eighteen states. The data are standardized for the base year of 1913. Estimates were used to exclude the impact of frontier changes. Even after adjustment for frontier changes, Austria’s 1920 GDP was less than two-thirds (66.4 per cent) of its pre-war level. The 1913 level was surpassed only in 1928. Similarly, Germany’s GDP in 1920 was little more than three-quarters of its 1913 level (78.6 per cent). The 1913 level would not be reached until 1925. By contrast, Italy, another ‘breakdown case’, fared a lot better. Here GDP reached its 1913 level in 1920. Nevertheless, Italy was one of the first democracies in our sample to suffer a regime collapse – although its economic performance had virtually reached pre-war levels in 1920, while ‘surviving’ democracies such as France, Finland and Czechoslovakia had not. In fact, France’s situation in 1920 was hardly better than Germany’s.

As for the other young European democracies, mainly in east-central and south-eastern Europe, it has to be emphasized that their level of economic development was, by and large, considerably lower than in the countries covered by Table 10.2. Moreover, the economic plight of these countries

Table 10.2 GDP (1913=100) in ten European democracies, 1920

Country	GDP 1920 (1913=100)
Netherlands	118.3
Sweden	102.8
Italy	100.0
United Kingdom	93.7
Belgium	92.5
Czechoslovakia	90.5
Finland	88.7
France	81.8
Germany	78.6
Austria	66.4

Sources: Angus Maddison: *Phases of Capitalist Development* (Oxford: Oxford University Press, 1982), pp. 174–5; for Czechoslovakia Brian R. Mitchell: *International Historical Statistics: Europe 1750–1988* (Basingstoke: Macmillan, 1992), p. 892.

was aggravated by historical, ethnic and political factors (see also Chapters 2 and 4 above). The Habsburg monarchy, for example, left its successor states, whether victorious or defeated, with the most depreciated currency of inter-war Europe except Russia. Initially, currency unity was retained on the territory of the former Dual Monarchy. As a result inflation could spread from Vienna to Hungary and Poland. Poland and Romania managed to stabilize their currencies only in the second half of the 1920s. Czechoslovakia alone escaped the worst economic upheavals by an early currency reform and a complete separation from the Austrian monetary and banking system (Teichova 1989: 889, 928–30). Other similarities were the ethnic heterogeneity of the successor states' populations (except in Austria and Czechoslovakia), relative economic backwardness and the strong predominance of the agricultural sector (which provided the main source of exports), an acute lack of domestic capital and, as a corollary, a pronounced dependence on foreign capital (Teichova 1989; Aldcroft 1993: 88).

The situation of Hungary can serve as an illustration of the political and economic upheavals most successor states faced after the end of the First World War. The monarchy collapsed as a result of the war, Count Mihály Károly's government, with its intention of eventually democratizing Hungary, survived only half a year and was replaced by Béla Kun's short-lived 'Dictatorship of the Proletariat' in June 1919 and subsequently by Admiral Miklós Horthy's regime (see also Ilonszki 2000). The political upheavals did not provide a stable framework for economic recovery. Although retaining considerable economic assets, the value of its manufacturing output (at constant prices) in 1924 reached only two-thirds of its



output in 1913 (Rothschild 1974: 167, 169). Like Austria and Germany, the country suffered from hyperinflation with its devastating social consequences aggravating the tremendous human and economic losses caused by the war. According to Rothschild (1974: 168) hyperinflation was, in addition, deliberately fuelled by government policy. The League of Nations' Reconstruction Loan of 1924 was used mainly to pay the country's share of the Habsburg monarchy's debts, to consolidate the budget and to achieve financial stability. Subsequent loans went into consumption rather than investment. By the end of the 1920s, Hungary's per capita foreign debt was the heaviest in Europe.

There is considerable evidence that many of the 'breakdown cases' of the interwar period suffered harsh economic conditions before the slump of the 1930s set in. In particular the countries of central, east-central and south-eastern Europe were relatively poor in 1919 and/or disproportionately suffered from the consequences of the First World War. The contrasting experience of the emerging Irish Free State also supports the hypothesis that the immediate post-war economic conditions played an important role in a democracy's survivability. Although Ireland also experienced a phase of political upheaval during the First World War, the War of Independence and the Civil War, economic development was characterized by a surprisingly high degree of stability (Lyons, 1971: 588). Cullen (1972: 171) argues that – unlike some other emerging nations – Ireland had benefited from the high demand for its agricultural exports during the war. Although the agricultural boom collapsed in 1920, and despite the dislocation of trade and the loss of the industrial north-east as a consequence of the treaty negotiations with the United Kingdom, the Irish economy largely absorbed the shock of 1920–23 due to the substantial external assets accumulated during the First World War (Kennedy et al. 1988: 39; Cullen 1972: 172).

Nevertheless, arguments emphasizing the post-war conditions leave a considerable proportion of the variation unexplained. The early failure of democracy in Italy, for example, is hard to explain by referring to the economic and political consequences of the war because its economic performance was relatively strong. Similarly, it is difficult to explain the different trajectories of Czechoslovakia and Finland on the one hand, and Austria and Estonia on the other.

For most successor states of the Habsburg, Tsarist and Ottoman empires the Depression began before their economies had a chance to recover from the disruptions of the First World War. They had already suffered from the depression of agricultural prices which began in the second half of the 1920s. The more industrialized nations of central Europe, by contrast, were gravely affected by the Depression from 1928–29 onwards. But whereas Germany began to recover quickly in the last months of 1932 and in the spring of 1933, the crisis remained severe in Austria and Czechoslovakia. France felt the full extent of the Depression only from 1931 onwards. Once

she was hit by it, however, France was slow to recover from the crisis. In the Nordic countries, the Irish Free State and the United Kingdom, by contrast, the crisis was comparatively mild. In south-eastern and southern Europe as well as Ireland, the Depression aggravated existing problems in the agricultural sector but did not generally interrupt the beginning of the process of industrialization (Fischer 1987: 88–9; Kennedy et al. 1988: 46–7).

Table 10.3 reports the development of industrial production, GDP and the unemployment rate for individual countries in the two periods, 1929–32 and 1932/33–37. Some national peculiarities notwithstanding, 1929 can be seen as the first year of the Depression in most cases, and 1932 was the year when most economies reached their trough. The extent of the recovery can be observed by using the same indicators between 1932/33 and 1937/38. Austria and Germany, two of the breakdown cases, faced the most serious decline in industrial production amongst all countries reported in Table 10.3. However, in some of the surviving democracies such as Belgium, France and Czechoslovakia industrial production also declined disastrously. The largest decreases in GDP occurred in Austria, Czechoslovakia and Germany while unemployment rose most dramatically in Belgium, the Netherlands and

*Table 10.3* Percentage changes in industrial production and output (GDP) and absolute differences in unemployment rates 1929–32 and 1932–38

Country	1929–32			1932/33–1937/38		
	Industrial production	GDP	Unemployment	Industrial production	GDP	Unemployment <sup>a</sup>
Austria	–34.3	–22.5	12.9	53.8	18.6	0.0
Belgium	–27.1	–7.1	21.6	42.3	9.8	–9.7
Finland	–20.0	–5.9	4.0	96.2	48.7	–4.3
France	–25.6	–11.0	14.4	20.0	7.9	–8.0
Germany	–40.8	–15.7	17.0	122.2	67.5	–25.5
Italy	–22.7	–6.1	n.a.	48.5	20.8	n.a.
Netherlands	–9.8	–8.2	19.4	35.1	12.2	1.6
Spain	–11.6	–8.8	n.a.	3.0 <sup>b</sup>	9.0 <sup>b</sup>	n.a.
Sweden	–11.8	–8.9	11.6	72.4	38.3	–12.0
United Kingdom	–11.4	–5.8	9.0	52.9	25.7	–8.5
Czechoslovakia	–26.5	–18.2	11.3	51.5	20.3 <sup>c</sup>	–4.7
Hungary	–19.2	–11.5	n.a.	58.7	24.5	n.a.
Poland	–37.0	n.a.	10.7	86.2	n.a.	–2.8
Romania	–11.8	n.a.	n.a.	49.3	n.a.	n.a.

<sup>a</sup> 1937 throughout.

<sup>b</sup> 1933–35.

<sup>c</sup> 1935–37.

*Sources:* Industrial Production and GDP: Derek H. Aldcroft: *The European Economy 1914–1990*. 3rd edn (London: Routledge, 1993), p. 64. Unemployment: Ekkart Zimmermann: *Unemployment in the 1930s: Neo-Mercantilism, Markets and Politics. Towards a Comparative Analysis*. Unpublished discussion paper (Mimeographed, Munich 1987).

Germany. Germany experienced the strongest recovery on all three indicators selected. Across the board, only Sweden experienced a similarly vigorous recovery, albeit not on the same scale.

Table 10.4 shows the unemployment rate in all countries in our sample for which figures were available from standard sources<sup>2</sup> (see also Chapter 13 below). Unemployment began to rise dramatically in Germany and Austria from 1928 onwards. In 1929, it began to increase with a similar slope in Belgium and the Netherlands. In Germany (1932: 30.1 per cent), the Netherlands (1934: 31.7 per cent, 1935: 32.7 per cent) the unemployment rate was more than 30 per cent. In Czechoslovakia, France and the United Kingdom, by contrast, the unemployment rate fluctuated between 15 and 18 per cent during the peak years of the Depression; in Finland it remained around 5 per cent. Although differences in the way the unemployment rate was calculated make it difficult to compare the absolute figures directly, it is safe to say that the German and Austrian experience was not unique in terms of its severity. Surviving democracies like the Netherlands experienced similar or even more unfavourable developments. This result is corroborated by Table 10.3 which compares the absolute rates of change of the unemployment rates between 1929 and 1932. The largest

*Table 10.4* Unemployment in ten European Countries, 1919–38

Year	AUT	BEL	CZE	FIN	FRA	IRE	NET	POL	SWE	UK
1919	18.4	n.a.	n.a.	n.a.	n.a.	3.7	7.7	n.a.	n.a.	n.a.
1920	4.2	n.a.	n.a.	n.a.	n.a.	3.8	5.8	n.a.	5.4	n.a.
1921	1.4	11.5	n.a.	n.a.	5.0	2.8	9.0	n.a.	26.6	12.2
1922	4.8	4.2	n.a.	n.a.	2.0	1.5	11.0	n.a.	22.9	10.8
1923	9.1	1.3	n.a.	n.a.	2.0	9.6	11.2	n.a.	12.5	8.9
1924	8.4	1.6	n.a.	n.a.	3.0	13.5	8.8	n.a.	10.1	7.9
1925	9.9	2.4	n.a.	0.6	3.0	6.7	8.1	n.a.	11.0	8.6
1926	11.0	2.0	3.0	0.5	3.0	18.0	7.3	n.a.	12.2	9.6
1927	9.8	2.5	1.6	0.5	11.0	8.8	7.5	7.4	12.0	7.4
1928	8.3	1.7	1.4	0.4	4.0	8.4	5.6	5.0	10.6	8.2
1929	8.8	1.9	2.2	0.9	1.0	13.1	5.9	4.9	11.2	8.0
1930	11.2	5.4	4.5	2.2	2.9	15.3	7.8	12.7	12.2	12.3
1931	15.4	14.5	8.3	3.5	6.5	23.3	14.8	14.6	17.2	16.4
1932	21.7	23.5	13.5	4.9	15.4	30.1	25.3	15.6	22.8	17.0
1933	26.0	20.4	16.9	4.3	14.1	26.3	26.9	16.7	23.7	15.4
1934	25.5	23.4	17.4	2.3	13.8	14.9	28.0	16.3	18.9	12.9
1935	24.1	22.9	15.9	1.5	14.5	11.6	31.7	11.9	16.1	12.0
1936	24.1	16.8	13.1	0.9	10.5	8.3	32.7	11.8	13.6	10.2
1937	21.7	13.8	8.8	0.6	7.4	4.6	26.9	12.8	10.8	8.5
1938	n.a.	18.4	n.a.	0.6	7.8	2.1	25.0	8.8	10.9	10.1

*Source:* Ekkart Zimmermann, Unemployment in the 1930s: Neo-Mercantilism, Markets and Politics. Towards a Comparative Analysis. Unpublished working paper (Mimeographed, Munich 1987; definitions of unemployment in the individual countries can be found here).

increases can be observed for Belgium (21.6) and the Netherlands (19.4). The increases in Germany (17.0) are also high as are those in France (14.4).

In sum, therefore, all breakdown cases considered here experienced very difficult economic conditions throughout the interwar period. Economic conditions in Austria and Germany, for example, were highly unfavourable from the beginning of the interwar period as both countries' aggregate production of goods and services (GDP) did not reach its pre-war levels until the mid-1920s. After a brief interlude of relative stability, both countries were hit severely by the Depression of the 1930s. In both countries, a sustained recovery began only after democracy had collapsed. The new states of east-central, eastern and southern Europe faced serious problems of relative economic backwardness, unequal land distribution, ethnic diversity, indebtedness, political instability and often a vulnerable position in the international system. It may be argued that in cases such as Poland, state consolidation and economic development had not progressed sufficiently to sustain a stable democracy (compare, for example, Rueschemeyer et al. 1992: 153). This may explain why many of them had collapsed prior to the Depression of the 1930s. Yet, some 'surviving democracies' had similar economic problems and very little time to consolidate politically. Again, Czechoslovakia, Finland or the Irish Free State may serve as examples. If we compare the severity of the Depression in more advanced European economies, it is immediately evident that the depth of the crisis in Germany and Austria was by no means unique. Belgium and the Netherlands faced similar problems: It is worth adding, however, that the timing of the crisis may be an important intervening variable: in countries such as Belgium, France or the Netherlands, the Depression started later than in Germany or Austria. The collapse of democracy in the latter countries may have strengthened the resolve in other countries to fight the economic crisis as well as the resulting threats to democracy. Nevertheless, the severity of the Depression as such is not a sufficient condition of democratic regime breakdown. Even the more restrictive argument that those countries which were severely hit by both major interwar economic crises – the post-war crisis and the Depression of the 1930s – is not entirely convincing. Once again, the very different trajectories of Austria and Czechoslovakia are a case in point.

The following section will examine whether the 'economic thesis' gains in plausibility if we add the variable of economic policy. One might argue that it is the economic effect of economic policy that matters and, therefore, the discussion of economic policy as such is redundant. It will be demonstrated for several countries (for instance Sweden), however, that economic policy had a direct impact on the formation of political coalitions, which then helped stabilize democracy politically. By contrast, in other countries (for example Austria and Germany) disputes over economic policy issues contributed to political polarization and the formation of anti-democratic coalitions (compare, more generally, Gourevitch 1986; Katzenstein 1985; Rogowski 1989).

### 3 Economic Policy

During the First World War, the direct involvement of governments in the economy had reached unprecedented levels. Although most western and northern European governments attempted to return to pre-war levels of state intervention after 1919, the state retained more responsibility for the nations' economic and social development than it ever had before 1914. In some countries such as Italy, Romania, Poland, Portugal and the Baltic states, government assumed a central role in developing the economy. During the Depression of the 1930s even 'liberal' governments were forced to intervene in the economy to a degree previously unknown in times of peace. Thus, the extent to which a political regime accepted responsibility, and could be blamed, for unfavourable economic circumstances increased.

Within the scope of this chapter, an exhaustive account of the role and effects of government policy during the Depression can obviously not be given. I will confine myself to identifying some major similarities and differences in the country responses to the Depression. Countries where democracy had broken down prior to the Depression are not dealt with. The remaining countries fall into four broad categories: (a) the states of east-central, eastern and south-eastern Europe, (b) the southern European states, (c) the countries of the 'gold bloc' whose governments adhered to the gold standard until 1935–36, and Germany, whose government was effectively prevented from devaluing even if it had an inclination to do so, and (d) countries whose governments went for an early devaluation of their currencies. It will be argued that early devaluation in the latter group opened up opportunities for new pro-democratic coalitions.

#### 3.1 The states of east-central, eastern and south-eastern Europe

Austria is treated under the heading of east-central Europe because most of its traditional trade links were with economies in this region. The country's post-war economy had many problems to contend with that were similar to those of other successor states of the Habsburg empire: war exhaustion, the task of reconstruction, structural deficiencies in the economy, the loss of industrial areas to Czechoslovakia, the loss of a large customs-free market for its products, and hyperinflation. Before the Austrian economy had time to recover, the country was engulfed in the Depression. The first spectacular sign of the Depression was the crisis of the Credit-Anstalt in 1930–31. The subsequent flight of capital and the resulting drain on her foreign exchange reserves forced the government to take drastic action in the latter half of 1931. The government attempted to stabilize the Credit-Anstalt through a loan of 500 million schillings, that is, nearly one-fifth of the central government's total 1931 budget (Stiefel 1979: 102; Kitchen 1980: 92). The shrinking of economic activity and the dramatic rise in unemployment put additional pressure on the budget. The government

reacted with orthodox recipes: restrictive fiscal and tight monetary policy, defence of the gold standard, protectionism and agricultural subsidies. The dismal state of public finance, preference for a balanced budget, fear of renewed hyperinflation, and dependence on external powers in currency matters left the Austrian governments with very little room for manoeuvre. To make matters worse, the government's economic policy was inconsistent and inappropriately timed. Drastic economies were combined with subsidies (to agriculture in particular). Despite the government's persistently non-interventionist creed, agriculture was protected by massive tariff increases and import restrictions. The minor employment programmes between 1933 and 1936 had little effect. The state of the economy exacerbated the political stalemate (*Lagermentalität*) and convinced Chancellor Dollfuss and parts of Austria's political elite that the country's economic problems could only be overcome by authoritarian government (see also Gerlich and Campbell 2000).

Czechoslovakia also was strongly affected by the collapse of the Austrian Credit-Anstalt (May 1931). Foreign creditors began to withdraw short-term loans. Repercussions were all the more calamitous because of the lack of domestic capital formation (Teichova 1989: 939). Among the successor states of the Habsburg empire Czechoslovakia was one of the hardest hit, and recovery was slower than in the predominantly agricultural economies of south-eastern Europe. 'Czechoslovakia's manufacturing production decreased by one-half between 1929 and 1933 and recovery began later and progressed more sluggishly than elsewhere in the area. [...] Her vital export trade dropped to almost one-third of the 1929 level in 1932' (Teichova 1989: 940). As in most other countries, the government reacted with orthodox economic policies. It continued its tight monetary policy and attempted to protect domestic production by tariffs, exchange controls and strict foreign trade regulations. The Czechoslovak crown was devalued only in 1934. Recovery was slow. Industrial production reached its 1929 level only in 1937 (Teichova 1989: 938–41). The Depression was not without political repercussions. From 1930 onwards the highly industrialized German-speaking districts were hit more severely than the predominantly agricultural lowlands. This may have helped to prepare the ground for the rise of militant German nationalism. Parties supported by middle-class German voters were urging total opposition to Prague and gained in popularity. They were actively encouraged by the German government after Hitler's rise to power (see also Bradley 2000).

The other successor states of the Dual Monarchy were largely agrarian in character. Therefore, for all countries except Austria and Czechoslovakia, 'it was the agrarian sector which determined the scale and severity of the crisis' (Aldcroft 1993: 89). During the Depression prices for primary products collapsed. This collapse was accentuated in the early stages by increasing production as farmers sought to maintain their incomes through increased

sales. Agricultural exports were hit by falling prices, severe competition, increasing self-sufficiency and protectionism in former markets. The collapse of agricultural incomes 'was little short of disastrous given the already heavy indebtedness of the farming sector [...] Thus by 1932 many peasants were on the verge of bankruptcy' (Aldcroft 1993: 88). The second pillar of economic consolidation in interwar eastern and south-eastern Europe had been large-scale capital imports. However, after the New York stock exchange crash of 1929, most short-term loans were called back and capital imports dwindled. From the summer of 1931 onwards, the region's governments followed the German example and introduced bank holidays, declared one-sided moratoria on debt repayment, resorted to massive foreign exchange controls and controlled foreign trade in order to avoid a complete financial breakdown (for a detailed account see Berend and Ránki, 1987: 813–15). The examples of Romania, Estonia and Greece can be used to illustrate this approach.

In Romania, a National–Peasant cabinet headed by Iuliu Maniu took office in 1928. Maniu implemented a programme of political and economic liberalization and negotiated a foreign loan for US\$ 102 million. This allowed him to balance the budget, stabilize the currency and make it convertible. Repudiating its 'Liberal' predecessors' policy of economic self-sufficiency, favouring industrial development over agriculture, the Maniu government also lowered industrial tariffs, especially on farm implements and items of peasant consumption, and ended export duties on agricultural produce. Alas, the timing was bad: just when Romania at long last welcomed foreign capital, the Depression rendered it unavailable; and when a government finally supported agriculture, the collapse of world grain prices and the European panic into agricultural autarky eroded its efforts (Rothschild, 1974: 301–2).

The Maniu government reacted by subsidizing agricultural prices. Between 1930 and 1933 the government negotiated moratoriums and the waiving of some external debts. Attempts to find new trade outlets for Romanian agricultural products at the London Economic Conference, and bilateral trade agreements with Germany (1931) and France (1932), largely failed in a climate of international protectionism. As a result, the government sought closer economic cooperation with Germany and Italy and thereby prepared the dependence on fascist states whose economic support became vital. Domestically, the social tensions led to strikes and favoured a continuous strengthening of the Communist Party and the fascist 'Iron Guard' which increasingly managed to attract the support of impoverished and disappointed peasants. Recovery began after 1934. Ironically, the collapse of international agricultural trade and the growing international tensions now encouraged a rapid process of industrialization mainly in heavy industry. After the Maniu experiments, the governments of interwar Romania returned to a protectionist, interventionist policy of industrialization (Huber 1973: 124 ff.; see also Fischer-Galati 2000).

In Estonia, the breakdown of democracy occurred in 1934. Her economic development during the interwar years bears many similarities to the other two Baltic states, Latvia and Lithuania. Unlike most other states of eastern Europe, the Baltic states had not previously been over-indebted to foreign creditors. Throughout the interwar period, government export monopolies protected both the volume and the prices of their relatively specialized and high-quality exports. During the whole interwar period, economic policy was determined by the aim of building up self-sufficient national economies and convertible national currencies. Even before the Depression, therefore, budgetary orthodoxy, protectionism and the attempt to create the conditions necessary for the introduction of the gold standard were the main targets of economic policy. When the United Kingdom abandoned the gold standard in 1931, the Baltic states attempted to avoid a devaluation by rigid deflationary measures. Even in the worst Depression years, the governments of the three states attempted to balance their budgets and avoid the depreciation of their currencies. Estonia eventually devalued her currency in 1933. The role of the state in the economy was strengthened during the crisis, amounting to state capitalism. Simultaneously, democracy collapsed and an authoritarian regime was established (Rothschild 1974: 372; see also Varrak 2000).

The Depression did not affect Greece as badly as some of its neighbours. Nevertheless, 'her economy, heavily dependent as it was on "luxury" agricultural exports such as tobacco, olive oil and currants, and on shipping and migrant remittances, proved vulnerable. In 1933 she was obliged [...] to default on the interest payments on her substantial foreign loans' (Clogg 1992: 109). Like many other countries of eastern and south-eastern Europe, Greece was heavily indebted at the outset of the Depression. Little sympathy was shown towards Greece's predicament by the creditor governments, which were themselves in a desperate situation. The British government abandoned the gold standard in 1931 without considering the consequences for countries like Greece, whose currency was linked with sterling and supported by reserves of which a quarter were held in London. Similarly, the moratorium on war debts and reparations, adopted by President Hoover, severely affected Greece, since she was a net creditor to the extent of half a million pounds a year. It is a curious irony that the only country whose government showed a sympathetic understanding of Greece's economic problems between the wars was Germany (Woodhouse 1968: 225).

In this situation, Prime Minister Venizelos lost his grip. Early in 1932, he toured the European capitals to seek loans, with little success. His government attempted to stabilize the economy by subsidizing industry and protectionism. In 1932, however, the government was forced to introduce harsh deflationary measures in order to maintain Greece's creditworthiness (Tzermias, 1993: 138). 'Venizelos found himself forced to a partial default on payments to foreign bondholders, with disastrous results to Greece's long-term credit' (Woodhouse, 1968: 225). In 1932, the country had to



abandon the gold standard. Venizelos's political position was severely undermined, and in 1936 General Metaxas set up his dictatorship (see also Zink 2000a).

To sum up, most countries of east-central, eastern and south-eastern Europe (except Czechoslovakia and the Baltic states) had relied heavily on foreign credit. When foreign creditors began to withdraw short-term capital after the crisis of the Credit-Anstalt in Austria, acute problems arose, since the servicing of previous debts was dependent on the ability to raise new loans. The policy responses to the crisis were similar in all countries (except Czechoslovakia): '(1) emergency measures to deal with the immediate situation; (2) the rise of dictatorships or semi-dictatorial regimes bent on fostering development along autarchic lines; and (3) the increasing stranglehold exercised by Germany over the region's economic and political future' (Aldcroft 1993: 89–90).

The drastic emergency measures included 'not only severe deflationary policies but also a battery of restrictions typical of siege economies, which were designed primarily to deal with the external account. Among them were temporary closure of banking institutions, rigorous exchange control, limitation on debt payments and tariffs, quotas and import prohibitions' (Aldcroft 1993: 90). The Depression also strengthened nationalist sentiments in eastern Europe and gave rise to the increasing involvement of the state in economic affairs. Domestic capital could not be attracted in sufficient amounts to stimulate significant industrialization. So, the state was a major factor in industrial development in all less-developed successor states. Poland's or the Baltic states' 'etatism', for example, arose out of the necessity for state direction of industry because of the deficiencies in domestic capital accumulation and entrepreneurship. Similarly, the weakness of private enterprise led to far-reaching economic legislation, state enterprises and state direction of industry in Romania (Teichova 1989: 909–11; Aldcroft 1993: 91–2). The desperate situation of agriculture and protectionism forced east European agrarian countries to resort to trade and clearing agreements with foreign powers. This presented Germany with an opportunity to increase her economic and political influence in the region (Aldcroft 1993: 90).

### **3.2 Southern Europe**

Like some of the south-east European countries, the Spanish economy was strongly dominated by its agricultural sector. The resignation of General Primo de Rivera in 1930 and the establishment of the Spanish Republic (1931) roughly coincided with the beginning of the Depression. The republic inherited a severe budget crisis, large external debts and a currency under speculative pressure. Considerable amounts of capital fled the country after the end of the dictatorship. Thus the newly founded republic faced several problems at the same time: a new constitutional framework

had to be set up, the economic heritage of the dictatorship had to be dealt with and the effects of the Depression began to be felt. The republican-socialist coalition responded with a contradictory mixture of (1) deflationary measures, (2) wage increases and (3) massive protectionism. The republican government continued to treat the stability of the peseta as a question of national prestige. In order to stabilize the currency, the government increased interest rates. As a consequence, the peseta remained grossly overvalued. The government could not prevent substantial wage increases between 1931 and 1933. The re-established trade unions and a socialist-led ministry of labour had no inclination to reduce wages in order to keep Spanish goods competitive abroad. Thus the export position deteriorated. However, this 'anomaly' had only limited consequences because the Spanish market was strongly protected from foreign competition by very high tariff walls. Moreover, most sectors of the Spanish economy were oriented towards the home market. The export sector was relatively small. Therefore, the Depression did not disrupt the Spanish economy and society to the same degree as other countries. The most important problems were traditional internal ones such as the imbalanced structure of the agricultural sector. The civil war of 1936 was not primarily a consequence of the Depression but of the Republican government's attempts to reform the agricultural sector through a land reform and other measures (Fontana and Nadal 1986: 343–54; see also Bernecker 2000).

### **3.3 The 'Gold Bloc' and late devaluations**

In 1933, France, the Netherlands, Belgium, Luxembourg, Italy and Switzerland formed the 'Gold Bloc', insisting on fixed exchange rates and the convertibility of their currencies against gold. Countries such as Poland and Latvia were closely associated with the Gold Bloc. Its creation was essentially an answer to the development of currency blocs such as the Sterling and Dollar blocs.

France was affected by the Depression, but not before the spring of 1931. The late timing of the slump was mainly due to the undervaluation of the franc, the comparatively low integration of the French economy into the world economy and the country's protectionism. The overall effects of the Depression in France were not as harsh as in Germany. Nevertheless, the French unemployment figures as reported in Table 10.3 underestimate the extent of the problem, because they refer to the mining, construction and industrial sectors only. Rural unemployment was not reported in official statistics. There was no coherent economic policy in France. Indeed, French experience demonstrates clearly how disastrous government policy can be. Even by the late 1930s output and production were still below pre-depression levels and unemployment had only been reduced by the artificial manipulation of working hours. In view of the fact that the French economy was in a relatively strong position at the onset of depression one might have expected a reasonably firm recovery in the 1930s (Aldcroft 1993: 82).

The severe deflationary policy under the centre-right and centre-left governments of the first half of the 1930s has to be seen against the background of the difficulties in stabilizing the franc during the 1920s. Nevertheless, 'the maintenance of the gold standard at a time of devaluation elsewhere inevitably meant that the burden of adjustment was thrown onto the domestic economy' (Aldcroft 1993: 82). The defence of the franc required high interest rates which did little to restore business confidence and investment. Sharp cuts in government spending under the Domergue and Laval administrations aggravated the Depression. The efforts to reduce costs and prices were partly self-defeating since wage cuts reduced effective demand in the short term until prices had adjusted. Moreover, the expectation that costs and prices would fall further on the one hand and interest rates on the other induced business to postpone investment (Aldcroft 1993: 82; Bernard and Dubief 1985: 187).

After its sweeping victory in 1936, the left-wing Blum government introduced what might be described as a miniature New Deal experiment. It was an expansionist programme which reversed the policies pursued in the first half of the 1930s. The gold standard was abandoned and the franc devalued. A moderate programme of public works was devised. In the Accord Matignon of June 1936 unions and employers agreed, encouraged by government and a strike wave, on increased money wages and a reduction in hours of work. Government took over the marketing of wheat. Nationalization of the railway services, aircraft and armament industries, as well as de facto parts of the Banque de France increased government control over the economy. The consequence was a brief recovery until the international recession led to renewed stagnation (Bernard and Dubief 1985: 311; Fohlen 1986: 114; Aldcroft 1986: 82; see also Dobry 2000).

Of all west European countries considered here, the Netherlands were most strongly affected by unemployment during and after the Depression. The Dutch government adhered to the gold standard and rigid deflationary policies until September 1936 when it was the only country of the former gold bloc that had not devalued. As in other countries, however, even the strictly orthodox Colijn government continued to subsidize agriculture and the shipping industry. Some minor employment schemes were debated yet never implemented (de Vries 1986: 26–7). In sum, adhering perhaps most strongly to a 'pure' market philosophy, the failure of deflationary policies in the 1930s can nowhere be better demonstrated than with respect to the persistent plight of the unemployed in the Netherlands. It is therefore surprising that extremist political forces had little impact on Dutch democracy. The fascist Mussert movement was kept at bay by the centre-right parties governing the country through the entire 1930s (Zimmermann 1987: 34–5; see also Aarebrot 2000).

In Belgium there were two efforts at reversing the economic problems, yet none of them proved successful. In 1932–33 a minor public employment

programme was initiated, yet unemployment fell by only 3.1 per cent in 1933 and began rising again in 1934. The dominant economic policy until early 1935 was dictated by deflationary policies. In March 1935, however, the new crisis government coalition that brought the social democrats back to power initiated some kind of a New Deal programme. The currency was taken off the gold standard. Public employment measures were passed, albeit on a limited scale. Nevertheless, the public deficit was reduced until 1936. In June 1936, a comprehensive programme of social reforms was enacted. Within two years unemployment fell by more than 9 per cent before the recession of 1937–38 hit Belgium and pushed up the unemployment rate by 4.6 per cent. Belgian economic development and policies during the Depression were characterized by strong oscillations. There were at least two occasions when the government attempted to break with orthodox deflationary policies. When these policies finally started to work – bolstered by armament expenditure – the country was affected by the American recession starting in the summer of 1937 (Zimmermann 1987: 35; see also De Meur and Berg-Schlosser 2000).

In its currency policy, Germany behaved almost like the gold bloc countries and did not officially opt for devaluation during the international credit and currency crisis of the summer of 1931, although the convertibility of the currency into gold was suspended in July 1931. The German economy suffered more than most other European countries from the slump. After 1932, the country experienced one of the strongest recoveries, albeit under the National Socialist dictatorship with a high degree of state involvement in economic affairs. The cabinets under Brüning, von Papen and von Schleicher reacted to the Depression largely within the framework of orthodox economic policy. Despite a certain moderation after April 1931, monetary policy was tight and interest rates remained relatively high, especially if compared to the United Kingdom. There was little alternative, since 'Germany possessed only limited sovereignty regarding her currency affairs' (Borchardt 1984: 490). According to the agreement of The Hague (January 1930), German bank law had to be approved by the Bank for International Settlements in Basle. Moreover, most political and financial leaders feared the risk of another hyperinflation once the gold standard had been abandoned (Borchardt 1984: 495–7).

The Brüning government's (1930–32) policies were rigorously deflationary. The budget was to be balanced by tax increases and harsh cuts in public investment. Rents and fixed prices were lowered. The few minor public works programmes were largely financed out of the existing budget. Economic policy under Brüning was, however, anything but coherent. Agriculture in the east was subsidized and the intensification of agricultural protectionism after 1929 also contributed to offset the government's efforts to reduce price levels at home. In 1931–32 money supply had to be expanded considerably by the Reichsbank in order to guarantee trade agreements between German

companies and the Soviet Union. The Papen government gradually moderated Brüning's deflationary policies. Yet the programmes began only after the economy showed the first signs of recovery. The massive electoral gains of the National Socialists in the elections of 1932 hastened this reversal in economic policy. Another decisive factor was the settlement of the reparations issue by the Lausanne agreement of July 1932. In September 1932 the government decided on a comprehensive economic programme (the 'Papen Plan'): Brüning's employment programme was to be extended and protectionism intensified through the introduction of import quotas for agricultural products. Private investment was to be stimulated by tax exemptions for firms. The Schleicher government of eight weeks continued the employment schemes initiated under Brüning and Papen but put more emphasis on direct, government-financed employment measures.

First signs of German recovery began to appear in 1932 yet the strong recovery from 1933 onwards happened under the NSDAP dictatorship. The communist and social democratic wings of the labour movement were suppressed. Real wages were kept constant between 1932 and 1936 while the employers' income share of GNP rose. Unemployment was brought down by public work schemes, state deficit spending and investment in infrastructure, although many of these programmes amounted to social welfare measures with few productive effects. Industrial production was stimulated by easing credit terms (for example, through the *Mefowechsel*) and by starting a massive rearmament programme. Exports were stimulated by keeping prices low and by bilateral trade agreements (Zimmermann and Saalfeld 1988; see also Arends and Kümmel 2000).

### 3.4 Early devaluation

Britain experienced a lower level of unemployment and less oscillation in its unemployment rate than most other countries. Although structural unemployment remained a problem, her path to economic recovery can be called a success. The British response to the challenges of the Depression can be summarized as follows: (1) tight fiscal policy, (2) early devaluation in 1931 and continuous management of the currency, (3) cheap money through low interest rates, and (4) protection of the home market through tariffs. In his emergency budget of September 1931, Snowden, the Chancellor of the Exchequer, introduced most of the measures that had been suggested by the May Committee on National Expenditure in February 1931: a substantial rise in income tax and reductions in public employees' salaries; cuts in unemployment benefits, military spending, education, health and road construction. Faced with dramatic losses of gold and a persistent balance-of-trade deficit, Britain departed (reluctantly) from the gold standard in September 1931. In April 1932, the National Government established the Exchange Equalisation Account as an instrument to keep the exchange rate of sterling down. Between November 1932 and March 1933

the National Government introduced a comprehensive system of import duties. The new tariffs did not apply to products from the empire, for which preferential arrangements were negotiated at the Imperial Economic Conference held at Ottawa in 1932. In order to reduce the adverse effects of retaliatory tariffs, the government additionally negotiated a series of bilateral trade agreements (Aldcroft 1986: 69–96; Paulmann 1989).

The phase of relatively strict, albeit by no means consequent, deflationary policy persisted until 1933/34. Only when the low point of the Depression had been overcome and the budgetary situation appeared more relaxed did the National Government moderate its position. In the budgets of 1934/35 and 1935/36 taxes were reduced. The cuts in public salaries were reversed. Unemployment benefits were restored to their pre-1931 levels. Yet fiscal policy 'remained remarkably orthodox [...] and therefore provided no leverage to the economy' (Aldcroft 1986: 54). There seems to be agreement in the literature that government policy had only a marginal influence on Britain's economic recovery. According to Aldcroft (1993: 81) the

gains from devaluation were weak and short-lived, while the impact of tariff protection and measures of industrial assistance was slight. The stimulus from cheap money was somewhat greater but it was certainly not the chief agent of recovery. [...] Nor did fiscal policy make any notable contribution to recovery. Here government action was extremely orthodox, differing little from practice in the 1920s.

The domestic market provided the main basis of recovery. The favourable shift in Britain's terms of trade and rising real wages seem to have been more important as factors stimulating domestic demand (see also Mitchell 2000).

In terms of economic policy, the Irish Free State, which was created in 1922, remained closely tied to the United Kingdom, its main trading partner. In some respects, the country's problems during the 1920s resemble those of some emergent eastern and central European states whose economies were also largely agricultural and whose governments were faced with the task of stimulating industrialization. Unlike the states of central and eastern Europe, however, the Irish governments during the 1920s did not resort to protective tariffs, import substitution, or state-led industrialization. According to Kennedy et al. (1988: 36) the Cosgrove governments' economic policies aimed at maximizing farmers' incomes. Given the importance of agricultural exports for the Free State's economy, this was believed to maximize national income. So, it was assumed, such a policy had to take precedence over self-sufficiency (a claim put forward by the nationalist opposition) and the reduction of unemployment. This policy also benefited the main electoral support base of the governing Cumann na nGael Party whose supporters – mainly the better-off farmers and the professions – would have been worse off as a result of protectionism. The government's

attitude was broadly in the tradition of British liberal *laissez-faire*, and its activities during the 1920s were largely confined to the development of an industrial infrastructure.

The impact of the Depression on the Irish Free State was delayed and limited, partly because of the absence of heavy industries but more particularly because the terms of trade for Irish livestock products had been very favourable since 1924 (Kennedy et al. 1988: 39; Cullen 1972: 175–6). Moreover, Ireland, 'unlike many other countries was not constrained by the balance of payments, since it held substantial external assets accumulated through the large export surpluses during the First World War' (Kennedy et al. 1988: 39). Nevertheless, rising unemployment created pressure for trade restrictions, even before the nationalist de Valera government took office in 1932. During the 1920s, unemployment had remained relatively low due to emigration. During the Depression, immigration laws in the United States were tightened and job opportunities in the US declined. Although the need to create jobs became more urgent, expansionary fiscal measures were not taken. On the contrary, 'the fiscal response, as in Britain, was one of retrenchment' (Kennedy et al. 1988: 39). The currency remained linked to sterling and was devalued in 1931 alongside the pound. The government's main response to the crisis was the introduction of protective duties and agricultural subsidies. The first import duties were introduced under the outgoing Cosgrave government. Fianna Fáil took office in March 1932 with a strongly protectionist policy. The Finance Act of May 1932 was a first step towards protectionism which was to be expanded significantly during the following years. The impact of the Depression was exacerbated by the 1932–38 trade war ('Economic War') with Britain. As in most other countries, the government's policy was contradictory, with deflationary measures on the one hand, and protection and agricultural subsidies on the other. The government also introduced substantial subsidies for Irish exports to Britain during the course of the 'Economic War'. The combined impact of the Depression, the trade war with Great Britain, international protectionism and a deterioration of the terms of trade for Irish agricultural produce in the second half of the 1930s led to a slump in agricultural exports. Industrial production and employment, by contrast, grew between 1929 and 1938, albeit from a low base and under the protective umbrella of tariffs (Cullen, 1972: 176; Kennedy et al. 1988: 46–7). Although there are no reliable statistics on unemployment, the expansion of industrial employment during the 1930s does not seem to have offset the negative effects of the Depression and, in particular, the less favourable legal and economic opportunities for emigration to the United States (Kennedy et al. 1988: 40–9). Overall, however, the Depression in Ireland had a relatively limited impact. Unlike Britain, the national income in real terms did not fall between 1929 and 1931. But the country did not follow Britain on its path to recovery after 1931. 'In contrast to Britain where national income

in real terms rose substantially in the 1930s, it fell by about 3 per cent between 1931 and 1938' (Cullen, 1972: 179). The Anglo-Irish Agreement of 1938 and the outbreak of the Second World War did not lead to a recovery of exports (Cullen 1972: 180; see also Zink 2000b).

Sweden offers a sharp contrast with the countries so far considered in that she did not resort to extreme measures of protection nor did she follow the deflationary course of the gold bloc countries. The Swedish government's response to the crisis was similar to Britain's in that it opted for an early devaluation and cheap money. It differed from the United Kingdom in that the coalition of Social Democrats and Agrarians (*Bondeförbundet*) was the first government to acknowledge and use a countercyclical fiscal policy phasing its public expenditure to offset fluctuations in business activity. It was a coalition of the parties representing those sectors of Swedish society that were hit hardest by the Depression – farmers and workers. In its initial response to the Depression, the Swedish government imposed deflationary measures such as wage cuts. Nevertheless, public spending continued to rise throughout the Depression years. During 1931/32 the Swedish krona was devalued and interest rates were lowered. After the Social Democrats' electoral success in 1932, the new coalition government of Social Democrats and Agrarians announced that budgetary policy was to be made an important instrument of recovery. A large programme of public works was implemented. The resulting budgetary deficit was to be financed by loans. Nevertheless, the economic impact of Swedish policy should not be overemphasized.

Currency devaluation certainly gave an initial boost to exports which showed vigorous growth from the middle of 1933, though the main stimulus eventually arose from the demand abroad for Sweden's industrial materials as industrial recovery took place elsewhere, and later because of rearmament. Cheap money also gave a boost to the housing market and industrial investment which surged forward after 1933. The public works programme, however, was a carrier of recovery rather than an initial stimulator since it did not really get under way until 1934 by which time economic activity was moving ahead strongly. Moreover, there were strong real or autonomous forces at work as in Britain, notably housing, consumer durables and new industries and exports, the recovery of which owed relatively little to policy action (Aldcroft 1993: 83).

Maybe more important than the immediate economic effects was the fact that – as in Denmark and Norway – a new type of political coalition was formed, an alliance between Social Democrats and the trade unions on the one hand and the Agrarian Party on the other. The Agrarian Party agreed to a compromise: it gave up its opposition to Labour's quest for higher wages in exchange for higher prices for agricultural products (see Lindström 1985: 158). In 1933, the Swedish *kohandel* was consolidated by the famous Saltsjöbaden agreement broadening the political coalition by



bringing in business. The Saltsjöbaden agreement guaranteed industry freedom from government interference. Government would refrain from interfering in collective bargaining. In turn the trade unions promised not to use the strike weapon in exchange for higher wages (Zimmermann 1987: 30–1). In this political compromise,

the conservatives and social democrats gave their extremes trouble. By uniting in the middle, leftist and rightist political forces achieved three things: (a) the illiberal threat to democracy was fought off; (b) a new form of a political arrangement was achieved that followed policies other than outlined in Keynesian theory. Rather mutual acceptance of vital claims of major socio-economic groups was the central issue. Economically this may have been an expensive price in the short run since the guaranteeing of higher prices for the various social groups lowered the competitiveness of the economy. Yet, (c) politically (as well as economically) this pattern paid off in the long run laying the foundations of the Scandinavian welfare state without undermining the necessary economic dynamism to finance it.

(Zimmermann 1987: 36–7; see also Lindström 2000)

In the Finnish economy, which was still overwhelmingly agricultural in the 1930s, the effects of the Depression were felt from 1928 onwards. Finnish agricultural prices and timber sales were especially affected well before the crash at the New York Stock Exchange. In 1931/32, the country reached the trough of the Depression. Although exact figures on unemployment are unavailable in the Finnish case, it is safe to say that in the early years of the 1930s unemployment increased considerably, albeit on a smaller scale than in other European countries (Karvonen, 1989: 20–1). Economic policy in Finland deviated from the experience in the other Scandinavian countries. The Depression was not a political or economic watershed. The Finnish labour movement was organizationally weak and, hence, not a suitable coalition partner for the Agrarians. Between 1928 and 1931, the government applied orthodox austerity measures. This phase was followed by a change in monetary policy in the autumn of 1931 when Finland, along with the rest of Scandinavia, abandoned the gold standard. Due to the mark's devaluation, the competitiveness of Finnish export industry rose and her wood processing industry entered on an upward trend as early as 1932. There was a continuous expansion through most of the remaining interwar years (Karvonen, 1989: 21–2). Agriculture was supported by protective tariffs. Moratoria on agricultural debts were introduced. Yet, the farmers failed to persuade the government to lower the bank rate. 'This was probably the crisis measure they considered to be most crucial, which is why government crisis policy in 1930–36 never really satisfied the farmers' (Karvonen, 1989: 22). 'No comprehensive crisis policy was created to alleviate the plight of

the wage earners. Relief works were introduced on a larger scale in 1933, but the peak of the crisis had already been passed at that time. Basically, contractive fiscal policy was applied throughout the crisis, meaning that the government was unable to decisively increase relief to the unemployed and poor' (Karvonen, 1989: 22). A coalition between Social Democrats and Agrarians similar to the 'red-green' alliances in the other Nordic countries was forged only in 1936 (see also Karvonen 2000).

In an attempt to summarize the economic responses to the Depression in the European countries reviewed here, two interrelated features appear to be conspicuous: the contradictions of deflationary policy and the question of devaluation. All countries 'had taken some sort of action to alleviate the depression: usually a combination of devaluation, exchange control, default on debts, import substitution and tariff increases' (Fearon 1979: 56–7). Defending confidence in the currency through clinging to the gold standard (Belgium, France, the Netherlands) or a stable currency (Germany, Austria, Poland) seemed to be one of the major goals of governments in this period. Deliberate anti-cyclical deficit spending was considered in Sweden only. Even there, the measures took effect only when the economy had started to recover. None of the governments had a coherent programme. The majority of measures in the countries reviewed can be classified as deflationary. By making a balanced budget the overriding concern, the measures intensified the slump. In trying to balance the budget and protect the currency, government expenditure, production, employment, prices, consumption and exports were reduced, whereas taxes were frequently increased. The aim of achieving a strong international economic position, in terms of both currency value and export goods, meant that the burden of adjustment was entirely thrown onto the domestic market. The national economy could only regain competitiveness if production costs were lower than in other countries. Lowering production costs usually required wage reductions which strangled domestic demand and often contributed to industrial unrest. Given the close ties of many major parties to interest groups, the growing tensions between trade unions and employers had repercussions for the whole party system and, indeed, the political system. The defence of the currency usually required high interest rates. High interest rates did little to restore private investment. The efforts made to reduce costs and prices were partly self-defeating since wage cuts reduced effective demand in the short term until prices had adjusted. Moreover, the expectation that costs and interest rates would fall further induced business to postpone investment (Aldcroft 1993: 82; Zimmermann and Saalfeld 1988: 318).

Germany experienced a vigorous recovery under the National Socialist dictatorship with a strong degree of state intervention and massive rearmament programmes. Similar observations can be made for fascist Italy. Eichengreen and Sachs (1985) argue that in liberal democracies the main causal factor explaining the strength of recovery was the timing and extent

of currency devaluation. The successful economies of Britain and the Nordic countries abandoned the gold standard early and devalued their currencies, whereas the less successful cases like the gold bloc countries retained the gold standard and were forced to continue deflationary policies. According to Eichengreen and Sachs (1985: 942), early depreciations stimulated exports of devaluing nations, allowed them a reduction in interest rates and, hence, promoted domestic investment. The economic logic of this argument can be summarized as follows: Suppose that two countries are linked together by international flows of commodities and assets. According to Eichengreen,

currency depreciation increases output and employment in the devaluing country. By raising the price of imports relative to domestic goods, it switches expenditure towards the devaluing country. By driving up domestic commodity prices relative to wages, this increased domestic demand reduces costs of production and stimulates aggregate supply. At the same time, devaluation tends to reduce interest rates at home and further stimulate domestic demand'.

(Eichengreen 1988: 36)

The most obvious argument against Eichengreen's emphasis on early devaluation, namely that an early devaluation would have given only a brief period of protection against international competition, is – according to Eichengreen – not necessarily valid:

Whether or not the beggar-thy-neighbor outcome obtains depends on the accompanying measures adopted by the devaluing country. The greater the expansion of the domestic credit component of the money supply in the devaluing country, the more likely is the foreign country's output to rise with the home country's devaluation. Monetary expansion puts additional downward pressure on world interest rates, and this fall in interest rates may on balance be sufficient to expand foreign demand. It is theoretically ambiguous whether the favorable impact on the foreign country of lower interest rates outweighs the unfavorable effects of deteriorating competitiveness. In particular, devaluation cum monetary expansion is less likely to have a stimulative impact on the foreign country the lower the degree of substitutability between domestic and foreign assets. When substitutability is low, monetary expansion in one country has a relatively small impact on interest rates in the other, so any favorable interest rate effects accompanying devaluation are less likely to swamp the unfavourable competitiveness effects.

(Eichengreen 1988: 37)

Table 10.5 lists for each European country the respective years of return to the gold standard and the year of depreciation. Those countries whose

Table 10.5 The gold standard in interwar Europe

Country	Return to the gold standard	Abandonment of the gold standard or other form of drastic currency devaluation
Austria	1923	(1931) <sup>b</sup>
Belgium	1925	1935
Czechoslovakia	1926	1934 (1931) <sup>b</sup>
Estonia	1928	1933 (1931) <sup>b</sup>
Finland	1926	1931
France	1928	1936
Germany	1924	(1931) <sup>b</sup>
Greece	1928	1932 (1931) <sup>b</sup>
Hungary	1925	1935 (1931) <sup>b</sup>
Ireland <sup>a</sup>	1925	1931
Italy	1927	1936 (1934) <sup>b</sup>
Netherlands	1925	1936
Poland	1927	1936
Portugal	1931	1931
Rumania	1929	1936 (1932) <sup>b</sup>
Spain		(1931) <sup>b</sup>
Sweden	1924	1931
United Kingdom	1925	1931

<sup>a</sup> The Irish currency was linked to the British Pound Sterling.

<sup>b</sup> In some countries, the gold standard was formally defended, yet free convertibility was suspended. The beginning of such measures is listed in brackets, if the date was before the formal devaluation.

*Sources:* Barry Eichengreen, 1992, *Golden Fetters: The Gold Standard and the Great Depression, 1919–39*. New York and Oxford: Oxford University Press, pp. 188–190; D. E. Moggridge, 1989, *The gold standard and national financial policies, 1919–39*. In: Peter Mathias and Sidney Pollard (eds.), *The Cambridge Economic History of Europe. Volume VIII: The Industrial Economies: The Development of Economic and Social Policies*. Cambridge: Cambridge University Press, p. 259; Oskar Schwarzer and Jürgen Schneider: *Europäische Wechselkurse seit 1913*. In: Wolfram Fischer, Jan A. van Houtte, Hermann Kellenbenz, Ilja Mieck and Friedrich Vittinghoff (eds.): *Handbuch der Europäischen Wirtschafts- und Sozialgeschichte, Volume 6*. Stuttgart: Klett-Cotta, pp. 1054–1065.

governments opted for an early devaluation recovered, on balance, earlier than those which depreciated their currencies late or not at all. Eichengreen's rigorous analyses provide persuasive empirical evidence in support of his hypothesis that the timing and extent of devaluation had a significant impact on economic recovery from the Depression. The rate of economic growth can be predicted with a relatively high degree of accuracy on the basis of currency depreciations (see, for example, Eichengreen and Sachs 1985; Eichengreen 1985).

Nevertheless, the success (or lack of success) of economic policies was not necessarily linked to the question of democratic regime breakdown. It is only one variable amongst many. Most of the gold bloc countries, for

example, were democratic 'survival cases' – despite their uncompetitive exchange rates during the Depression years and the adverse economic consequences. By contrast, several countries whose governments devalued considerably earlier and were affected by the Depression relatively moderately (Estonia, Greece and Spain, for example) suffered a democratic regime breakdown. Nevertheless, there is considerable evidence that the economy can be seen as an arena for policy-makers in each country where the relationships between important actors in the political system (such as employers and trade unions, political parties, governments or the military) were determined (see, for example Lewin 1988; Zimmermann 1993). The red-green alliances of the Nordic countries show that policy compromises in the economic arena had at least an indirect impact on the dependent variable, democratic regime survivability. Devaluations increased the leeway for such coalitions.

#### 4 Conclusion

The severity of the Depression may be viewed as a necessary condition of democratic regime breakdowns in the 1930s, yet the data presented in this chapter indicate that it was not a sufficient one. The Depression was the most serious economic crisis Europe had to face in modern history. The depth of the crisis seemed to support the views of some critics of liberal democracy who believed, for one reason or another, that liberal democracy was ill-suited to cope with the severe economic, social and political problems of the modern world. Yet in many of those countries, which were severely affected by the crisis, democracy survived. Some democracies such as Sweden and the United Kingdom, were relatively successful in combating the effects of the Depression. On balance, deliberate policy measures were comparatively unimportant in influencing the nature of the contraction or the speed of recovery – with one exception: the timing of currency devaluation. Politically, devaluations increased the room for manoeuvre for governments and interest groups. Yet, the Scandinavian countries were not the only democratic survivors in the 'reverse wave' of the 1930s. France, the Netherlands and Belgium – as well as other gold bloc countries – survived as democracies despite their governments' contradictory and ineffective economic policies.

#### Notes

1. I wish to express my gratitude to Mark R. Thompson, whose comments on an earlier draft were more than helpful.
2. Mitchell (1981) for Belgium, Denmark, Germany, the Netherlands, Norway, Poland, Sweden and Switzerland; Stiefel (1979: 29) for Austria; Petzina (1977: 17) for France; Feinstein (1972: T128) for the United Kingdom.

## **Part IV**

# **Overall Comparisons and Dynamic Analyses**



# 11

## Systematic Matching and Contrasting of Cases

*Gisèle De Meur and Dirk Berg-Schlösser*

The partial 'sectoral' insights of the cross-cutting comparisons in Parts I, II and III now have to be brought together taking a comprehensive view of all aspects and all cases treated, including some of their dynamic changes over time in the period considered. Comparative analysis at the macro-level of social or political systems refers to entire societies or nation-states. These, in themselves, are highly complex and, even on a world-wide scale, relatively few in number. The resulting 'many variables – small *N*' situation suffers from a tendency to 'over-determination' when the proportion of variables and cases becomes unfavourable (Przeworski and Teune 1970: 23; López 1992). Basically, this problem can be attacked in three different ways (see also Lijphart 1971, 1973; Collier 1993).

First, the number of cases can be increased across space and/or time. At the macro-level of entire political systems, however, we quickly reach practical limits. For a regional study such as ours the number of possible cases is much too small to draw a meaningful and sufficiently large random sample. Such a sample, though, is required for many procedures in terms of an assumed 'normal distribution' of cases in order to be able to make probabilistic inferences. Moreover, for many kinds of analysis random sampling and the subsequent statistical procedures are not meaningful, because other qualitatively determined criteria of selection, guided by substantive and theoretical concerns, have to be employed. In contrast to cases selected at random and treating each unit more or less interchangeably, in smaller *N* situations each case has to be considered for its own sake and cannot be neglected. Thus, rather than adding possibly a few more cases such as the remaining Scandinavian or Baltic states which would not have helped much in a statistical sense anyway, we attempted to have, within the regional context, as much variation as possible including relatively 'deviant' cases as Ireland or Greece and particularly interesting pairs such as Finland and Estonia.

Second, cases can be chosen according to specific research designs. By means of a systematic matching of cases, the 'most similar' ones can be selected whereby a great number of variables can be held constant or



controlled for in a 'quasi-experimental' design. In addition, a relatively small number of variables can be depicted which might account for the observed differences in outcome (dependent variable). Similarly, 'most different' cases with identical outcomes can be selected in order to establish a series of more universal factors across these cases which might possibly explain the outcome. In both instances, the number of cases analysed and the number of remaining variables can be brought into proportions which are still manageable and meaningful (for an attempt to operationalize such procedures see De Meur and Berg-Schlösser 1994).

Third, the problem can be attacked from the variables side by attempting to reduce the complexity of the observed cases without losing too much of the relevant information. Amenta and Poulsen (1994), for example, have discussed five ways to cope with the problem of variable selection. They did so in the context of Qualitative Comparative Analysis (QCA), a relatively new comparative technique (see also Ragin 1987, 1994). For reasons of the existing software, but also because of the inherent complexity of the underlying application of Boolean algebra, this technique is presently confined to an analysis of ten variables at a time. But even without these technical limitations, the problems they consider are of a more general nature. Amenta and Poulsen (1994) summarize the various approaches as follows:

1. a comprehensive approach, relying on all extant theories, hypotheses, and explanations;
2. a 'perspectives' approach, supplying a mixed bag of variables derived from the main theoretical perspectives in an empirical literature;
3. a 'significance' approach, employing measures with significant coefficients or effects in inferential statistical analyses; and
4. a 'second look' approach, adding selected statistically insignificant measures to significant ones in an analysis to see if the rejected factors have complex effects on the outcome.

(Amenta and Poulsen 1994: 25)

After discussing the specific emphasis, but also deficiencies, of each approach they develop what they call a 'conjunctural theory' approach where the selection of variables is based on 'theories that are conjunctural or combinatorial in construction and predict multiple causal combinations for one outcome' (Amenta and Poulsen 1994: 29). However, as they themselves realize, 'this method is not often employed or likely to be because most theories are not conjunctural in construction' (Amenta and Poulsen 1994: 51). For most practical purposes, we are thus left with their initial uneasiness about the other methods they discuss and little more to build on. For this reason, we propose a 'mixed' approach which takes care of the major arguments raised in this debate but which, it seems to us, is more pertinent for most similar research situations (see Chapter 12 below). Finally,

we combine the 'structural', the crises and the actor-related aspects and put them together in a comprehensive picture also giving differentiated weights to the se factor in the respective cases and providing a dynamic, longitudinal perspective over the period considered (see Chapter 13).

One way to reduce the enormous complexity of the cases we are dealing with for comparative purposes lies in their systematic matching and contrasting (see, for example, Collier 1993; Ragin et al. 1996). Basically, this type of analysis proceeds from what John Stuart Mill termed the 'method of agreement' and the 'method of difference' in his fundamental work *A System of Logic* (1974/75 [1843]). The method of agreement consists of establishing a single common factor among a variety of cases which can then be considered as the common root cause for a similarly observed phenomenon in all instances. The direction of cause and effect and the nature of the causal link (which could also be spurious) cannot, however, be determined in this manner. The method of difference thus applies an experimental design in which a single stimulus is introduced, the direct results of which can then be observed. For practical or ethical reasons, though, this is not a feasible design under many social or political circumstances. Instead, an 'indirect' method of difference or quasi-experimental design must be approximated. This consists of a two-step application of the method of agreement by which cases which either prove the presence of a cause and the absence of an effect or the inverse relationship can be eliminated. Nonetheless, this method remains rather mechanical and does not allow for multiple causations in which only several factors combined in a specific way can cause a particular outcome ('chemical' causation in Mill's terms) or conjunctural causations in which varying combinations of factors may cause the same result.

Mill's 'indirect method of difference' can be further enhanced, if the comparisons are based on a combination of 'most similar' and 'most different' systems in Przeworski and Teune's (1970) sense. In their words:

The most similar systems design is based on a belief that a number of theoretically significant differences will be found among similar systems and that these differences can be used in explanation. The alternative design, which seeks maximal heterogeneity in the sample of systems, is based on a belief that in spite of intersystemic differentiation, the populations will differ with regard to only a limited number of variables or relationships.

(1970: 39)

In this way, a systematic matching and contrasting of cases can be attempted which enables us to identify some key distinguishing or common variables while controlling for the others. It is important to note, however, that such procedures should never be applied in a purely mechanical way. They only can direct the attention of the researcher to some of these variables which then must be interpreted in the light of relevant theoretical

propositions and, in our case, more specific historical knowledge. The procedure proposed is thus only a useful but limited tool, like an X-ray or some other diagnostic device, in the ‘dialogue between theory and data’ (see also Dogan and Kazancigil 1994).

In our study, the survival or breakdown of democratic systems is the central dependent variable. Furthermore, we distinguish between breakdowns which led to the establishment of more traditional authoritarian regimes and those where interventions of strong fascist forces occurred in the process of breakdown. The resulting pattern of research designs is illustrated in Figure 11.1.

Accordingly, six different types of comparisons emerge: the most different cases (1) among all survivors as well as (2) among all breakdowns and, more specifically, (3) among all fascist and (4) among all authoritarian breakdowns; and the most similar cases (5) among all survivors versus all breakdowns and (6) among fascist versus authoritarian breakdowns.

In actual practice, Przeworski and Teune’s proposals based on J. S. Mill’s canons have never been fully operationalized (see also Przeworski 1987). The similarities and dissimilarities of cases on which selections were based were usually established by some broader historical and regional commonalities or some other more intuitive or pragmatic reasons concerning the familiarity of the researchers with some particular cases, but never specified in any detail.

In order to establish the respective similarities and dissimilarities for our purposes we adopted a relatively comprehensive system model as our initial

	Survivors	Breakdowns	
		With fascist intervention	Authoritarian
Most Different with Same Outcome (MDSO)	Survivors (1)	Breakdowns (2)	
		Fascist (3) breakdowns	Authoritarian (4) breakdowns
Most Similar with Different Outcome (MSDO)	Survivors	vs. Breakdowns (5)	
		Fascist	vs. Authoritarian (6)

Figure 11.1    Comparative research designs

frame of reference. As Charles Tilly (1984) has noted, a historically oriented comparative analysis at the macro-level of political systems involves 'big structures, large processes, and huge comparisons'. In order not to leave out any potentially fruitful aspects *a priori*, it seemed imperative to begin our study in a configurative (or 'individualizing' in Tilly's terms) manner. Thus, although the final explanation must necessarily be as parsimonious as possible, the initial model employed has to be comprehensive. Only in subsequent steps can this complexity be reduced to manageable levels. Such procedures may not lead to comprehensive single-factor ('universalizing') explanations which are equally valid for all cases considered, but they can involve more complex multi-factor ('encompassing') explanations. At least they leave open the possibility of arriving at several distinct causal patterns or historical 'paths' (that is, 'variation-finding', Tilly 1984: 80 ff.).

Our (simplified) system model is derived from the well-known works of Deutsch (1963), Easton (1965), Almond and Powell (1978) and others. On the basis of this model it is possible to distinguish and locate the more general social system, the intermediary structures on the input side, the central political system itself and the output structures together with the respective international environment. Furthermore, with regard to each subsystem, an 'objective' dimension (relating to the internal structures, institutions and more durable and 'tangible' aspects of the subsystem) and a 'subjective' dimension (reflecting the respective perceptions and actual behaviour of the individuals and groups concerned) can be distinguished (for a fuller exposition of a model of this type see Berg-Schlosser and Siegler 1990; Berg-Schlosser and Stammes 1992). After further conceptual and historical considerations, we selected seven major categories and a number of characteristic variables within these categories to serve as the substance of our comparisons. In so doing, we attempted to be as parsimonious as possible without losing sight of the larger dimensions and their complexity.

This left us with altogether 63 variables for the 18 cases (for details see the Introduction to Berg-Schlosser and Mitchell 2000 and the list of variables in the appendix below). Each case could thus be characterized as a particular configuration, thereby replacing 'proper names [...] by the relevant variables' (Przeworski and Teune 1970: 30).

As a possible means of reducing the complexity of each case and of establishing similarities and dissimilarities across certain pairs or groups of cases, we first tested factor analysis and clustering, two of the more current statistical procedures used for such purposes. As was to be expected, the factor analysis for all 63 variables across the seven major categories did not lead to a particularly meaningful result. In fact, it violated all prevailing assumptions as to the minimum relationship between the number of cases and the number of variables for such procedures (compare, for example Nunnally 1978; Winer 1971). We arrived at somewhat more meaningful factors when we analysed each category separately; here, at least, the number of cases in

each instance exceeded the number of variables! Still, 'clustering' these factors proved to be a highly dubious matter. To begin with, the particular distances chosen (Euclidean, Manhattan, Chebichev, etc.) and the particular clustering methods used (average linkages, complete linkages, median, WARD, etc.) remain largely arbitrary and lead to widely differing results. Even worse, after the first step in each cluster the particular variables or factors used can no longer be identified. This leads to an absolute loss of transparency: one has to accept any result without being able to inspect or compare the details of each case more closely.

We thus decided to discard these methods and attempt an alternative approach. We were faced with the difficulty of having to measure the closeness or remoteness of any given pair of cases in a heterogeneous, multi-dimensional space and then of finding the 'most different' and the 'most similar' ones. Accordingly, several problems had to be addressed. These included in particular the choice of a distance with which to measure proximity and the weighting of the variables.

As a measure of distance we opted for 'Boolean' distance. This measures the number of Boolean (that is, dichotomized) variables by which two selected countries differ from one another. In itself, of course, the Booleanization of variables implies a certain loss of information when compared to more finely graded measures or scales. However, a number of the variables for our cases were in a rather crude form anyhow, for example those relating to the levels 'low' and 'high' (especially when the variables in question were of the 'softer' judgement type) and to the absence or presence of certain factors. Even where 'harder' and more differentiated independent data from standard sources (levels of GNP, urbanization, etc.) were available, it turned out upon closer inspection that many of these data were not really comparable because of differences in definition, coverage, etc. or even because of gross insufficiencies on the part of statistical bureaus in the countries concerned. Thus, for the present purpose, we adopted the fairly straightforward measure of Boolean distance, seeing that its relative crudeness is offset to a certain extent by other advantages.

The thresholds chosen for each variable depended on their nature and the actual distribution among our cases. Some 'qualitative' variables were dichotomized anyhow or had some 'natural' cutting points allowing for the creation of 'dummy' variables. As far as some judgemental considerations were involved (concerning, for example, some 'weak' or 'strong' political cultural traditions), these were based on the assessments of our respective country experts. Some of the continuous variables were dichotomized according to relevant thresholds indicated in the literature (as, for example, for Rae's *F* concerning the fragmentation of the party system) or depending on some more generally accepted orders of magnitude such as the size of the population or current definitions of the rate of urbanization. Other continuous variables were dichotomized according to their mean or, if the

distribution was very skewed, their median value. The final thresholds chosen for each variable are indicated in the appendix below. They can, of course, be changed, if this seems necessary for some other purposes.

The second consideration concerned the weighting of the variables and the possible effects of intercorrelations of certain factors. Here, we decided not to consider all variables at once and give them an equal weight because the number of variables can differ widely from one category to the next. Rather, we proceeded first by establishing similarities and dissimilarities category by category and then, in a second step, by aggregating these somewhat further. In this way, the qualitative importance of each (systematically derived) category was retained. Also, it was now more justifiable to give the variables an equal weight within each category (any other weighting would have been just as arbitrary, but at least gross distortions could be avoided).

On this basis we proceeded in three major consecutive steps:

- 1 the composition and synthesis of distance matrices;
- 2 the design and synthesis of similarity and dissimilarity graphs; and
- 3 the selection of the most striking configurations for comparison.

For reasons of space, these cannot be elaborated here in any detail. They have been fully documented in De Meur and Berg-Schlösser (1994).

We then proceeded to the actual matching and contrasting of the different constellations of cases arrived at so far. In this respect broader historical, social structural, political cultural, institutional etc. features, on which the respective similarities and dissimilarities of our cases are based, constitute the 'givens' in any particular crisis situation against which the specific impact and extent of the crisis and the reactions of the major actors have to be assessed. These are indicated by the additional variables of categories eight and nine in the appendix. In this way, both longer-term 'structure-oriented' approaches and specific 'actor-oriented' analyses or, in Jon Elster's (1989) terms, the 'opportunity set' in any given situation and the specific choices made can be integrated into a more encompassing perspective. We also concur with Michel Dobry's (1986) conceptualization of major political crises in this regard which stresses, within certain limits, the 'fluidity' of such situations where some of the given structures may become somewhat more malleable and create a somewhat broader space of manoeuvre for the major actors and certain 'moves' than had hitherto been conceivable.

## **1 Most different systems – same outcome (MDSO)**

Among the countries considered in our project, eight represent cases in which democratic regimes successfully survived, another four are more classical authoritarian breakdowns (such as in Portugal) and six were cases in which strong fascist or similar movements played an important role in the process of breakdown even though the type of regime to which this

intervention gave rise may not necessarily have been fascist itself (as, for example, in Estonia).

1.1 Democratic survivals

Among the survival cases two characteristic configurations emerged which contrast Czechoslovakia with Great Britain and Sweden on the one hand and Finland with Great Britain, the Netherlands, Belgium and Ireland on the other (see Figure 11.2).

1.1.1 *Czechoslovakia vs. Great Britain and Sweden*

After having completed the selection of contrasting cases, it was possible to list the individual variables in each category which characterized the remaining similarities within the configuration concerned.<sup>1</sup> It is among these similarities that the reasons for the common outcome may be considered to lie. The two pairs of cases in our first configuration and the corresponding triple comparison are reproduced in Table 11.1 (here, as the first example, the entire range of background variables is reproduced).

As can be seen, even in this most different systems design 34 of the original 63 variables could still be identified as similar for Czechoslovakia and Great Britain and 35 for Czechoslovakia and Sweden. When all three cases were considered together, some more idiosyncracies disappeared and 22 similarities remained. The addition of further cases can lead to the elimination of some other, but not many more variables since the selection of cases was made on the basis of the greatest difference between them. Rather than mechanically pursuing this line of inquiry further, the qualitative judgement of the historically informed and theoretically conversant observer should come into play at this stage and help to evaluate the remaining similarities in greater detail.

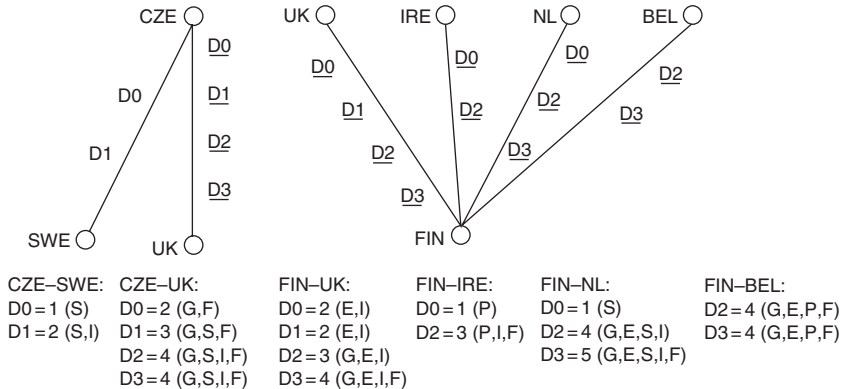


Figure 11.2 MDSO among survivors

Table 11.1 Pairwise and triple comparisons – Czechoslovakia vs. Great Britain and Sweden

CZE UK			CZE SWE			CZE UK SWE			
1. General background			1. General background			1. General background			
POPULATION	0	1	POPULATION	0	0	POPULATION	0	1	0
SEAWARD	0	1	SEAWARD	0	0	SEAWARD	0	1	0
COREBELT	0	0	COREBELT	0	0	COREBELT	0	0	0
COREBELT	0	0	COREBELT	0	0	COREBELT	0	0	0
LANDWARD	1	0	LANDWARD	1	1	LANDWARD	1	0	1
NONREF	1	0	NONREF	1	0	NONREF	1	0	0
REFORM	0	1	REFORM	0	1	REFORM	0	1	1
EARLYSTATE	0	1	EARLYSTATE	0	1	EARLYSTATE	0	1	1
PREWARDEM	0	1	PREWARDEM	0	1	PREWARDEM	0	1	1
2. Socio-economic conditions			2. Socio-economic conditions			2. Socio-economic conditions			
NATPRODCAP	1	1	NATPRODCAP	1	1	NATPRODCAP	1	1	1
URBANIZATI	1	1	URBANIZATI	1	0	URBANIZATI	1	1	0
LITERACY	1	1	LITERACY	1	1	LITERACY	1	1	1
LANDLORD	0	1	LANDLORD	0	0	LANDLORD	0	1	0
FAMFARMS	1	0	FAMFARMS	1	1	FAMFARMS	1	0	1
AGRPROL	0	0	AGRPROL	0	1	AGRPROL	0	0	1
INDLAB	1	1	INDLAB	1	0	INDLAB	1	1	0
MIDDLE	1	1	MIDDLE	1	1	MIDDLE	1	1	1
3. Social composition			3. Social composition			3. Social composition			
ETHNLINGCL	1	0	ETHNLINGCL	1	0	ETHNLINGCL	1	0	0
RELIGCL	1	0	RELIGCL	1	0	RELIGCL	1	0	0
REGIONALCL	1	1	REGIONALCL	1	0	REGIONALCL	1	1	0
OVERVERZUI	1	0	OVERVERZUI	1	0	OVERVERZUI	1	0	0



Table 11.1 Continued

CZE UK			CZE SWE			CZE UK SWE		
4. Political-cultural traditions			4. Political-cultural traditions			4. Political-cultural traditions		
NATIDENTIT	1	1	NATIDENTIT	1	1	NATIDENTIT	1	1
SUBMILIEUS	1	1	SUBMILIEUS	1	0	SUBMILIEUS	1	1
VIOLACC	0	0	VIOLACC	0	0	VIOLACC	0	0
EGALITAR	0	0	EGALITAR	0	1	EGALITAR	0	0
POLINFORM	1	1	POLINFORM	1	0	POLINFORM	1	1
POLITPART	1	1	POLITPART	1	0	POLITPART	1	1
STATISM	1	0	STATISM	1	1	STATISM	1	0
PAROCHIAL	0	0	PAROCHIAL	0	0	PAROCHIAL	0	0
DEMLEGITIM	1	1	DEMLEGITIM	1	1	DEMLEGITIM	1	1
CONSENS/ CONFL	0	0	CONSENS/ CONFL	0	1	CONSENS/ CONFL	0	0
TOLERANCE	1	1	TOLERANCE	1	1	TOLERANCE	1	1
AUTH/PART	1	1	AUTH/PART	1	1	AUTH/PART	1	1
SECULAR	1	1	SECULAR	1	1	SECULAR	1	1
SUBJECT	0	0	SUBJECT	0	0	SUBJECT	0	0
5. Intermediate structures			5. Intermediate structures			5. Intermediate structures		
INTRURAL	0	0	INTRURAL	0	0	INTRURAL	0	0
INTCOMMERC	1	1	INTCOMMERC	1	0	INTCOMMERC	1	1
INTUNIONS	0	1	INTUNIONS	0	1	INTUNIONS	0	1
INTEMPLOYE	1	0	INTEMPLOYE	1	1	INTEMPLOYE	1	0
CLIENTELISM	1	0	CLIENTELISM	1	0	CLIENTELISM	1	0
MOVEMENTS0	0	0	MOVEMENTS0	0	1	MOVEMENTS0	0	0
MILITIAS	0	0	MILITIAS	0	0	MILITIAS	0	0
PARTFRAG	1	0	PARTFRAG	1	0	PARTFRAG	1	0
ANTISYSP	1	0	ANTISYSP	1	0	ANTISYSP	1	0
CORPORATISM	0	0	CORPORATISM	0	0	CORPORATISM	0	0

Table 11.1 Continued

CZE UK			CZE SWE			CZE UK SWE		
6. Central political system			6. Central political system			6. Central political system		
POLITYPE	1	0	POLITYPE	1	0	POLITYPE	1	0
ELECTSYSR	1	0	ELECTSYSR	1	1	ELECTSYSR	1	0
STABGOVERN	1	1	STABGOVERN	1	0	STABGOVERN	1	1
ROLEBUREUA	1	1	ROLEBUREUA	1	1	ROLEBUREUA	1	1
MILITARY01	0	0	MILITARY01	0	0	MILITARY01	0	0
SOCIALSEC	1	1	SOCIALSEC	1	0	SOCIALSEC	1	1
CIVRIGHT	1	1	CIVRIGHT	1	1	CIVRIGHT	1	1
POLRIGHT	1	1	POLRIGHT	1	1	POLRIGHT	1	1
7. External factors			7. External factors			7. External factors		
WW1WINNER	0	1	WW1WINNER	0	0	WW1WINNER	0	1
WORLDMIN	1	1	WORLDMIN	1	1	WORLDMIN	1	1
MILITEX	1	0	MILITEX	1	1	MILITEX	1	0
ECONDEP	0	0	ECONDEP	0	0	ECONDEP	0	0
CULTANGLO	0	1	CULTANGLO	0	0	CULTANGLO	0	1
CULTGERM	1	0	CULTGERM	1	1	CULTGERM	1	0
CULTROMAN	0	0	CULTROMAN	0	0	CULTROMAN	0	0
CULTSLAVIC	1	0	CULTSLAVIC	1	0	CULTSLAVIC	1	0
IDEOLCATH	1	0	IDEOLCATH	1	0	IDEOLCATH	1	0
IDEOLMARX	1	0	IDEOLMARX	1	0	IDEOLMARX	1	0
COLONIES	0	1	COLONIES	0	0	COLONIES	0	1
Sum of similarities (categories 1-7)			34			35		
						22		

It becomes apparent that the major similarities within the constellation under consideration lie in the socio-economic and political spheres. In terms of the level of national product per capita, literacy and the size of the middle classes all three countries were relatively well developed. Their political culture was characterized by high levels of democratic legitimacy, political tolerance, secularization, participatory decision-making and low levels of 'parochialism', 'subject' orientation and political violence. With regard to intermediary structures, there were no significant militias, and the military abstained from an active role in politics. Civil and political rights were also well observed. All these elements appear to corroborate some of the general arguments of empirical democratic theory (compare, for example, Dahl 1989). The remaining similarities concerning the geopolitical position and external cultural influences (that is, not being 'corebelt' or 'Romanic' countries) appear, in contrast, to be of a more accidental nature, at least as far as our present study is concerned. All in all, this constellation can be considered to represent the more 'classic' combination of factors favouring a stable democracy: a high level of socio-economic development (as emphasized, for example, by Lipset 1960) and a democratic political culture (Almond and Verba 1963).

These generally favourable conditions also proved to be quite resistant in the period of crisis. The United Kingdom and Sweden, with a relatively minor impact of the Great Depression and no significant political anti-system reactions, seem to have been on the safe side anyhow. But even Czechoslovakia which was strongly affected by both the post-First World War and the world economic crisis managed to maintain its democratic institutions, at least until it had to succumb to external forces after 1938. The absence of major authoritarian military or fascist interventions, apart from Henlein's pro-Hitler followers among the Sudeten Germans, and the strong democratic commitment of President Masaryk seem to have been most instrumental in this regard (Bradley 2000).

### *1.1.2 Finland vs. Great Britain, the Netherlands, Belgium and Ireland*

The second configuration contrasts the case of Finland with that of Great Britain. These two countries are 'most different' on all levels and especially with regard to five categories: general background, economic development, social composition, intermediary structures and foreign relations. In contrast to the seaward position of the United Kingdom, Finland belongs to the 'landward periphery'. Except for the degree of literacy, Finland exhibited a generally low level of economic development. Its social composition was heterogeneous due to the existence of a sizeable and influential Swedish minority. The country's intermediary structures and party system were both highly fragmented; strong social movements and militias existed as well. In terms of foreign relations, Finland occupied a rather peripheral position, producing mainly raw materials (timber) for export. Altogether, the difference

between Finland and Great Britain amounts to 39 out of 63 variables. The remaining similarities lie primarily in the political cultural sphere and reveal low levels of parochial and subject orientations, relatively secular and participatory attitudes and strong feelings of national identity. In addition, the military abstained from political involvement in both countries and civil and political rights were relatively well maintained (see Table 11.2).

The contrast of Finland with the next most different cases, the Netherlands and Belgium, produces a pattern largely the same as above. However, the difference in social composition becomes irrelevant since Belgium is an ethnically and the Netherlands a religiously divided society. The addition of Ireland which, like Finland, exhibits a generally low level of development and a fairly high degree of external dependency, further eliminates these two aspects as contrasting characteristics.

When all five countries are considered together, only seven variables representing common features remain. These are: literacy, the absence of a 'subject' orientation, the lack of political intervention by the military, the observation of civil and political rights, a low level of military expenditure and the absence of slavish cultural influences. The last factor can be looked upon as accidental (for example, the case of Czechoslovakia), but the others appear to be substantially relevant. Thus, a high level of literacy, even in the absence of more general socio-economic development, has been emphasized elsewhere as an important factor contributing to democratic stability (see, for example, Hadenius 1992). Similarly, a relatively egalitarian social

*Table 11.2* MDSO – Finland vs. Great Britain, Ireland, the Netherlands and Belgium

	FIN	UK	IRE	NL	BEL
<b>2. Socio-economic conditions</b>					
LITERACY	1	1	1	1	1
SUBJECT	0	0	0	0	0
<b>6. Central political system</b>					
MILITARY01	0	0	0	0	0
CIVRIGHT	1	1	1	1	1
POLRIGHT	1	1	1	1	1
<b>7. External factors</b>					
MILITEX	0	0	0	0	0
CULTSLAVIC	0	0	0	0	0
<b>9. Major interventions and moves</b>					
KEYMMILIT	0	0	0	0	0
KEYMAUTHOR	0	0	0	0	0
KEYMFASCIS	0	0	0	0	0
Remaining similarities (categories 1–7)					7

structure and the dominance of family farms – the existence of a rural proletariat is a special case in Finland – lends support to Tatu Vanhanen's (1984) arguments in this context.

Nonetheless, if we look at the crisis pattern and the moves of the central actors, Finland must be judged a critical borderline case. The impact of the post-war crisis and the more widespread anti-system reactions during the Great Depression, as expressed by the fascistoid Lapua movement, constituted a severe threat to democracy. The revolt at Mäntsälä in February 1932 brought the political system to the brink of collapse. Here, undoubtedly, the strong intervention by President Svinhufvud in favour of the democratic forces and the final bridging of the conflict between the formerly strong antagonistic 'red' (socialist) and 'green' (agrarian) parties brought about the rescue of democracy (with some 'costs' on the Communist side) in this highly critical and fluid situation. Thus, whereas the structures seem to have been relatively stable in the cases of Great Britain, the Netherlands, Ireland, and, to a certain extent, Belgium, in the case of Finland the actor effects and critical moves certainly played a decisive role. Even if no fascist system may have emerged, an authoritarian 'solution' as in neighbouring Estonia (see also section 2.1.4) was a very concrete possibility.

### *1.1.3 Overall similarities*

If we consider all eight survivor cases at once, only four common factors remain. These are: a high level of literacy, the absence of a subject political culture, a lack of political involvement on the part of the military and the observance of civil and political rights. This means that the ratio between the number of cases and the number of variables has now become favourable. Indeed, all of these factors appear to be important for the assessment of conditions conducive to more stable forms of democracy (see, for example, the factors listed by Dahl 1971, 1989).

Among the cases analysed, however, two distinct patterns emerged, one constituting the more classical example of highly developed democratic countries and the other exhibiting a borderline case such as Finland. With respect to the latter pattern, the remaining commonalities with the other survivor cases indicate that these may be necessary but not always sufficient conditions for a successful outcome. Accordingly, when investigating this particular 'variation', one must consider not only those conditions which are of a more structural nature, but also the relevant actor effects.

## **1.2 Overall patterns of breakdown**

Altogether, our analysis included ten countries which experienced the collapse of their parliamentary regimes during the interwar period. Of these, the failure of the Weimar Republic was certainly the most spectacular and, in its consequences, the most atrocious historically. A vast multitude of studies has been devoted to this subject (most notably Bracher 1955; Winkler 1993)

and it is obvious that we cannot deal with all the arguments which have been raised there. Still, our more limited comparative perspective may at least be able to focus attention on some critical questions which deserve closer analysis.

The respective similarities and dissimilarities among all breakdown cases were again established in the manner described before. Among these, Germany emerged as being the most different when contrasted with countries like Portugal, Romania and Greece. Similarly, the case of Spain with its history of protracted civil war showed the strongest contrasts with Estonia and, to a lesser extent, with Greece (see Figure 11.3).

### 1.2.1 Germany vs. Portugal, Romania and Greece

The major differences between Germany and the three cases with which it was compared lie, first of all, in their general historical and geopolitical background conditions (Germany being at least a partially reformed 'core-belt' country in the Rokkanian sense); furthermore, in high levels of economic development, industrialization, urbanization and literacy which characterized the German case; and, finally, in some aspects of the central political system such as Germany's relatively well developed social security system and its general observance of civil and political rights. While these factors may, on the whole, be considered to have contributed to the enhancement of democratic stability, others tended to work in the opposite direction. Thus, Germany's relatively strong religious and regional cleavages were not counteracted by any overarching elements of a more consensual nature. In particular, strong submilieus persisted which contributed to the overall high level of fragmentation of German political culture (on this point see, for example, Lehnert and Megerle 1990). Political tolerance and

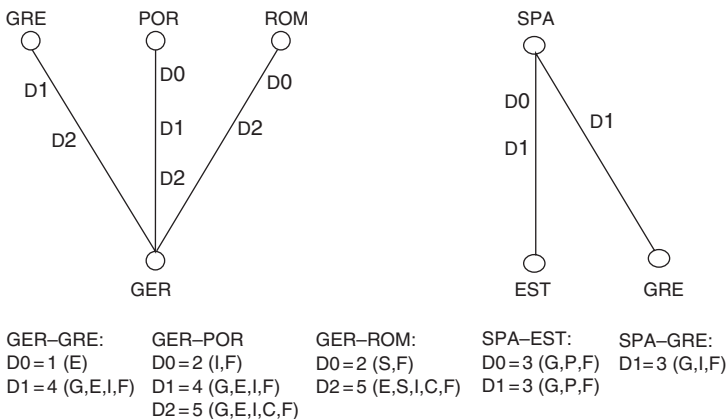


Figure 11.3 MDSO among breakdowns

participatory forms of decision-making were relatively weak, and strong 'subject' orientations prevailed. Similarly, powerful social movements, militias and anti-system parties together with a high level of party fragmentation contributed to the overall low level of government stability. The country's external burdens, especially the high reparations payments demanded by the Treaty of Versailles, were also particularly severe.

Proceeding in the same manner as before, we identified 12 variables which reflected the similarities between Germany and all other breakdown cases (see Table 11.3). These similarities lie mainly in the lack of a democratic system before the war, the absence of some overarching elite consensus, the sphere of political culture (that is, the prevalence of authoritarian attitudes and a lack of egalitarianism), a high level of government instability, and a strong political involvement of the military. The absence of Slavic cultural influences may again be considered as accidental, whereas the lack of an Anglo-Saxon cultural orientation may point to the absence of certain substantive democratic influences. (All countries with an Anglo-Saxon orientation, including a Catholic and economically less developed country like Ireland, are to be found among the survivor cases.)

These commonalities no doubt point to some important root causes of democratic collapse. Given several of the counteracting forces, like a higher level of socio-economic development in the German case, however, they probably cannot be considered as sufficient causes in themselves. Once again, the specific impact of the crises and the concrete reactions of the

*Table 11.3* MDSO – Germany vs. Portugal, Romania and Greece

	GER	GRE	POR	ROM
<b>1. General Background</b>				
PREWARDEM	0	0	0	0
<b>3. Social composition</b>				
OVERVERZUI	0	0	0	0
<b>4. Political-cultural traditions</b>				
NATIDENTIT	1	1	1	1
EGALITAR	0	0	0	0
CONSENS/CONFL	0	0	0	0
TOLERANCE	0	0	0	0
AUTH/PART	0	0	0	0
<b>6. Central political system</b>				
STABGOVERN	0	0	0	0
MILITARY01	1	1	1	1
<b>7. External factors</b>				
MILITEX	0	0	0	0
CULTANGLO	0	0	0	0
CULTSLAVIC	0	0	0	0
<b>Remaining similarities (categories 1–7)</b>				7

actors in each individual case must be taken into account. Here, Germany stands out because of the very severe manner in which it was affected by both the immediate post-war crisis and the world economic crisis. The internal reactions to these crises, in particular the strengthening of the anti-system forces, were considerable. In the end, the country's political equilibrium, already quite precarious, was upset by its major political actors. These, including President Hindenburg himself and his influential entourage of reactionary Prussian landowners and Ruhr barons, tipped the scales in favour of an anti-democratic solution and eventually, by joining forces with the National Socialists, provoked a full-fledged fascist takeover.

### *1.2.2 Spain vs. Estonia and Greece*

The second constellation of most different breakdown cases contrasts another turbulent case, Spain, with Estonia and Greece. One of the major differences separating the Spanish from the two other cases lies in the general background conditions. In contrast to Estonia and Greece, Spain was a larger, south-west European, seawardly-oriented country with strong Catholic traditions and an early formation as a state, although strong linguistic and regional cleavages still remained. In the political cultural sphere, Spain showed markedly stronger parochial and subject orientations and a certain proneness to violence. A third major area in which the contrasts between the cases become visible is that of the intermediary structures. In Spain, these were relatively well organized and highly articulated, including strong social movements and militias (in contrast to Greece) and strong political involvement on the part of the military (in contrast to Estonia). In terms of their external relations these cases also differ somewhat, Spain having been a colonial power (although lately of more reduced importance) and having undergone important ideological influences from abroad – on the one hand from conservative Catholic forces, and on the other from the Communist International – which contributed to the internal polarization of social forces.

The remaining similarities between the three cases amount to 22 variables altogether (see Table 11.4). These are mainly concerned with the generally relatively low level of socio-economic development (including some feudal elements in Spain), the lack of a more egalitarian, tolerant and participant political culture, the existence of strong anti-system parties, a strong bureaucracy and a low level of government stability. Furthermore, all three countries' exports consisted mainly of raw materials, their level of world market integration was low and they all lay outside the sphere of Anglo-Saxon cultural influence.

The crises affected these cases in varying ways. Estonia was hit strongly by both the post-war and the world economic crisis. Spain only suffered somewhat from the latter, whereas Greece was not much affected by either. In all three cases, however, anti-system reactions were strong during this



Table 11.4 MDSO – Spain vs. Estonia and Greece

	SPA	EST	GRE
<b>1. General background</b>			
COREBELT	0	0	0
PREWARDEM	0	0	0
<b>2. Socio-economic conditions</b>			
NATPRODCAP	0	0	0
URBANIZATI	0	0	0
FAMFARMS	1	1	1
INDLAB	0	0	0
<b>3. Social composition</b>			
RELIGCL	0	0	0
OVERVERZUI	0	0	0
<b>4. Political-cultural traditions</b>			
EGALITAR	0	0	0
POLINFORM	1	1	1
TOLERANCE	0	0	0
AUTH/PART	0	0	0
<b>5. Intermediate structures</b>			
INTRURAL	0	0	0
ANTISYSP	1	1	1
CORPORATISM	0	0	0
<b>6. Central political system</b>			
POLITTYPE	1	1	1
STABGOVERN	0	0	0
ROLEBUREUA	1	1	1
<b>7. External factors</b>			
WORLDMIN	0	0	0
ECONDEPEND	1	1	1
CULTANGLO	0	0	0
CULTSLAVIC	0	0	0
<b>8. Crisis</b>			
ANTISYS	1	1	1
<b>9. Major interventions and moves</b>			
KEYMDEMCOA	0	0	0
KEYMCHURCH	0	0	0
KEYMAUTHOR	1	1	1
<b>Remaining similarities (categories 1–7)</b>			22

period. Here, again, the major actors and their most important moves and alliances determined the final outcome. In Estonia, President Päts pre-empted the taking of power by the Veterans' Movement and established an authoritarian regime (Varrak 2000). In Greece, the military intervened decisively in conjunction with other authoritarian forces (Zink 2000a). In Spain the military forces led by General Franco, together with their Catholic authoritarian, feudal, and, to some extent, fascist supporters, finally prevailed in a protracted civil war (Bernecker 2000).

### *1.2.3 Overall similarities among breakdowns*

When we consider the commonalities of both constellations for all most different breakdown cases, we find that only eight variables remain. These are the absence of pre-war democratic conditions, the lack of overarching social structures in cases with strong horizontal cleavages, the absence of egalitarianism, tolerance and participatory decision-making patterns as attributes of political culture, a high level of government instability and the absence of Anglo-Saxon cultural influences. All these factors square up well with a variety of common assumptions regarding the general social bases and political conditions of authoritarian regimes (see, for example, Linz 1975). In this sense they constitute more or less the reverse of those conditions which many authors consider conducive to more stable forms of democracy (see above).

Nevertheless, the stronger contrasts revealed by the two constellations which emerged from our analysis appear once again to point to the existence of more specific patterns. The first of these, illustrated by the German case, constitutes a breakdown occurring in a relatively highly developed but politically fragmented country where in a highly unstable and critical situation strong authoritarian and fascist forces concur in their endeavour to overthrow the existing regime. The second pattern, illustrated by the Spanish case, consists of an authoritarian military intervention and an ensuing civil war in a less developed but also strongly fragmented country where fascist groups play only a minor role and the impact of external crises remains relatively weak. In both instances, anti-democratic moves on the part of decisive actors can be considered to have been crucial. All of the other contrasting cases tend to reflect the broader authoritarian conditions in societies which are less developed but also less fragmented.

## **1.3 Authoritarian breakdowns**

As indicated in our overall research design, we further distinguished between classical authoritarian breakdowns and those – characteristic of the period under consideration – in which the collapse of a democratic regime occurred under conditions of relatively intense political turmoil and in conjunction with the intervention of strong fascist or quasi-fascist groups. Such an intervention must not necessarily have led to the establishment of a

full-fledged fascist regime (as, for example, in Estonia or in Austria after 1934), but it has been instrumental to the breakdown of the existing democratic system. Among the more 'purely' authoritarian cases, the triple constellation of Spain, Portugal and Greece demonstrates the strongest contrasts (see Figure 11.4).

These countries differ with respect to their general geopolitical background in that two of them are located at the south-western and one at the south-eastern periphery of Europe. In addition, Portugal and Spain are characterized by early statehood and by a strong, in part continuing, tradition as colonial powers. The Spanish case, as mentioned before, also reveals a strong pattern of interest articulation and the existence of social movements and militias. Despite these differences, however, the remaining similarities between the three cases (26 out of a total of 63 variables) are quite impressive (see Table 11.5). They all reflect classical authoritarian factors such as those outlined above: a geopolitical situation characterized by countries located outside the European 'corebelt' which had not been affected by the reformation, a lack of pre-war democracy, a low level of socio-economic development, the absence of a democratic political culture, the weakness of the 'old' middle classes, a relatively weak and unstable parliamentary regime, strong political involvement on the part of the military and a weak and dependent position within the international economy. In Spain and Portugal strong feudal traditions can also be found. All three countries, being far from the main areas of combat, were not much affected by the post-war crisis and Spain only somewhat by the world economic crisis. In all three cases, however, major internal crises occurred which led to the intervention of the military in conjunction with authoritarian political groups and to the final collapse of the parliamentary system.

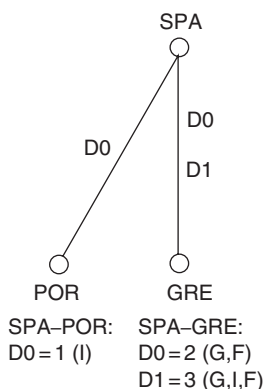


Figure 11.4 MDSO among authoritarian breakdowns

Table 11.5 MDSO – Spain, Portugal and Greece

	SPA	POR	GRE
<b>1. General background</b>			
COREBELT	0	0	0
REFORM	0	0	0
PREWARDEM	0	0	0
<b>2. Socio-economic conditions</b>			
NATPRODCA	0	0	0
URBANIZATI	0	0	0
LITERACY	0	0	0
INDLAB	0	0	0
<b>3. Social composition</b>			
RELIGCL	0	0	0
REGIONALCL	1	1	1
OVERVERZUI	0	0	0
<b>4. Political-cultural traditions</b>			
SUBMILIEUS	1	1	1
EGALITAR	0	0	0
CONSENS/CONFL	0	0	0
TOLERANCE	0	0	0
AUTH/PART	0	0	0
<b>5. Intermediate structures</b>			
INTRURAL	0	0	0
<b>6. Central political system</b>			
POLITTYPE	1	1	1
ELECTSYSPR	0	0	0
STABGOVERN	0	0	0
MILITARY01	1	1	1
SOCIALSEC	0	0	0
<b>7. External factors</b>			
WORLDMIN	0	0	0
ECONDEPEND	1	1	1
CULTANGLO	0	0	0
CULTGERM	0	0	0
CULTSLAVIC	0	0	0
<b>8. Crisis</b>			
POSTWARCRI	0	0	0
ANTISYS	1	1	1
<b>9. Major interventions and moves</b>			
KEYMDEMOA	0	0	0
KEYMCHURCH	0	0	0
KEYMMILIT	1	1	1
KEYMAUTHOR	1	1	1
<b>Remaining similarities (categories 1–7)</b>			26

### 1.4 Fascist breakdowns

Among those cases in which fascist groups and strong social movements constituted a primary factor in the breakdown of parliamentary institutions, there emerged a fourfold constellation which highlights the major contrasts between Romania, Germany, Estonia and Italy (see Figure 11.5).

The differences here lie mainly in the social structural and economic spheres, but also to a certain extent in the external situation. Germany is once again the most highly developed country economically and exhibits a relatively high level of competitive world market integration. The remaining similarities are reflected in 17 of the original 63 variables (see Table 11.6). These concern primarily the late formation of the state, the absence of pre-war democracy, the lack of overarching structures in cases with strong social cleavages, the absence of a democratic political culture, the existence of strong social movements and anti-system parties, the weakness of parliamentary governments and the strength of the role of the bureaucracy. Again, the absence of any Anglo-Saxon cultural influences is also conspicuous.

The post-war crisis led to an early breakdown in Italy (Tarchi 2000) whereas the joint effects of both the post-war situation and the world economic crisis were instrumental in the Estonian and German cases. Romania experienced a more or less permanent crisis situation due chiefly to internal conditions (Fischer-Galati 2000). In all four cases, the crises which had developed led to strong internal reactions and to the electoral reinforcement of anti-system forces. The lack of a broader-based democratic coalition, a conjunction of authoritarian and fascist or similar forces and anti-democratic moves by the major actors were ultimately decisive for the final outcome in each case.

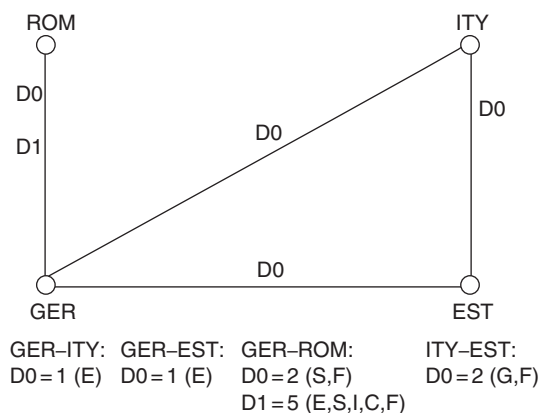


Figure 11.5 MDSO among fascist breakdowns

Table 11.6 MDSO – Germany, Estonia, Romania and Italy

	GER	EST	ROM	ITY
<b>1. General background</b>				
SEAWARD	0	0	0	0
EARLYSTATE	0	0	0	0
PREWARDEM	0	0	0	0
<b>3. Social composition</b>				
OVERVERZUI	0	0	0	0
<b>4. Political-cultural traditions</b>				
NATIDENTIT	1	1	1	1
EGALITAR	0	0	0	0
STATISM	1	1	1	1
DEMLEGITIM	0	0	0	0
TOLERANCE	0	0	0	0
AUTH/PART	0	0	0	0
<b>5. Intermediate structures</b>				
MOVEMENTSO	1	1	1	1
ANTISYSP	1	1	1	1
CORPORATISM	0	0	0	0
<b>6. Central political system</b>				
STABGOVERN	0	0	0	0
ROLEBUREUA	1	1	1	1
<b>7. External factors</b>				
CULTANGLO	0	0	0	0
CULTSLAVIC	0	0	0	0
<b>9. Major interventions and moves</b>				
KEYMDEMCOA	0	0	0	0
KEYMCHURCH	0	0	0	0
KEYMMILIT	0	0	0	0
KEYMAUTHOR	1	1	1	1
<b>Remaining similarities (categories 1–7)</b>				17

## 2 Most similar systems – different outcomes (MSDO)

Thus far, our analysis has focused on the broader aspects of the survival or collapse of democratic regimes, the authoritarian and fascist variants of breakdown cases and the respective commonalities between such cases within a ‘most different systems’ design. For a closer analysis of the distinguishing factors which might have been decisive to the eventual outcome, we must now turn our attention to those configurations presenting ‘most similar systems’. On the one hand, these configurations contrast democratic

survival with breakdown cases. On the other, they once again highlight the specific factors which distinguish authoritarian from fascist breakdowns.

**2.1 Survivors vs. breakdowns**

When we compare all survival and breakdown cases, four constellations emerge in which similar systems with different outcomes are matched (see Figure 11.6).

*2.1.1 United Kingdom and France vs. Spain and Greece*

The most similar cases in this constellation are France and Spain. The similarities between them concern mainly their geopolitical situation and general background, their social composition, intermediary structures and external relations. Some similarities can also be found between France and Greece, particularly with regard to the comparatively homogeneous social composition of these cases and certain aspects of their political culture (strong national identity, low acceptance of violence, secularization and the legitimacy of democratic institutions).

If the commonalities between the two survivor cases, France and the United Kingdom, are contrasted with those existing between the two breakdowns, Spain and Greece, only 10 variables relevant to the different outcomes remain (see Table 11.7). Thus, the absence of democracy in the pre-war period, a low level of socio-economic development (four variables),

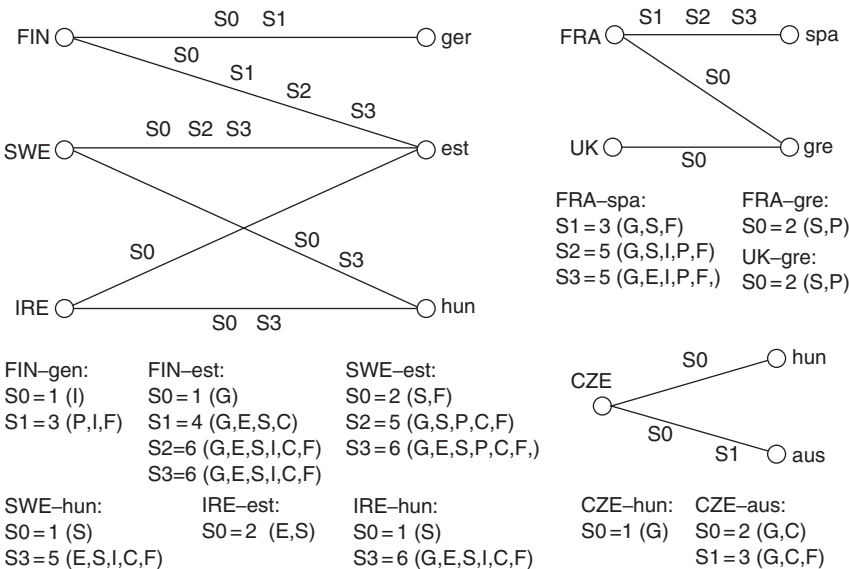


Figure 11.6 MSDO contrasting survivors and breakdowns

Table 11.7 MSDO – Great Britain and France vs. Greece and Spain

	UK	FRA	GRE	SPA
<b>1. General background</b>				
PREWARDEM	1	1	0	0
<b>2. Socio-economic conditions</b>				
NATPRODCAP	1	1	0	0
URBANIZATI	1	1	0	0
LITERACY	1	1	0	0
INDLAB	1	1	0	0
<b>4. Political-cultural traditions</b>				
TOLERANCE	1	1	0	0
AUTH/PART	1	1	0	0
<b>5. Intermediate structures</b>				
ANTISYSP	0	0	1	1
<b>6. Central political system</b>				
MILITARY01	0	0	1	1
<b>7. External factors</b>				
ECONDEPEND	0	0	1	1
<b>9. Major interventions and moves</b>				
KEYMDEMCOA	1	1	0	0
KEYMMILIT	0	0	1	1
KEYMAUTHOR	0	0	1	1
<b>Remaining dissimilarities (categories 1–7)</b>				10

the lack of a tolerant and participatory political culture, the existence of strong anti-system parties, the political influence of the military and external economic dependence can be considered to have contributed to the collapse of democracy in the two latter cases. A further differentiating impact of the external crises cannot be observed. For none of them the post-war crisis played a major role and the world economic crisis affected both a survivor (France) and a breakdown case (Spain) more strongly. All in all, this constellation reflects the more classical contrast between highly developed, less fragmented and externally independent countries with a democratic political culture and those of a more characteristically authoritarian, less developed and dependent character in which a conjunction of authoritarian forces and military intervention leads to the final breakdown.

### 2.1.2 Czechoslovakia vs. Austria and Hungary

The second constellation groups together the three successor states to the Habsburg monarchy. Their similarities lie mainly in their common



geopolitical and historical background, the institutions of their central political systems and certain external factors. A more precise process of matching reveals that the one survivor, Czechoslovakia, can be distinguished from the two breakdown cases by a total of 18 variables (see Table 11.8). These pertain to Czechoslovakia's higher level of socio-economic development, its more tolerant, participant and secular political culture, and the lack of strong social movements and political intervention by the military. Such findings coincide with the classical arguments of empirical democratic theory (see above). In contrast, neither Czechoslovakia's ethnic and religious cleavages,

*Table 11.8* MSDO – Czechoslovakia vs. Austria and Hungary

	CZE	AUS	HUN
<b>2. Socio-economic conditions</b>			
URBANIZATI	1	0	0
LANDLORD	0	1	1
AGRPROL	0	1	1
MIDDLE	1	0	0
<b>3. Social composition</b>			
ETHNLINGCL	1	0	0
RELIGCL	1	0	0
OVERVERZUI	1	0	0
<b>4. Political-cultural traditions</b>			
DEMLEGITIM	1	0	0
TOLERANCE	1	0	0
AUTH/PART	1	0	0
SECULAR	1	0	0
SUBJECT	0	1	1
<b>5. Intermediate structures</b>			
INTRURAL	0	1	1
MOVEMENTSO	0	1	1
PARTFRAG	1	0	0
<b>6. Central political system</b>			
MILITARY01	0	1	1
<b>7. External factors</b>			
MILITEX	1	0	0
CULTSLAVIC	1	0	0
<b>9. Major interventions and moves</b>			
KEYMDEMCOA	1	0	0
KEYMECOREF	1	0	0
KEYMAUTHOR	0	1	1
<b>Remaining dissimilarities (categories 1–7)</b>			18

which were compensated by certain overarching structures, nor the presence of specifically Slavic cultural influences appear to have been of importance in this context. The impact of the crises did not lead to the emergence of further differentiating characteristics. In Czechoslovakia, however, the political leadership intervened in favour of democracy, whereas in Austria and Hungary the authoritarian forces prevailed.

### 2.1.3 Sweden and Ireland vs. Estonia and Hungary

The complex grouping on the left-hand side of Figure 11.6 can be subdivided into two separate analytical configurations, one consisting of the lower four and the other of the upper three cases. The Estonian case figures in both groups. In the first configuration, Sweden and Estonia clearly stand out as the most similar cases. Their commonalities extend to almost the entire spectrum of categories and include common geopolitical factors, socio-economic conditions, social structures, political institutions and the external situation. Nevertheless, 22 distinguishing variables remain. With reference to Estonia, these encompass the lack of both early statehood and a pre-war democracy, a less egalitarian, tolerant and participatory political culture, the weakness of industrial interest groups, a fragmented party system, the existence of militias and anti-system parties and a relatively dependent world market situation. The post-war crisis and its consequences were much stronger in Estonia as well.

If the two remaining cases are added to this picture – Ireland for the survivors and Hungary for the breakdowns – only four dissimilarities which distinguish the respective outcomes remain (see Table 11.9). These are, with respect to Estonia and Hungary, the relative absence of egalitarianism,

Table 11.9 MSDO – Sweden and Ireland vs. Estonia and Hungary

	SWE	IRE	EST	HUN
<b>4. Political-cultural traditions</b>				
EGALITAR	1	1	0	0
DEMLEGITIM	1	1	0	0
TOLERANCE	1	1	0	0
<b>5. Intermediate structures</b>				
INTUNIONS	1	1	0	0
<b>8. Crisis</b>				
POSTWARCRI	0	0	1	1
<b>9. Major interventions and moves</b>				
KEYMECOREF	1	1	0	0
KEYMAUTHOR	0	0	1	1
<b>Remaining dissimilarities (categories 1–7)</b>				4

tolerance and democratic legitimacy as aspects of political culture and the weakness of trade union organization. The effects of the post-war crisis and subsequent internal reactions are also much more pronounced in these two cases. The intervention of authoritarian forces then sealed the fate of the democratic regimes. Accordingly, it was possible to identify additional specific factors which, given a lower overall level of socio-economic development, can be considered to have significantly contributed to the final outcome.

#### *2.1.4 Finland vs. Estonia and Germany*

Of all cases considered, Finland and Estonia are by far the most similar among those with a different outcome. Only 16 distinguishing variables remained, some of which can be considered to be of a more accidental nature (such as, in the case of Finland, the existence of a linguistic cleavage in the form of the Swedish minority and of a rural proletariat employed in the timber industry). The major differences lie in the sphere of political culture, Finland exhibiting somewhat stronger egalitarian tendencies than Estonia. When Finland is contrasted to Germany, similarities become evident with regard to intermediate structures (for example a high level of party fragmentation, strong social movements, militias and anti-system parties) and the central political institutions (such as a strong bureaucracy and a high level of government instability). The remaining differences, 25 variables in all, refer mainly to the geopolitical situation, the level of socio-economic development, certain aspects of political culture and various external factors.

When all three cases are considered together, only 7 distinguishing variables remain (see Table 11.10). These are located mainly in the area of political culture, most of the other pairwise differences having cancelled each other out. A closer look at the individual political cultures, though, reveals a mixed picture: stronger egalitarian traditions in Finland stand against higher levels of political information and political participation in Estonia and Germany. A broader-based democratic legitimacy is not to be found in any of the three cases.

Here, the most important explanatory factors for the different outcomes can again not be sought among the general background conditions. In addition, the impact of both crises strongly affected all three countries and led to comparable social and political reactions: in Finland the Lapua movement and the Mäntälä revolt, in Estonia the strong impact and subsequent plebiscitarian success of the Veterans' Movement (Karvonen 2000), in Germany the dramatic rise of Hitler's National Socialist Party. As a consequence, the elements which were ultimately decisive in precipitating a specific outcome must be sought in the key moves and reactions of the major actors under the given conditions. In Finland, President Svinhufvud turned against the Lapua movement and saved the constitutional order,

Table 11.10 MSDO – Finland vs. Estonia and Germany

	FIN	EST	GER
<b>3. Social composition</b>			
ETHNLINGCL	1	0	0
<b>4. Political-cultural traditions</b>			
EGALITAR	1	0	0
POLINFORM	0	1	1
POLITIPART	0	1	1
AUTH/PART	1	0	0
<b>5. Intermediate structures</b>			
INTRURAL	1	0	1
INTCOMMERC	0	1	1
<b>6. Central political system</b>			
SOCIALSEC	0	1	1
<b>8. Crisis</b>			
DEPRESSION	0	1	1
<b>9. Major interventions and moves</b>			
KEYMDEMCOA	1	0	0
KEYMAUTHOR	0	1	1
<b>Remaining dissimilarities (categories 1–7)</b>			7

thus paving the way for the formation of a broadly based ‘red–green’ coalition; in Estonia, President Päts pre-empted the Veterans and established an authoritarian regime while in Germany, President Hindenburg ‘handed over’ political power to an, in the beginning, authoritarian–fascist alliance led by Hitler and von Papen.

## 2.2 Fascist vs. authoritarian breakdowns

The specific differences which distinguish classic authoritarian breakdowns from those involving strong social movements and fascist elements can now also be analysed within this ‘MSDO’ design. The most distinctive configurations are listed in Figure 11.7.

### 2.2.1 Romania, Estonia and Austria vs. Greece

Greece and Estonia are the most similar cases in this constellation. Their main similarities are located within the general background conditions and include late statehood, the absence of democracy in the pre-war period, a generally low level of economic development, a homogeneous social composition and an economic situation characterized by relative external dependency. The remaining differences, 20 variables altogether, relate (in

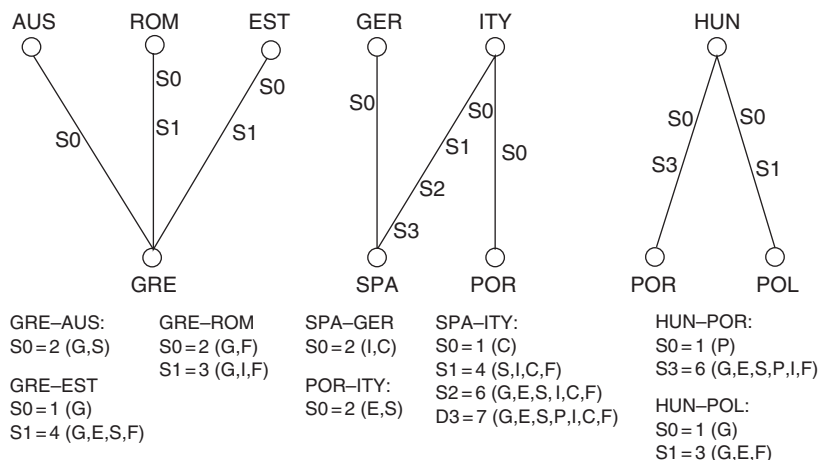


Figure 11.7 MSDO comparing fascist and authoritarian breakdowns

the case of Estonia) to the historical experience of the reformation, the high level of literacy, the existence of a statist tradition, the presence of strong social movements and militias, the lack of clientelism and the absence of political involvement on the part of the military.

If we add the two similar cases in which fascist groups played a role in the breakdown, Romania and Austria, only four distinguishing background variables remain (see Table 11.11). These relate primarily to the lack of a statist tradition, the absence of social movements and a higher level of democratic legitimacy in Greece. Whereas the post-war and world economic crises led to strong internal reactions in Estonia and Austria, the crises in Romania and Greece were largely of a domestic nature. In Greece, the intervention of the military was crucial to the final outcome, while it was internal turmoil in the other three countries – including the agitation of fascist elements in Romania – which ultimately led to an authoritarian takeover.

### 2.2.2 Hungary vs. Portugal and Poland

The similarities between Hungary and Portugal lie in the two countries' more parochial, less informed, less tolerant, non-egalitarian and non-secular political culture and in their low level of economic development, their relative external dependency and the absence of both party fragmentation and strong anti-system parties. Conversely, there remained a total of 16 differentiating variables relating to the geopolitical situation and including Portugal's early statehood, its status as a colonial power and the existence of corporatist structures. In contrast, stronger social movements and a prominent role on the part of the bureaucracy are to be found in Hungary.

Table 11.11 MSDO – Greece vs. Estonia, Austria and Romania

	GRE	EST	AUS	ROM
<b>4. Political-cultural traditions</b>				
STATISM	0	1	1	1
DEMLEGITIM	1	0	0	0
<b>5. Intermediate structures</b>				
MOVEMENTSO	0	1	1	1
<b>6. Central political system</b>				
SOCIALSEC	0	1	1	1
<b>9. Major interventions and moves</b>				
KEYMMILIT	1	0	0	0
EXTERNALIN	0	1	1	1
<b>Remaining dissimilarities (categories 1–7)</b>				4

Table 11.12 MSDO – Hungary vs. Portugal and Poland

	HUN	POR	POL
<b>3. Social composition</b>			
REGIONALCL	0	1	1
<b>4. Political-cultural traditions</b>			
SUBMILIEUS	0	1	1
<b>6. Central political system</b>			
POLITTYPE	0	1	1
STABGOVERN	1	0	0
<b>7. External factors</b>			
CULTROMAN	0	1	1
<b>8. Crisis</b>			
ANTISYS	0	1	1
<b>9. Major interventions and moves</b>			
KEYMMILIT	0	1	1
<b>Remaining dissimilarities (categories 1–7)</b>			5

If the somewhat similar case of Poland is added, a number of further idiosyncracies disappear, so only five distinguishing variables remain (see Table 11.12). Of these, the ‘quasi-monarchical’ nature of the Horthy regime in Hungary and the low level of government stability in Portugal and Poland can be considered to have been of some significance. In Poland, the aftermath of the post-war crisis led to a relatively early takeover by

General Pilsudski in 1926 (Holzer 2000). Portugal, in part due to its peripheral position, remained relatively unaffected by both crises and also experienced a military coup in 1926. This led to the establishment of a corporatist-authoritarian regime under Salazar after 1932 (Costa Pinto 2000). In Hungary, the intense effects of the world economic crisis led to the strengthening of populist and fascist groups and to a certain external alignment with fascist Italy and Germany (Ilonszki 2000).

### 2.2.3 *Italy and Germany vs. Spain and Portugal*

The 'classic' examples of fascist breakdowns are, of course, Italy and Germany, the latter in its particular National Socialist variant. A great number of similarities can be observed between the general conditions in Italy, where the fascist takeover occurred as early as 1923, and the overall situation in Spain. These similarities consist of a less developed and partly feudal economic situation, a highly parochial, non-egalitarian, less tolerant, non-participatory and strongly Catholic political culture, the existence of powerful social movements and militias, a high level of party fragmentation and the existence of strong anti-system parties. The remaining differences, 17 variables in all, relate to Italy's 'corebelt' position and late state

*Table 11.13* MSDO – Italy and Germany vs. Spain and Portugal

	ITY	GER	SPA	POR
<b>1. General background</b>				
SEAWARD	0	0	1	1
COREBELT	1	1	0	0
EARLYSTATE	0	0	1	1
<b>5. Intermediate structures</b>				
INTRURAL	1	1	0	0
<b>6. Central political system</b>				
ELECTSYSPR	1	1	0	0
<b>7. External factors</b>				
ECONDEPEND	0	0	1	1
<b>8. Crisis</b>				
POSTWARCRI	1	1	0	0
DEPRESSION	0	1	1	0
ANTISYS	1	1	1	1
<b>9. Major interventions and moves</b>				
KEYMMILIT	0	0	1	1
<b>Remaining dissimilarities (categories 1–7)</b>				5

formation, the clientelist nature of interest mediation in that country and the specific effects of the post-war situation there (including the veterans' movement and anti-democratic electoral reactions).

When we also consider the two additional cases, Germany and Portugal, with their different outcomes, only five distinguishing variables remain (see Table 11.13). These relate to both Italy's and Germany's corebelt position and late state formation (for this point see also Rokkan 1975) as well as to certain institutional similarities between these two cases such as the proportional electoral systems (Hermens 1941) and the lack of external economic dependence. With respect to Italy and Germany we must also add the strong effects of the post-war crisis and the anti-democratic electoral reactions (which in Germany occurred only after the second crisis). In both Italy and Germany, then, a fascist takeover in conjunction with authoritarian forces occurred whereas in Portugal and Spain more classic authoritarian regimes were established after decisive intervention on the part of the military.

### 3 Conclusions

Altogether, thirteen different constellations were considered under our 'most different cases with the same outcome' (MDSO) and 'most similar cases with a different outcome' (MSDO) research designs. The results point to a number of interesting conclusions on an intermediate level of abstraction with regard to both the categories and variables discussed above and their concrete (albeit somewhat rough) mode of operationalization. At first, we were able to detect several general factors relating to the different outcomes. In particular, the elements common to the survival cases revealed certain characteristics which largely concur with the established tenets of empirical democratic theory. Dahl, for example, mentions in this context the absence of a 'subject' political culture, a higher level of literacy, the protection of civil and political rights and the absence of political involvement by the military. Still, several important variations which do not fully conform to the 'modernization' arguments put forward by Lipset and others were also discovered. The successful establishment of a parliamentary regime in Ireland despite the country's low level of development, its strongly parochial political culture and the clientelistic character of its intermediary structures must be largely attributed to the specifically British form of political tutelage and the parliamentary traditions of the United Kingdom. Similarly, Finland represents a critical borderline case in which, despite highly unfavourable social and economic conditions, the personal intervention of several leading actors led to the stabilization of the democratic system under a previously inconceivable workers' and farmers' ('red-green') alliance.

In the same manner we were able to establish some of the background conditions common to all breakdown cases. These consist in the absence of pre-war democratic traditions, the lack of a predominantly egalitarian, tolerant



and participatory political culture, the weakness of the 'old' middle classes and a low level of government stability. In a large number of cases feudal traditions, a low level of economic development and a social fragmentation without the simultaneous existence of overarching structures also played an important role. Such factors correspond to the more common arguments raised, for example, by Moore and Linz. Within this pattern, though, the case of a highly developed and literate country like Germany constitutes an important variant which required additional explanation.

When we considered the general conditions surrounding both the classic authoritarian and specifically fascist breakdowns, we found that the former exhibited a generally lower level of development, a tendency towards geopolitical peripherality, a higher level of parochialism and the absence of an essentially egalitarian, tolerant and participatory political culture. A low level of government stability then led to the intervention of the military on behalf of traditional authoritarian groups. Fascist breakdowns, on the other hand, tended to occur when a somewhat more mixed and polarized economic situation arose in the absence of democratic political cultural elements and stable parliamentary institutions. This situation, in conjunction with further specific historical factors, fostered the emergence of strong social movements, armed militias and anti-system parties which brought about the final collapse of the democratic system, either in a more forceful authoritarian or in a full-fledged fascist sense.

In the second part of our analysis, the MSDO design revealed a number of specific factors relevant to the process of democratic collapse and regime transition. The contrast of France and the United Kingdom with Spain and Greece still linked democratic survival with such 'classical' elements of democratic theory as a higher level of development, stronger middle classes, a participatory and tolerant political culture and the absence of political involvement by the military. However, when Czechoslovakia was contrasted to Austria and Hungary, the other two successor states to the Habsburg empire, several specificities of this constellation became apparent. In the case of Czechoslovakia, a higher level of economic development and a democratic political culture were supplemented by overarching structures (in Lijphart's sense) which proved capable of bridging the existing ethnic and religious cleavages.

The constellations which contrasted Ireland and Estonia on the one hand and Finland and Estonia on the other clearly demonstrated the special circumstances which characterized these cases. Ireland remained democratic because of its stronger 'habituation' (in Rustow's 1970 sense) to parliamentary traditions and procedures. The situation in Finland and Estonia, the most closely matched of all of our cases, took different turns because of the crucial involvement of certain key actors, in particular the incumbent presidents.

The contrast between authoritarian breakdowns and those involving fascist elements illustrated the crucial role which authoritarian forces and political

intervention by the military played in the former cases and the prime importance of strong social movements, militias and anti-system parties for the latter. In Italy and Germany, where genuine fascist takeovers took place, additional common factors specific to these cases were revealed. Two such factors, Italy's and Germany's common location in the 'corebelt' and their late formation as unified states, appear to confirm Rokkan's (1975) arguments on these subjects. In contrast, a third common factor, the system of proportional electoral representation which had been so strongly emphasized by Hermens (1941), must be considered to be more accidental. With respect to both Italy and Germany, though, one must consider the specific crisis situations (whereby in Germany the effects of the two crises reinforced each other) in which the personalities and moves of leading actors played decisive roles as well.

Altogether, our 'quasi-experiments' were thus able to shed some important light on both the patterns observed and their specific variations. It must be emphasized again, however, that in spite of this largely successful application of the MDSO/MSDO method which served to effectively reduce the initially bewildering great number of variables in relation to our limited number of cases, this method should not be applied in any purely mechanical manner. It rather should serve as a first important step to direct the attention of the researcher to some of the key features which are common to certain outcomes. Then these selected variables must be linked to some of the relevant theoretical propositions in the literature and be interpreted in light of the historically informed knowledge of each case and the respective major relevant sources. This, in a project of this magnitude, usually only can be done with recourse to specific country experts. In this way, political science and history can be brought into a mutually fruitful symbiotic relationship. As Theda Skocpol puts it: 'Analytic historical sociology [...] can effectively combine the concern to address *significant* historically embedded problems – a concern that most of its practitioners share with interpretive historical sociologists – with ongoing efforts to build better general social theories, a concern shared with those who have applied general models to history.' Accordingly, 'analytic sociology can avoid the extremes of particularizing versus universalizing that limit the usefulness and appeal of the other two approaches' (Skocpol 1984: 384, emphasis in the original).

## Note

1. For this purpose, we have also developed some specific software on the basis of common spreadsheet programs like Excel, Lotus or Quattro Pro, which is available from the authors on request.

# 12

## Reduction of Complexity

*Dirk Berg-Schlosser and Gisèle De Meur*

In this chapter, we employ specific steps for reducing, in a systematic manner, the complexity of the large number of variables derived from our system model without losing essential information with regard to the respective outcomes. This will be done, on the one hand, with the help of some statistical procedures and, on the other, by considering certain combinatorial analyses. We contend that it can be shown that these approaches meaningfully supplement each other, making up, to some extent, for their respective deficiencies. The results of both operations will then be combined in a further step in order to construct a limited number of more encompassing 'super-variables' which retain much of the original information.

As has been explained above, we arrived at a total of 63 variables for the seven categories of our system model. On the whole we contend that this list covers relatively well both the specificities and the generalities of the cases observed in a 'disciplined configurative approach' (see Verba 1967). Altogether, to take up Amenta and Poulsen's (1994) terminology once again, we thus start from a 'comprehensive' approach in which the major theoretical 'perspectives' have been incorporated.

The resulting data sets have been compiled in both a complete format (which retains as much information as possible for the more differentiated variables such as GNP per capita, percentages of literacy and urbanization) and a dichotomized format (absent-present, high-low, etc.) for all variables. The latter is required for such procedures as 'Qualitative Comparative Analysis' (QCA).

From this still relatively large universe of variables we now have to select those that may turn out to be most relevant for our overall theoretical concerns. In this regard, we have to consider both relationships among a certain number of potentially explanatory variables and those towards the outcome. In this way, some variables may be combined or reconstructed indicating their common 'property space' (for this notion see also Barton 1955; Lijphart 1971). Others may be retained or eliminated according to certain selective criteria. Both aspects can be treated by statistical procedures

or by combinatorial methods. We thus pursue both what Amenta and Poulsen call 'significance' and 'combinatorial' or 'conjunctural' approaches. It is our contention that several ways of selection related to both quantitative and qualitative methods can be shown to supplement each other meaningfully not only with regard to the required reduction of complexity, but also in the final substantive analysis. At the same time, not only certain 'universalizing' but also certain more specific 'conjunctural' or 'variation-finding' aspects may be discovered.

## 1 Statistical procedures

One frequently used method of assessing relationships between variables and establishing common property space is factor analysis. This method, however, resembles a general exploratory 'fishing expedition' in that it is highly unspecific and not directly related to any particular outcome. Moreover, in our project, the relationship of the number of variables to the number of cases (63 to 18) remained extremely unfavourable for such a simple comprehensive procedure. We therefore decided to examine step by step a larger variety of possible techniques. We finally retained the two following procedures.

Our first step consisted of inspecting all of the variables which showed a relatively strong bivariate correlation with the outcome, that is, the survival or breakdown of a democratic regime (using  $p < 0.05$  as a threshold value). In all, 21 variables turned out to be highly correlated when their Boolean expressions were used. When more finely graded measures were employed – for example those available for some of the economic data – 20 variables showed strong correlations (see Table 12.2). This procedure, however, did not yet consider the relationships which existed among the different variables.

In order to accomplish this, we turned in a further step to 'Discriminant Analysis': Discriminant Analysis groups variables which are related to a particular outcome around the poles of a single axis. We employed this procedure category by category to retain in the beginning the dimensions of the original theoretical framework and, moreover, not to treat too many variables at one time. Keeping the usual default values set by SPSS, and utilizing Wilks's lambda in a stepwise procedure for each category, we arrived at a total of 16 variables using the binary data and 17 using the more finely graded data.

Statistical procedures such as these remain, however, at the 'universalizing' level considering the entire distribution of cases, and do not take account of any specific 'conjunctural' patterns among them. At best, as indeed Discriminant Analysis does, some deviant cases not fitting in the overall picture can be identified. Furthermore, all such statistics are based on a number of restrictive assumptions such as the linearity of relationships, the additivity of explanatory variables, the orthogonality of selected

factors and the like, but which may not always be justified, particularly in small *N* situations.

To change our focus now to more 'case-oriented' and conjunctural patterns we employed a number of combinatorial procedures which are not based on such limiting assumptions (see also Ragin 1994). In this way 'multiple' or 'conjunctural' relationships may be discovered which lead to a more distinct process of 'variation-finding' among the cases considered. Multiple causation (or 'chemical causation' in Mill's terms) refers to the simultaneous presence of several factors, which only in this combination lead to a particular outcome:  $c_1$  and  $c_2$  result in  $O_1$  or, in Boolean terms:  $c_1:c_2 \rightarrow O_1$ . Conjunctural causation may occur when different factors, including differing sequences over time, lead to the same outcome:  $c_3$  or  $c_4$  result in  $O_2$ ; in Boolean terms:  $c_3 + c_4 \rightarrow O_2$ . Both patterns can also be combined. Such a conceptualization of possible causal patterns within a more comprehensive analysis is certainly a more complex way of approaching the question at hand but, in our view, also a more realistic one.

## 2 Combinatorial procedures

Given its specific nature, this step in our analysis could only be conducted with dichotomized data. Although this implied a certain loss of information for some variables, the loss could be compensated for by the efficiency of using Boolean algebra in reducing complexity. A first and relatively simple step, which also could have been done 'by hand', was to identify those variables which did not show any variation with either outcome. These were variables, for example, which had values of 0 for all breakdown cases. This produced a series of 'constants' which consistently exhibited 1 or 0 for either outcome. More differentiated patterns, however, could not be assessed in this way.

As a second step we, therefore, employed QCA.<sup>1</sup> It computes the 'prime implicants' for the considered variables by using certain 'simplifying assumptions'. Here, the beauties of Boolean methods for the analysis of an exponentially growing number of possible combinations in a multi-dimensional space can be brought to fruition (for a detailed discussion see Ragin 1987). Because QCA3 cannot handle more than 10 independent variables at one time, we proceeded once again category by category. QCA being a fairly recent procedure in the social sciences and because it is not yet very widely known, we will describe the steps employed and the choices made in some more detail here. (Other detailed applications can be found in Berg-Schlosser and De Meur 1994 or Berg-Schlosser and Quenter, 1996, for example.) The results are, given its 'combinatorial' nature, usually somewhat more complex. For didactic reasons, we begin with category 3, describing the social composition of our cases, for which we had retained

the lowest number of variables: four altogether, concerning the presence or absence of ethno-linguistic, religious or regional cleavages and the possibility of some overarching 'consociational' arrangements (for a discussion of such factors see also Chapter 2 above). The complete information concerning this category is contained in the following 'truth table' (Table 12.1):

For the sake of convenience, we use upper case letters for our survivor and lower case letters for our breakdown cases. A similar convention is employed in the formulas calculated by QCA where the presence of a variable is rendered in upper case and its absence in lower case letters (see also below).

On the basis of this truth table QCA can calculate the minimal formulas which describe a certain outcome (1 or 0) – in our case the survival or breakdown of the 18 European democracies in the interwar period. In addition, it lists those combinations which are identical for certain cases but had different outcomes ('contradictions' = C). Over and above the actual cases analysed it can also take account of 'logical remainder cases' (R): combinations which are logically possible but which happen not to be covered by any one of our empirical cases. The number of such 'logical remainders' increases exponentially with the number of variables considered. For example, for the possible actual maximum of 10 variables for our QCA analysis  $2^{10} = 1024$  logical combinations are possible, of which, of course, only a few are covered by our empirical cases. The inclusion of the 'logical remainders' very often allows, however, for a much more simplified formula which emerges from QCA. For this reason in what follows the 'remainders' will always be considered for arriving at the minimal formulas.

Table 12.1 'Truth table' – category 3

Variables					QCA	Cases
ETHNLING	RELIG	REGION	OVERVERZ	OUTCOME		
1	0	1	1	1	1	BEL
0	1	1	1	1	1	NL
1	1	1	1	1	1	CZE
0	1	1	0	0	0	ger
1	0	1	0	0	0	spa
1	1	1	0	0	0	pol
0	0	0	0	1	C	SWE, IRE
0	0	0	0	0		hun, est
1	0	0	0	1	C	FIN
1	0	0	0	0		rom
0	0	1	0	1	C	FRA, UK
0	0	1	0	0		aus, ity, por, gre

QCA calculated first the 'prime implicants' covering the outcomes 1 or 0. From these the following minimal formulas were deduced:

Survivors (1): OVERVERZ (covering the cases BEL, NL and CZE)

Breakdowns (0): ETHNLING • REGION • oververz (covering spa, pol) + RELIG • oververz (ger, pol)

The breakdown formula can be shortened to: oververz • (ETHNLING • REGION + RELIG) (The + here, in Boolean algebra, stands for a logical 'or' and the • for a logical 'and').

This means that among the non-contradictory constellations either strong social cleavages coincided with the breakdowns or these were overcome by some overarching structures for the survivors.

If we include the (rather numerous) contradictions (C) with the survivors (1) or the breakdowns (0) the following formulas emerge:

1, C: OVERVERZ (BEL, NL, CZE) + region (SWE, IRE, FIN, hun, est, rom) + ethnling • relig (SWE, IRE, FRA, UK, hun, est, aus, ity, por, gre)

0, C: oververz (SWE, IRE, FIN, FRA, UK, hun, est, rom, aus, ity, por, gre, ger, spa, pol)

This means, in effect, that either the existence of some overarching structures or the absence of some strong social cleavages (including the contradictory cases) coincides with the survivors or that the absence of overarching structures characterizes all the breakdowns (again including the contradictions). Thus the formulas for the constellations 1, R and 0, C, R produced the most simplified results, identifying the presence or absence of a single variable (OVERVERZ). This will be taken into consideration for our final selection (see section 4 below).

We now proceed, after this more elaborate example on the basis of four explanatory variables, with the other categories in their original order. Among the 10 variables of category 1 characterizing the more general geopolitical and historical background the following formulas emerged:

#### **Survivors (1):**

(a) PREWARDEM (SWE, BEL, NL, FRA, UK) + earlstat • corebelt • landward (IR)

(b) PREWARDEM (SWE, BEL, NL, FRA, UK) + • earlstat • population • landward (IRE, BEL)

(c) PREWARDEM (SWE, BEL, NL, FRA, UK) + earlstat • SEAWARD (IRE)

This means, that in fact we found three minimal formulas. The substantive choice among them has to be made by the theoretically guided and

historically informed researcher. For the sake of convenience, these three formulas can also be synthesized to:

$$\text{PREWARDEM} + \text{earlstat} \quad \left\{ \begin{array}{l} \text{corebelt} \bullet \text{landward} \\ \text{population} \bullet \text{landward} \\ \text{SEAWARD} \end{array} \right\}$$

**Breakdowns (0):**

nonref • reform (gre) + EARLSTAT • prewardem (por, spa)

$$+ \text{POPULATION} \bullet \quad \left\{ \begin{array}{l} \text{prewardem (ger, ity, spa, pol)} \\ \text{earlstat (ger, ity, pol)} \\ \text{seaward (ger, ity, pol)} \end{array} \right\}$$

The existence of democracy prior to the First World War thus accounted for five of the survivors: only Ireland, expressed by three different terms, constituted a rather special case. Similarly, the absence of pre-war democracy, in combination with some other characteristics, described five of our breakdown cases.

Again, some contradictory constellations, concerning FIN/est and CZE/aus, hun, rom, could also be observed. If these were included with the respective outcomes, we obtained the formulas:

**1, C:**

PREWARDEM (SWE, BEL, NL, FRA, UK)

+ population • NONREF • earlstat (BVE, IRE, CZE, aus, hun, rom)

$$+ \text{REFORM} \bullet \quad \left\{ \begin{array}{l} \text{nonref (SWE, UK, FIN, est)} \\ \text{corebelt (SWE, UK, FIN, est)} \\ \text{population (SWE, NL, FIN, est)} \\ \text{LANDWARD (SWE, FIN, est)} \end{array} \right\}$$

**0, C:**

prewardem • (seaward (ger, ity, gre, pol, est, aus, hun, rom, FIN, CZE) + REFORM EARLSTAT (por, spa))

In the latter case thus a certain simplification could be obtained. For this reason, it is important to consider each time whether the contradictions, which can be included either among the survivors or the breakdowns, lead to a simplification of the results considered. All in all, the absence or presence of democracy before the war turned out to be by far the most important single determinant accounting for most of the survivor cases and, in some combination, for all of the breakdown ones. This was, therefore, retained for our final selection (see below).

For the eight variables of category 2 concerning the socio-economic structure and the overall level of socio-economic development as expressed



by several indicators, QCA again identified certain dominant characteristics for the survivors and breakdowns (see also Chapter 3 above). Here, it turned out that it was not a single overriding factor that could be retained, as in the previous two examples, but particular combinations of variables, which proved to be of interest.

QCA produced the following formula for the survivor cases:

$$\begin{aligned} \text{agrprol} \bullet & \left\{ \begin{array}{l} \text{NATPROD (BEL, NL, FRA, CZE, UK)} \\ \text{URBAN (BEL, NL, FRA, CZE, UK)} \\ \text{INDLAB (BEL, NL, FRA, CZE, UK)} \\ \text{MIDDLE (BEL, NL, FRA, CZE, UK)} \end{array} \right\} \\ + \text{landlord} \bullet & \left\{ \begin{array}{l} \text{NATPROD (SWE, BEL, NL, FRA, CZE)} \\ \text{MIDDLE (SWE, BEL, NL, FRA, CZE)} \end{array} \right\} \end{aligned}$$

The breakdowns were rendered by:

$$\begin{aligned} & \text{literacy (ity, rom, por, spa, gre)} + \text{LANDLORD} \\ \bullet & \left\{ \begin{array}{l} \text{FAMFARMS (aus, ger, hun, rom, spa)} \\ \text{AGRPROL (aus, ity, hun, ger, rom, por, spa)} \end{array} \right\} \end{aligned}$$

This means that democracy survived either in the absence of a strong agricultural proletariat or a large landholding class together with some factors each time indicating a higher level of socio-economic development. The almost exact reverse was true for the breakdowns. These were expressed by the simultaneous presence of a strong landholding class and a large agrarian proletariat or a low level of literacy.

There remained two contradictory constellations concerning IRE/est and FIN/pol.

When these were included each time this produced the formulas:

$$\begin{aligned} & \mathbf{1, C:} \\ & \text{LITERACY} \bullet \text{agrprol (BEL, NL, FRA, CZE, UK, IRE, est)} \\ & + \text{landlord} \bullet \left\{ \begin{array}{l} \text{LITERACY (SWE, BEL, NL, FRA, CZE, FIN, IRE, est, pol)} \\ \text{AGRPROL (SWE, IRE, est)} \end{array} \right\} \\ & \mathbf{0, C:} \\ & + \text{LANDLORD} \bullet \left\{ \begin{array}{l} \text{AGRPROL (aus, ger, ity, hun, rom, por, spa)} \\ \text{FAMFARMS (aus, ger, hun, rom, spa)} \end{array} \right\} \\ & + \left\{ \begin{array}{l} \text{middle (aus, ity, hun, rom, por, gre, pol, est, FIN, IRE)} \\ \text{natprod (ity, hun, rom, por, spa, gre, pol, est, FIN, IRE)} \end{array} \right\} \end{aligned}$$

The previous formulas thus were not simplified much further and our substantive result remained essentially the same. Thus, both rural social

structures and level of socio-economic development will be considered in our final choice.

For category 4, concerning the respective political cultural traditions, there was an additional obstacle to circumvent for the application of QCA: This category contains 14 variables, but the available software allowed only for treating a maximum of 10 explanatory variables at a time. Instead of examining all possible  $14! / (10! \cdot 4!) = 1001$  combinations which each take several hours of calculation we adopted a different strategy. We first inspected the correlations of all variables with the outcome and retained seven which had significant values (see Table 12.2). These were EGALITAR, PAROCHIAL, DEMLEGITIM, TOLERANCE, AUTH/PART, SECULAR, SUBJECT.

In addition, in a first run, we added three more which seemed to have some bearing on democratic traditions, namely POLITPART, STATISM and CONSENS. QCA produced for this first set the following formulas:

1:

$$\left\{ \begin{array}{l} \text{EGALITAR (SWE, FIN, BEL, NL, IRE) + TOLERANCE (SWE, BEL, NL, FRA, CZE, IRE, UK)} \\ \text{TOLERANCE (SWE, FIN, BEL, NL, IRE) + AUTH/PART (SWE, FIN, BEL, NL, FRA, UK, CZE)} \\ \text{AUTH/PART (SWE, FIN, BEL, NL, IRE) + EGALITAR (SWE, FIN, BEL, NL, FRA, UK, CZE)} \end{array} \right\}$$

O:

egalitar • auth/part (aus, ger, ity, hun, rom, por, est, spa, gre, pol)  
 + tolerance • egalitar (aus, ger, ity, hun, rom, por, est, spa, gre, pol)  
 + auth/part • tolerance (aus, ger, ity, hun, rom, por, est, spa, gre, pol)  
 + intunions • INEMPLOYER •

This means that, except for the otherwise somewhat special cases FIN and CZE, democracy survived in all of our cases where trade unions were strong and anti-system parties weak. There were no contradictions either.

For the breakdown cases, however, no such clearcut pattern emerged. Altogether, there were 12 different prime implicants covering a few cases each which could not be summarized further. This result shows that QCA does not always come up with highly simplified solutions, but if this is the case it demonstrates at least the complexity of the 'real world' across all the cases treated. The sixth category deals with institutional aspects of the central political system (see also Chapter 8). Here, again, a quite clear-cut pattern emerged. There were no contradictions. The survivors were covered by the formula:

1: military • (socialsec (SWE, FIN, BEL, NL, FRA, IRE)) + STABGOVERN (UK, CZE, IRE))

The breakdowns were listed as:

- 0: MILITARY (aus, ger, ity, hun, pol, por, spa, pol) + stabgovern
- SOCIALSEC (ger, rom, est, pol).

Thus, in both instances the presence or absence of a political involvement of the military played a crucial role in the vast majority of cases (15 out of 18).

The seventh category, finally, treats external factors such as the victory in the First World War, the level of world market integration, economic dependence, cultural and ideological influences or the possession of colonies (see also Chapter 9). Here, again, we were confronted with the situation that we had more variables (11) than could be dealt with at once. In several trial runs of QCA in different combinations we always obtained very complicated formulas both for survivors and breakdowns and there still remained some contradictions. In view of this great heterogeneity we decided not to consider the variables of this category any more.

### 3 Construction of 'super-variables'

In view of this comprehensive but still somewhat mixed information we tried to make some sense of the respective results. We inspected all variables marked by the various methods (as indicated in Table 12.2) and attempted to link them to some of the current theoretical propositions in the relevant literature mentioned before.

Again, we proceeded, at first, category by category. As far as the more general 'Rokkanian' background conditions of the first category were concerned, only the existence or non-existence of democracy before the First World War consistently emerged, across all the methods employed, as a variable relevant to the outcome. We thus decided to retain it in its existing form ( $P = \text{'prewar dem'}$ ).

In the second category, the 'developmental' and 'social structural' factors could be clearly distinguished. Among the latter, the existence of a pattern of large-scale landholding and a large rural proletariat was particularly evident. The presence of both factors was combined into the single variable 'feudalism' ( $F = \text{LANDLORD and AGRPROL}$ ) in line with Moore's or Stephens' arguments. The five relevant variables relating to the level of socio-economic development (GNP per capita, urbanization, literacy, industrialization and a large urban middle class) could be grouped into a single 'economic development' factor ( $E = f1 \text{ (NATPRODCAP, URBANIZATI, LITERACY, INDLAB, MIDDLE)}$ ) in support of Lipset's and Vanhanen's ideas with the help of a confirmatory factor analysis based on the differentiated expression of these variables. This confirmed their unidimensionality loading on the same factor. This procedure, in contrast to the 'fishing expedition' cited above, thus was conducted within a much more limited range of variables.

Table 12.2 Reduction of variables – synopsis of results

Procedures	Correlations ( $p < 0.05$ )		Discriminant analysis by category		Constants by outcome	QCA by category
Variables	Binary	Integer or %	Binary	Integer or %	Binary	Binary
<b>1. General background</b>						
POPULATION						
SEAWARD						
COREBELT						
LANDWARD						
NONREF						
REFORM						
EARLSTAT						
PREWARDEM	x	x	x	x	x	x
<b>2. Socio-economic conditions</b>						
NATPRODCAP	x	x	x	x		x
URBANIZATI	x	x	x	x		x
LITERACY	x	x			x	x
LANDLORD	x	x	x	x		x
FAMFARMS						
AGRPROL	x	x				x
INDLAB						x
MIDDLE	x	x				x
<b>3. Social composition</b>						
ETHNLING						
RELIG						
REGIONAL						
OVERVERZ	x	x	x	x	x	x
<b>4. Political-cultural traditions</b>						
NATIDENTIT				x		
SUBMILIEUS						
VIOLACC						
EGALITAR	x	x	x	x	x	x
POLINFORM				x		
POLITIPART						
STATISM						
PAROCHIAL	x	x				
DEMLEGITIM	x	x				
CONSENS/CONFL			x	x		
TOLERANCE	x	x	x	x	x	x
AUTH/PART	x	x	x	x	x	x
SECULAR	x					
SUBJECT	x	x			x	

Table 12.2 Continued

Procedures	Correlations ( $p < 0.05$ )		Discriminant analysis by category		Constants by outcome	QCA by category
Variables	Binary	Integer or %	Binary	Integer or %	Binary	Binary
<b>5. Intermediate structures</b>						
INTRURAL						
INTCOMMERC						
INTUNIONS						x
INTEmployer						
CLIENTELISM						
MOVEMENTSO						
MILITIAS						x
PARTFRAG						
ANTISYSP	x	x	x			x
CORPORATISM						
<b>6. Central political system</b>						
POLITTYPE						
ELECTSYSPR						
STABGOVERN						
ROLEBUREUA						
MILITARY	x	x	x	x	x	x
SOCIALSEC						
CIVRIGHT	x	x	x	x	x	
POLRIGHT	x	x	x	x	x	
<b>7. External factors</b>						
WW1WINNER			x	x		
WORLDMIN	x	x	x	x		
MILITEX						
ECONDEPEND						
CULTANGLO	x	x	x	x	x	
CULTGERM						
CULTROMAN						
CULTSLAVIC						
IDEOLCATH						
IDEOLMARX						
COLONIES						
<b>Sum: 63</b>	21	20	16	17	11	15

In the third category, either the absence of major ethnic, religious or regional cleavages or – if one of these was present – the existence of some overarching arrangements in Lijphart's sense, proved to be relevant. These elements were combined into a single variable for 'social heterogeneity' ( $H = (\text{ETHNLING or RELIG or REGION})$  and no  $\text{OVERVERZ}$ ) which

designates the existence of some sort of cleavage without the presence of any overarching structures.

With regard to the fourth category (political culture), three variables relating to more general democratic orientations (or their opposites) in Almond's and Verba's sense consistently emerged across all the methods employed. These can be combined to a single super-variable 'democratic political culture' (D = EGALITAR and TOLERANCE) or (EGALITAR and AUTH/PART) or (TOLERANCE and AUTH/PART)).

As far as intermediate structures (category 5) were concerned the resulting pattern remained rather diverse. Only the variable ANTISYSP, as discussed by Linz for example, was highlighted by all the methods. When we inspected some other correlations with this variable, it turned out that, in conformity with Linz's concept, it loaded on the same factor as MOVEMENTS and MILITIAS. The reconstructed variable 'political unrest' (U=f2 (ANTISYSP, MOVEMENTS, MILITIAS) with a somewhat enlarged property space was, therefore, retained.

Among the variables characterizing different aspects of the central political system (category 6), only the political role of the military (M = MILITARY), as emphasized by Huntington for example, and the observance of civil and political rights in Gastil's sense (R = CIVRIGHT and POLRIGHT) proved to be worth retaining. The seventh category, finally, not having shown any kind of more consistent factor (CULTANGLO the only one showing up more often only applies to three positive cases anyhow) was dropped altogether.

Factors similar to ours have also been listed by Dahl (1989), although in a more enumerative and not yet operationalized form. There he stated that:

a country is very likely to develop and sustain the institutions of polyarchy

- if the means of violent coercion are dispersed or neutralized;
- if it possesses a 'modern and dynamic pluralist' society;
- if it is culturally homogeneous, or, if it is heterogeneous, is not segmented into strong and distinctive subcultures, or, if it is so segmented, its leaders have succeeded in creating a consociational arrangement for managing subcultural conflicts;
- if it possesses a political culture and beliefs, particularly among political activists, that support the institutions of polyarchy;
- and if it is not subject to intervention by a foreign power hostile to polyarchy.

(Dahl 1989: 264)

As is readily apparent, points 1–4 of this list correspond quite closely to our 'super-variables' no. 2–5 and 7, covering our categories 2 to 6 (see Figure 12.1). Only the more specific 'regional-historical' aspect of category 1 is omitted here: Similarly, Dahl's point 5 (concerning our category 7) did not



apply for the cases and the period analysed (but did occur, of course, in 1938 in Czechoslovakia!). In this way, we think, our 'super-variables' not only fulfil Lijphart's demand of reducing the number of variables, but also his criterion of 'using stronger theory' (Collier 1993: 109).

One problem concerning the joint utilization of these variables across our categories still has to be addressed. As has been mentioned before, systematic comparative analysis such as that undertaken here is not only capable of arriving at broad correlational relationships of one or several variables across all cases ('concomitant variation' in J. S. Mill's terms), thus providing a 'universalizing' explanation (in Charles Tilly's sense), but also of identifying 'multiple' and 'conjunctural' patterns. If we now consider the impact of those variables which were retained or reconstructed across our seven categories, we find that some more multiple and/or conjunctural patterns may have been overlooked. This is because, given the small-N dilemma, we had to proceed category by category without taking note of possible interactions across them. Once again, there is no easy solution to this problem. If, however, our procedures have succeeded in retaining most of the information contained within the increased property space of our remaining variables, such multiple or conjunctural patterns should become apparent in the course of further joint utilization (see also Chapter 13 below).

## 4 Conclusions

The preceding analysis has demonstrated a particular manner in which the general dilemma of 'many variables – small N' in comparative political research can be treated. Starting from a system model with seven general categories (including particular subsystems) and specific variables which are conceptually derived and empirically founded, we proceeded by reducing this complexity in a systematic, outcome-related manner with the help of both statistical and combinatorial methods. This resulted in the extraction and, in part, reconstruction of eight most relevant 'super-variables' of a more comprehensive character. Thus, even for our limited universe of originally very complex cases, the 'many variables – small N' dilemma was able to be reduced to manageable proportions without losing essential information.

In a substantive sense, if we look at our results case by case and attempt to compile them in a more coherent manner, an interesting pattern is revealed. This is presented in the 'Analytical map of Europe' (Figure 12.1), which is based on the factors which favoured or prejudiced the survival of democracy in each case. On the left-hand side of the map, we find the most clear-cut examples of democratic survival: the Netherlands, the United Kingdom, Sweden and Belgium. On the right-hand side, the clearly unfavourable patterns characteristic of the Romanian, Spanish, Polish and Italian cases are listed. The most interesting cases are those in the middle (for example Finland as survivor, Estonia and Germany as breakdown



cases) since they do not readily correspond to some of the more commonly held tenets of empirical democratic theory.

In this way, not only general and 'universalizing', but also more specific 'variation-finding' results could be obtained. Some of the original hypotheses tested concerning the level of economic development, the role of feudalism, the involvement of the military, a democratic political culture, etc. – which, taken by themselves, usually 'over-determine' this kind of analysis – could thus be reduced and applied to their more specific domains. 'Better theory' (Collier 1993) not only guided the use of the specific procedures employed and the process of reconstructing of the variables, but also proved itself to be an important possible result of such an analysis.

### **Note**

1. Throughout this chapter we utilized both versions 2.02 and 3.0 of QCA to verify our results. Whereas the latter is much more convenient to handle, it does not always arrive at the shortest possible solution for the Quine-McCluskey algorithm and does not always provide all the possible solutions, in particular for analyses with a large number of variables. We, therefore, in addition inspected 'by hand' the printouts of the 'prime implicant charts' provided by version 2.02, in order to cover all possible solutions.

# 13

## Cross-Sectional and Longitudinal Analysis

*Dirk Berg-Schlosser*

Against the 'structural' background documented in our 'Analytic map of interwar Europe' (see Chapter 12), the dynamic events of the interwar period and the distinctive policies and 'moves' of the most important actors have now to be seen.

### **1 The impact of the post-war crisis**

The initial situation after the war included the respective background conditions, the outcome of the war for each country, the consequences of the peace treaties in terms of the territorial and population changes involved and the formation of new political entities. These aspects are summarized in Table 13.1.

Only five of our cases could be counted among the already well-established democracies before the war. Seven new states, out of the remnants of the former Habsburg and Tsarist empires, had come into being and in six others new democratic systems had been installed immediately after (as in Germany) or shortly before the war (as, for example, in Italy and Spain). As far as they had participated, seven of our cases were among the winners of the war and seven of them also underwent significant territorial changes together with some effects on the overall population and social composition. But the war had also left its mark in other ways affecting the daily economic and political life in large parts of Europe, leading to a critical period of readjustment.

The further differentiating effects of the immediate post-war crisis have now to be seen against this background. The overall political, social, and economic changes brought about by the First World War and their potential consequences for the fate of European democracy have been succinctly described by Jerzy Holzer (see Chapter 1 above). In this section, the effects of the immediate post-war crisis on the initially existing or newly established democratic political systems will be analysed more closely. This will be done, first, by providing an overview of the major post-war changes and

Table 13.1 Background conditions and consequences of the First World War

Country	Old independent state	Prewar democracy <sup>a</sup>	Economic development <sup>b</sup>	Feudalism <sup>c</sup>	Social heterogeneity <sup>d</sup>	First world war winner <sup>e</sup>	Territorial change % <sup>f</sup>	Population change % <sup>g</sup>	Civil war <sup>h</sup>	Veterans movements <sup>i</sup>
AUS	0	0	0	1	1	0	0	-5	0	1
BEL	1	1	1	0	0	1	4	-1	0	0
CZE	0	0	1	0	0	0	0	0	1	0
EST	0	0	0	0	0	0	0	0	1	1
FIN	0	0	0	0	1	0	0	4	1	1
FRA	1	1	1	0	1	1	3	-3	0	1
GER	1	0	1	1	1	0	-13	-6	1	1
GRE	1	0	0	0	1	1	7	15	0	0
HUN	0	0	0	1	0	0	-71	1	1	0
IRE	0	0	0	0	0	1	0	0	1	0
ITY	1	0	0	1	1	1	8	1	1	1
NL	1	1	1	0	0	0	0	10	0	0
POL	0	0	0	0	1	0	0	0	0	0
POR	1	0	0	1	1	0	0	1	0	0
ROM	1	0	0	1	1	1	114	113	0	0
SPA	1	0	0	1	1	0	0	2	0	0
SWE	1	1	1	0	0	0	0	4	0	0
UK	1	1	1	0	1	1	0	-2	0	0

<sup>a</sup> 1 – pre-war democracy; 0 – no pre-war democracy.

<sup>b</sup> 1 – high degree of socio-economic development; 0 – low degree of socio-economic development.

<sup>c</sup> 1 – strong feudal elements; 0 – weak feudal elements.

<sup>d</sup> 1 – high degree of ethnic-linguistic and/or religious heterogeneity; 0 – low degree of ethnic/linguistic and/or religious heterogeneity, or existence of overarching ‘consociational’ structures.

<sup>e</sup> 1 – winner of First World War; 0 – else.

<sup>f</sup> Change of territory 1913/14 – 1919.

<sup>g</sup> Change of population 1913/14 – 1919.

<sup>h</sup> 1 – occurrence of civil war after First World War; 0 – no civil war after the First World War.

<sup>i</sup> 1 – presence of veterans movements after the First World War; 0 – absence of veterans movements after the First World War.

economic and political developments on a case-by-case basis covering all 18 countries included in our study. Then, the more particular effects concerning the four ‘early’ cases of breakdown of democratic systems – Italy (1923), Spain (first breakdown 1923), Poland (1926), and Portugal (1926) – will be analysed. A third part deals with the possible repercussions of this early crisis on the other cases which ‘survived’ for the time being.

Politically, the war and the subsequent peace treaties of Versailles and the other four locations in and around Paris had changed a great part of the European landscape. In particular, the Habsburg, Ottoman and Tsarist

empires had broken down and a number of newly independent states had emerged. In addition, some of the older states had experienced significant changes in the size of their territories and populations as a result of the war and the subsequent peace treaties. A country like Romania, for example, had more than doubled its territory and population; others, such as Hungary and Germany, suffered severe losses. These changes also affected the internal ethnic composition of these countries in terms of their respective 'oversized' or 'undersized' nation-states (for a discussion of these aspects see also Chapter 2 above). Furthermore, the aftermath of the war had brought about significant internal political changes even in a number of the older states. New democratic political systems, if we employ a somewhat 'generous' definition, had been established in 11 out of the 18 cases. Some, however, suffered from considerable initial political turmoil culminating in seven countries in periods of revolutionary upheaval and civil war. In many of these instances, returning war veterans and their organizations (also mentioned in Chapters 1 and 6 above) played a major role. At the same time, a considerable polarization in the party systems with strong increases of the votes for anti-democratic extreme right and extreme left parties occurred (see also Chapter 7). But even in the older and more established democracies a number of internal political reforms and the extension of suffrage, including for the first time voting rights for women were inaugurated, in a number of countries.

The war and its settlements also had significant economic effects (see also Chapter 10 above). Even though our data base for the immediate post-war years is somewhat more scanty for a number of countries, also due to the political turmoil mentioned before, a considerable decline in industrial production and, in a number of cases, of per capita incomes, could be observed. Unemployment grew considerably and the rate of inflation reached previously unknown heights; the case of Germany until the currency reform of 1923 being, of course, the most extreme and notorious in this regard (see also Berg-Schlosser 1987). The ratio of exports vs. imports was mostly an unfavourable one and public debts as a proportion of GDP also reached previously unknown peaks in many countries. The summarized effects of these changes between the years 1919 and 1923, after which a certain economic consolidation could be observed in most countries, are documented in Table 13.2.

## 1.1 The early breakdowns

In spite of considerable economic and political turmoil in the immediate post-war years in many of our cases, parliamentary democracy, sometimes in a very shaky and fragile manner, survived in most of them. The exceptions were the 'legal' fascist takeover by Mussolini in Italy in 1923 and the more 'conventional' military coups d'état by Primo de Rivera in Spain in

Table 13.2 Political and economic indicators (1919-23)

Country	Strikes <sup>a</sup>	Extreme left <sup>b</sup> (%)	Extreme right <sup>c</sup> (%)	Extreme parties <sup>d</sup> (%)	Fragmentation <sup>e</sup>	Governments <sup>f</sup>	Income (per capita) <sup>g</sup>	Industrial production <sup>h</sup>	Inflation <sup>i</sup>	Unemployment <sup>j</sup> (%)	Export/ Import <sup>k</sup>	Public debt <sup>l</sup>
AUS	368	0.9	18.4	18.4	0.63	10			8,817	6.0	0.63	
BEL		0.1	3.0	3.1	0.67	4		-25.2	432	3.4	0.74	1.52
CZE	500	0.0	5.4	5.4	0.87	6			715	3.2	1.46	0.33
EST	32	15.9	0.0	15.9	0.88	6			93	0.0	0.88	
FIN	146	14.8	0.0	14.8	0.81	9			986	1.0	1.13	
FRA	517	0.0	0.0	0.0	0.81	5	-18.8	-36.5	319	0.4	0.94	2.05
GER	754	20.0	15.1	35.1	0.84	11			3,180,174	4.6	1.11	
GRE						10			600	0.0	0.79	
HUN						13				0.0	0.80	
IRE	912	0.0	0.0	0.0	0.72	5			184	2.2		
ITY	903	5.2	4.1	6.8	0.73	9	-8.3	-19.5	381	0.0	0.64	0.78
NL	514	1.8	0.0	1.8	0.81	2	3.2		167	9.0	0.65	0.65
POL	351					21			9,310	0.0	0.78	
POR						19	-38.1		599	0.0	0.36	0.96
ROM	65	0.6	0.0	0.6	0.60	7			2,167	0.0	1.26	
SPA	506		2.0	2.0		12	-36.9	-9.3	183	0.0	0.72	0.69
SWE	1,798	7.8	0.0	7.8	0.75	6	-8.2	-25.5	225	0.0	1.04	0.35
UK	1,723	0.3	0.0	0.3	0.66	4	-13.8	-15.6	203	9.0	0.72	1.61
Threshold (QCA)	510	10.0	10.0	15.0	0.80	8	0.0	0.0	300	5.0	0.60	1.00

<sup>a</sup> strike rate (average for period).

<sup>b</sup> extreme left parties' vote (maximum percentage in period).

<sup>c</sup> extreme right parties' vote (maximum percentage in period).

<sup>d</sup> extreme parties' vote (maximum percentage in period).

<sup>e</sup> fragmentation of parliament (maximum of Rae's index of fractionalization in period).

<sup>f</sup> number of governments in period.

<sup>g</sup> minimum of per capita income (index) in period - maximum of per capita income (index) of period 1913-18.

<sup>h</sup> minimum of industrial production (index) in period - maximum of industrial production (index) of period 1913-18.

<sup>i</sup> inflation (index 1913/14 = 100) (average of period).

<sup>j</sup> unemployment (average of period in %).

<sup>k</sup> export/import ratio (average of period).

<sup>l</sup> public debt as proportion of national product in % (average of period).

1923, by Pilsudski in Poland in 1926, and by Gomes da Costa in Portugal in 1926 (see the respective case studies in Berg-Schlusser and Mitchell 2000). If we analyse these events more closely in a comparative macro-quantitative sense, it turns out that outcome-oriented methods such as Discriminant Analysis remain largely inconclusive with regard to the major political and economic crisis factors discussed so far. Within the limits of the standard default values set by this procedure, not a single variable could be retained to 'explain' the observed outcomes. The actual diversity across our cases was apparently so great that no more clear-cut pattern of factors accounting for the breakdowns in a statistical sense could be detected.

When we employed Qualitative Comparative Analysis (QCA), somewhat more diversified patterns emerged. With regard to the political variables in different combinations, Italy was always set apart from the other three breakdown cases. Here, having been on the winning side of the war in the end (W), but experiencing strong internal turmoil (C) and organized political activities by the veterans (V) turned out to be the strongest differentiating characteristics (W•C•V) (upper-case letters again indicating the presence and lower-case letters the absence of a characteristic in these formulas). This pattern distinguishes Italy both from the other winners of the war who did not experience civil war and strong veterans' movements and the democratic systems of which survived, and the other breakdown cases who were not involved in the war and did not experience significant internal political upheavals. When we combined both the initial conditions and the post-war political crisis factors again, Italy was always set apart, in different combinations, from the other three early breakdown cases which showed a common pattern.

If we include the economic indicators, these did not significantly affect Italy either. In the cases of Poland and Portugal, however, it can be shown that a high rate of inflation exerted a major influence. Spain is a case which was both largely untouched by the war and its aftermath and by the economic crisis. The reasons for the breakdown of the political system here mostly must be sought among internal factors, such as a tradition of military pronunciamientos. Thus, already at this early stage the more traditional authoritarian breakdowns in Spain, Portugal and Poland, in which the military played the decisive role, can be distinguished from the 'fascist' ones involving newly created right-wing social movements for which the case of Italy was to be the major forerunner.

## **1.2 Further repercussions**

Even though in all other cases the post-war democratic systems survived for the time being, the war and its aftermath nevertheless left their marks. If we again look at the variables discussed so far and attempt to assess their possible impact for some of the later events, it turns out that Discriminant Analysis, for example, now including all of the later breakdowns as the

dependent variable, identifies both 'new political systems' and a low 'export-import ratio' as the most important single variables covering the differences in outcome for all of our cases, except Italy. The first factor points to the still shaky situation and the low level of consolidation in many of the newly established democracies. The second factor emphasizes the relatively weak and dependent economic position of a great number of the later breakdowns. The case of Italy, however, still must be accounted for by some further elements.

When we again turned to QCA to identify some more distinct qualitative patterns, the following formula emerged for the survivors:

$$E \text{ (SWE, FIN, BEL, UK, CZE, IRE)} + P \cdot i \text{ (SWE, NET, UK)} + W \cdot P \cdot c \text{ (BEL, FRA, UK)}$$

This means that either a relatively favorable export-import ratio (E) as in the case of Sweden, Finland, Belgium, the United Kingdom, Czechoslovakia and Ireland, older democracies (P) with a low level of inflation (i) as in Sweden, the Netherlands and the United Kingdom, or winners of the World War (W) with established pre-war democracies (P) and without civil wars (c) as in Belgium, France and the United Kingdom could be established as the major 'prime implicants'.

Among the breakdowns, the pattern

$$C \cdot e \text{ (GER, ITA, HUN, EST)} + p \cdot e \text{ (GER, HUN, ROM, EST, SPA, POL)} + \left\{ \begin{array}{l} w \cdot I \cdot e \text{ (GER, AUS)} \\ v \cdot I \cdot e \text{ (ROM, POR, POL)} \end{array} \right\}$$

emerged (the terms in the large brackets indicate alternative possibilities). Here, the occurrence of civil war (c) in economically dependent countries such as Germany, Italy, Hungary and Estonia, or newly established democratic systems (p) in an economically dependent situation (e) as in Germany, Hungary, Romania, Estonia, Spain, and Poland or being a loser of the war (w) experiencing high rates of inflation (I) and an unfavourable export-import ratio (e) as in Germany and Austria or, alternatively, the absence of veterans' movements (v), strong inflation and economic dependence (e) as in Romania, Portugal and Poland were the major combinations. It should be noted that in both formulas, as in the Discriminant Analysis, the variables 'new democratic system' and 'export-import ratio' appear as central factors for a great number of cases. The somewhat more special case of Italy now could be included here as well, together with some of the later breakdowns also involving fascist or similar groups. This last part of the analysis can be taken as a first indication of some of the later events and the forces at work, but the final outcomes, of course, were not yet concluded. Many other factors, in particular the Great Depression, were

still to intervene and, as will be shown later, a number of distinct actors and personalities also should play a major role in a number of cases.

## **2 The intermediate period (1924–28)**

After the immediate turbulences of the post-war period and the first breakdowns of democratic systems things tended to settle down somewhat, at least in the majority of cases. In Germany, hyperinflation had been brought to an end by the successful currency reform of November 1923. In April 1924, the Dawes Plan to put the German reparation payments of the Versailles treaty and the French war debts on a new footing was agreed upon. The treaty of Locarno in 1925 initiated a period of *détente* in French–German relations and, in conjunction with Germany's membership in the League of Nations in 1926, a guarantee for the existing post-war boundaries and the establishment of a collective international security system were achieved (see also Bracher 1970: 85 ff.).

Economically, in general things turned to the better as well. On the whole, industrial production picked up, per capita incomes increased, inflation declined, and unemployment could be held at still manageable levels (for details see Table 13.3).

One ominous sign, however, was the negative balance of trade for most countries considered here, which was compensated for to some extent by the influx of American capital – mostly in the form of loans. The level of external debt also remained extremely high in a number of cases, for example in France and Portugal.

On the political scene, a period of relative calm set in. In the surviving democracies elections were held at regular intervals, even though the rate of cabinet turnover remained high in a number of cases such as Finland, France, Germany, Estonia and Greece. Anti-system parties still reached high levels, in particular in Germany, Greece and Czechoslovakia. Strike activities also were strong in a number of cases, the general strike in the United Kingdom in 1926 is the outstanding example here, but the outcomes tended to weaken union organizations.

On the whole, therefore, a somewhat uneasy economic and political stability prevailed, but some of the underlying tensions, in particular as far as international economic relations were concerned, remained unresolved (see also Ziebur 1984: 83 ff.). Internally, the political situation remained relatively calm as well, but the newly established and so far 'surviving' democracies could not yet be considered to have become 'consolidated' (for recent discussions of this term see, for example, Liebert 1995; Huntington 1996; Linz and Stepan 1996; O'Donnell 1996). Linz and Stepan establish criteria for a democracy to become consolidated 'constitutionally, behaviorally and attitudinally', that is in terms of political conflict resolution within the established constitutional rules of the game, when no significant actor or group



Table 13.3 Political and economic indicators (1924–28)

Country	Strikes	Extreme left (%)	Extreme right (%)	Extreme parties (%)	Fragmentation	Governments	Income (per capita)	Industrial production	Inflation	Unemployment (%)	Export/Import	Public debt
AUS	274	0.4	0.7	1.2	0.61	4	-0.7	30.4	132	15.6	0.68	0.20
BEL	569	1.6	3.9	5.5	0.65	5	3.4	24.5	674	2.2	0.97	1.13
CZE	205	13.8	6.1	19.9	0.91	3	14.1	20.6	749	2.4	1.17	0.42
EST	19	5.8	0.0	5.8	0.84	7		30.6	105	8.0	1.10	
FIN	285	12.1	0.0	12.1	0.80	7	10.8	18.7	1,088	1.2	1.05	0.13
FRA	160	11.3	0.0	11.3	0.81	11		14.3	494	0.4	1.06	1.52
GER	431	13.4	26.0	39.4	0.86	6	12.2	13.0	111	11.2	1.04	0.09
GRE	0	4.4	15.8	20.2	0.76	13	-2.8	12.3	1,652	0.0	0.55	0.59
HUN	41						6.4	1.0	96	1.6	0.98	0.38
IRE	122	1.1	0.0	1.1	0.78	2	9.0	100.0	181	8.4	0.77	0.11
ITY	0						8.6	16.9	476	3.2	0.76	0.87
NL	343	1.2	0.0	1.2	0.81	2	8.7	23.1	143	7.6	0.75	0.58
POL	197					4		27.0	266	4.0	1.45	
POR	0					7	30.5		1,284	0.0	0.38	1.00
ROM	19	0.0	4.9	4.9	0.40	5	-1.1	31.0	4,150	1.0	1.13	0.44
SFA	92						-3.7	14.3	185	0.0	0.75	0.79
SWE	725	6.4	0.0	6.4	0.72	4	13.2	20.4	135	9.2	1.19	0.40
UK	1,705	0.4	0.0	0.4	0.48	2	10.3	9.0	165	11.4	0.63	1.70
Threshold (QCA)	205	10.0	10.0	15.0	0.80	5	0.0	0.0	300	5.0	0.60	1.00

Note: Definition of variables as in Table 13.2.

mobilizes resources threatening the regime, and when a strong majority of public opinion holds the belief that democratic procedures and norms are the most appropriate way to govern collective life. Or, in other words, when democracy is 'the only game in town' (Linz and Stepan 1996: 15f.). In this sense, looking, for example, at the relatively strong 'anti-system parties' from the right and left in countries like Germany, Greece, Czechoslovakia and Finland, none of the new democracies could be defined as consolidated. But also in some of the older ones like Belgium and France there was still a considerable potential for non-democratic or anti-democratic forces (see also the respective case studies in Berg-Schlosser and Mitchell 2000). But even if we take a more modest criterion which is also somewhat easier to operationalize, like the 'two-turnover test' proposed by Huntington (1991: 266 ff.) we do not find it fulfilled in any of the new democracies. This is the background against which the impact of the 'Great Depression', as the major common external stimulus in this 'quasi-experimental' situation, now has to be seen.

### 3 The impact of the Great Depression

On 24 October 1929, later termed 'Black Thursday', panic set in on the New York stock exchange: shares were sold in record numbers and this was followed by similarly frantic sales during the following weeks. The Dow-Jones industrial average reached a low of 198 on 13 November, nearly half the value of 381, noted as recently as 3 September. The crash, however, was not merely a financial matter affecting banks and speculators. The ensuing liquidity panic quickly extended to mortgages with the result that many homeowners who could not renew their loans on mortgages due faced foreclosure. The price of housing thus dropped sharply. Other commodity prices and imports similarly fell to record lows while industrial production dropped by 10 per cent within a mere two months (for a detailed account of the economic crisis see Kindleberger 1973: 18ff). Table 13.4 shows the major economic indicators for this period.

Other countries quickly felt the crunch too. By the end of December, share prices had declined one-third in Canada and Belgium and 16 per cent in Germany and Austria. However, the effects which were to be felt during the coming years proved even more devastating. International trade was reduced considerably, national products and per capita incomes declined, industrial production fell and unemployment rose sharply. This process generated its own internal dynamics and was further reinforced by severe budget cuts and other restrictive policies on the part of most governments. Similar effects were produced by the 'beggar thy neighbour' measures of nearly all central banks which put short-term domestic interests before longer-term considerations of international cooperation and stability. After the more immediate effects of the post-war crisis had been overcome, it became clear that the 'Versailles System' which had produced a

Table 13.4 Political and economic indicators (1929–39)

Country	Strikes	Extreme left (%)	Extreme right (%)	Extreme parties (%)	Fragmentation	Governments	Income (per capita)	Industrial production	Inflation	Unemployment (%)	Export/ Import	Public debt
AUS	20	0.6	22.0	22.6	0.64	7	– 16.9	– 20.3	141	25.5	0.84	0.27
BEL	164	6.1	18.6	24.7	0.76	14	2.0	– 28.1	775	16.3	1.11	0.88
CZE	83				0.91	11	– 0.3	– 31.3	738	16.8	1.22	0.45
EST	8	7.4	0.0	7.4	0.83	7		15.3	97	8.5	1.77	
FIN	30	13.5	8.3	13.5	0.78	9	52.5	24.4	947	7.6	1.35	0.16
FRA	109	15.3	0.0	15.3	0.84	25	– 18.3	– 31.7	571	9.5	0.86	1.67
GER	72	16.9	44.4	59.6	0.85	4	18.2		101	13.5	1.43	0.15
GRE		5.8	23.8	29.6	0.72	15	20.0	41.2	2,018	0.0	0.75	0.83
HUN	32					5	– 10.4	6.9	86	5.1	1.27	0.36
IRE	258	0.1	0.0	0.1	0.64	5	– 0.4	– 100.0	163	22.3	0.79	0.18
ITY							31.7	– 4.5	415	11.7	0.99	1.28
NL	131	4.5	4.2	7.6	0.83	7	– 5.9	– 9.2	120	22.4	0.74	0.58
POL	119							– 16.1	169	11.6	1.28	0.18
POR							9.5		1,163	0.0	0.64	0.70
ROM	16	0.0	25.1	25.1	0.75	16	27.0	24.1	3,455	7.8	1.72	0.58
SPA	509	2.0	36.3	38.3	0.87	24	– 110.6	– 13.6	179	0.0	1.00	0.85
SWE	503	3.3	1.6	4.9	0.70	6	18.2	33.6	125	15.2	1.02	0.40
UK	159	0.3	0.0	0.3	0.59	5	16.1	13.1	144	16.0	0.66	1.69
Threshold	109	10.0	10.0	15.0	0.80	7	0.0	0.0	300	5.0	0.60	1.00
(QCA)												

Note: Definition of variables as in Table 13.2.

certain level of prosperity and enhanced international economic and political cooperation during the greater part of the 1920s had finally broken down (see Zieburá 1984 and Chapter 9 above).

### 3.1 Economic consequences

As mentioned above, this is not the place to discuss in detail the economic and political causes of these events and the interactions which took place between them. Rather, we will first attempt to assess the overall economic impact of the crisis as it affected the cases under consideration, and then to indicate the respective social and political reactions and their link to the final regime outcome. In order to assess the overall impact of the world economic crisis in each case, we took 1928 – the year before its sudden outbreak – as a basis, and noted the percentage changes in each of the major economic indicators (National Domestic Product, industrial production, employment, external trade and the cost of living) until its peak or bottom prior to the beginning of recovery was reached. We then aggregated four of these indicators – the NDP per capita at constant prices, industrial production, exports, and rise of unemployment – into a single ‘depression index’ by means of a confirmatory factor analysis. (A fifth indicator, the cost of living, which in fact represents the rate of deflation in this period did not load on the same factor and turned out to be less related to the ensuing social and political reactions.) The results of these operations are summarized in Table 13.5.

It can be seen that the fall in per capita income at constant prices was steepest in Romania, Germany and Austria. Industrial production declined by more than half in Czechoslovakia, Austria and Belgium. Unemployment rose most dramatically in Ireland, the Netherlands and Czechoslovakia. It reached its highest absolute peaks of more than 30 per cent of the working population (including the level of unemployment existing before 1928) in Ireland, Austria, the Netherlands and Germany. Exports fell most sharply in Germany (to 16 per cent (!) of the figure for the referential year) and levelled at around one-third in countries like the Netherlands, France, Czechoslovakia, Austria and Estonia. In terms of our composite index, the overall depression was strongest in Germany, Czechoslovakia and Austria, followed by the Netherlands, Belgium and Estonia. It was lowest in Greece, which was hardly affected at all, and remained relatively low in the United Kingdom, Sweden, Finland and Hungary.

Since we find survivor and breakdown cases at both poles of the index, it follows that the final regime outcome cannot be explained by the impact of the economic crisis alone but must be seen in its broader social and political context. We therefore turn our attention to the more specific social and electoral reactions to the economic crisis.

### 3.2 Social and electoral reactions

The sober economic figures just cited meant severe suffering and outright misery for millions of families and individuals affected by the crisis. Even

Table 13.5 Crisis indicators (percentage change and crisis peak)

Country	NDP (constant prices)	NDP/cap. (constant prices)	Trade balance (%)	Exports (%)	Industrial production (%)	Unemployment (%)	Absolute peak (%)	Year of economic crisis peak (NDP)	Year of economic crisis peak (unemployment)	Depression index
Survivors										
SWE	-2.1	-3.5	-13.6	-40.0	-9.0	13.1	23.7	1932	1934	1.13
FIN	-5.9	-8.0	14.0	-29.0	-27.0	11.1	12.1	1931	1933	1.03
BEL	0.8	-2.8	-12.4	-56.0	-51.0	21.8	23.5	1934	1932	-0.42
NET	-3.6	-10.9	-14.0	-66.0	-18.0	27.1	32.7	1933	1936	-0.55
FRA	-9.5	-11.4	-40.4	-70.0	-26.0	15.0	15.5	1936	1936	-0.27
UK	3.3	3.1	-15.1	-50.0	-8.0	11.3	22.5	1929	1932	1.17
CZE	-8.7	-12.0	-12.2	-72.0	-58.0	26.2	27.7	1935	1933	-1.43
IRE	0.6	0.5	-31.3	-62.0	1.0	30.8	37.6	1929	1935	0.09
Break- downs										
AUS	-23.0	-24.3	7.1	-65.0	-55.0	18.9	34.8	1934	1933	-1.25
GER	-20.8	-22.4	-12.9	-84.0	-44.0	21.7	30.1	1932	1932	-1.60
HUN	-0.6	-4.8	29.4	-60.0	-16.0	5.8	7.6	1934	1932	0.78
ROM	-24.6	-26.6	12.3	-49.0	-8.0	15.8	18.1	1930	1932	0.09
EST	m.d.	-10.0	-1.1	-66.0	-35.0	16.5	24.5	1932	1930	-0.36
SPA	-2.8	-8.6	-6.0	-73.0	-17.0	15.0	m.d.	1930	m.d.	-0.10
GRE	-5.5	-8.9	-3.5	-34.0	2.0	5.0	m.d.	m.d.	1933	1.68

Notes: m.d.: missing data.

10.0%: estimated values.

Sources: Flora et al. (1983; 1987); ILO (1947); League of Nations (1941); Mitchell (1983); Peeters et al. (1986) (NDP data for Belgium); Statistisches Reichsamt (1936).

in the more highly industrialized countries, publicly supported social security systems were often weak. In countries where unemployment benefits and similar measures were guaranteed by legislation the respective institutions and their budgets were quickly stretched to their limits as the crisis began to last much longer than anyone had originally expected. Falling incomes and rising unemployment also led to vehement social and political reactions in the face of what seemed to be a continuously deteriorating situation with which those in political office appeared unable to cope.

Large numbers of people took to the streets in what were often peaceful, but sometimes violent, demonstrations in which participants clashed with either the forces of 'law and order' or the militants of opposing political camps. Strikes, however, generally decreased in number since those who were still gainfully employed did not want to put their employment at further risk. The organizational power of the unions also declined as a result of their losing a considerable percentage of their membership.

Public violence was often reinforced by uniformed armed militias of the extreme right and left or by 'veterans' movements,' as in Estonia. These groups sought to achieve their political ends by non-democratic means and increasingly called into question the existing parliamentary system.

On the electoral level, increasing polarization could be observed in many cases which strengthened the 'anti-system' parties on both the right and the left. Depending on the electoral system and the timing and frequency of elections, this often brought strong and sometimes even majoritarian, albeit not united, anti-system forces into parliament. The consensus of those in favour of parliamentary procedures and democratic values was put to a severe test. In some cases it cracked, as, for example, in Germany where the last democratically elected grand coalition government, consisting of the liberal and centrist parties and the social democrats, fell apart in March 1930 over the issue of maintaining social security benefits.

Whereas many of these events are well documented in individual cases, strictly comparable data are once again more difficult to come by. Electoral results and strikes, for example, are relatively well covered in the great majority of our cases. However, data concerning, for example, the magnitude of street demonstrations, acts of political violence and so on, and their changes over time, such as are recorded in the *World Handbook of Social and Political Indicators* (Taylor and Jodice 1983) for a later period, are simply not available. Here, also, we were often compelled to rely on the qualitative judgements of our country experts. Some of the most significant social and electoral reactions to the economic crisis are indicated in Table 13.6.

Street demonstrations and acts of political violence, for example, were quite frequent in cases like Finland, France, Czechoslovakia, Austria, Germany and Estonia. Strike activity was most pronounced in Spain, Sweden, Ireland and Belgium. The special 'double breakdown' case of Spain has been included here once again after the restoration of a democratic regime in 1930/31.

Table 13.6 Social and electoral reactions<sup>a</sup>

	Country	Demonstrations	Strikes (change)	Political violence	Changes extreme left (votes) (%)	Changes extreme right (votes) (%)	Changes anti-system parties (votes) (%)	Changes extreme left (seats) (%)	Changes extreme right (seats) (%)	Changes anti-systems parties (seats) (%)	Fascist parties (peak votes) (%)	Anti-system parties (peak votes) (%)	Strikes (median 1930s)	Anti- system reactions (index)
Survivors	SWE	0	-67.4	0	-3.0	2.0	-1.0	-1.0	0.0	-1.0	0.6	2.2	311	-1.62
	FIN	1	-83.0	1	1.0	8.0	1.0	2.0	7.0	2.0	8.3	7.0	25	0.48
	BEL	1	-69.2	0	4.0	15.0	19.0	3.0	15.0	18.0	18.6	22.8	175	0.13
	NL	0	-82.3	0	3.0	4.0	6.0	4.0	4.0	6.0	4.2	7.0	72	-0.98
	FRA <sup>a</sup>	1	-70.9	1	4.0	0.0	4.0	10.0	0.0	10.0	0.0	11.8	56	0.38
	UK	0	-87.9	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	89	-1.36
	CZE	1	-72.2	1	-4.0	11.0	7.0	-4.0	11.0	7.0	16.6	26.6	70	0.14
	IRE	0	-1.4	0	-1.0	0.0	-1.0	-1.0	0.0	-1.0	0.0	0.0	143	-1.45
	AUS	1	-95.0	1	0.0	21.0	21.0	0.0	16.0	16.0	9.2	16.4	13	0.81
	GER	1	-90.1	1	6.0	26.0	30.0	6.0	25.0	30.0	37.3	60.5	59	1.37
Break -downs	HUN	0	-7.7	0	0.0	15.0	15.0	0.0	15.0	15.0	15.2	15.2	31	-0.85
	ROM	0	-28.9	1	0.0	24.0	24.0	0.0	27.0	27.0	15.6	27.1	16	0.16
	EST <sup>b</sup>	1	-66.5	1	-2.0	22.0	20.0	-9.0	0.0	-9.0	21.7	27.0	3	0.67
	SPA <sup>c</sup>	1	69.8	1	4.0	29.0	30.0	4.0	29.0	30.0	0.2	32.3	419	1.20
	GRE <sup>d</sup>	1	-53.8	1	4.0	16.0	20.0	5.0	18.0	23.0	0.0	27.3		0.93

<sup>a</sup> The strike data do not include the strike wave of 1936.<sup>b</sup> Changes for extreme right parties' votes refer to local elections.<sup>c</sup> The missing values for the changes of anti-system parties' votes are replaced by the corresponding values for the changes of their seat shares.<sup>d</sup> The missing value strikes (change) is replaced by the mean.Sources: Flora et al. (1983; 1987); ILO (1947); Mackie and Rose (1991); Mitchell (1983); Magi (1964); *Statistisches Reichsamt* (1936); Sternberger and Vogel (1969).

The reported strike activities were, however, mostly related to internal political conflicts. However, the incidence of strikes during the 1930s as compared to the 1920s decreased in most cases to less than one-third. Spain, Ireland and Hungary were the exceptions here. In electoral terms, the change in favour enjoyed by extremist parties between about 1928 and the peak for each group was highest in Germany, Spain, Romania, Austria, Greece, Estonia and Belgium. On the parliamentary level, this was generally attenuated somewhat, owing to the electoral procedures employed in each country. This was not the case in Germany, however, where representation was highly proportional, nor did it apply to Romania and Greece where the (right-wing) extremes were even reinforced to a certain extent (for further details see Chapter 10 above). This resulted in an absolute peak of anti-system votes (including the pre-crisis levels) of more than 60 (!) per cent in the German case, almost one-third in Spain, and around one-fourth in Romania, Estonia, Czechoslovakia and Belgium. Of these, fascist and similar parties obtained almost 40 per cent in Germany and around one-fifth in cases such as Estonia, Belgium, Czechoslovakia, Romania and Hungary.

By means of factor analysis, it was possible to combine two of the social crisis indicators (demonstrations and political violence) together with the changes in votes for the extreme right and left into a single index of 'anti-system reactions'. The occurrence of strikes did not load on the same factor and turned out to be relatively insignificant for the final outcome. It can thus be shown that overall anti-system reactions were clearly strongest in Germany and Spain, followed by Greece, Austria, Estonia and Finland. Of these cases, only Finland emerged as a democratic survivor albeit with some restrictions. Here again we are in need of further explanation which may be found by examining the economic policies pursued and the impact of some of the major actors together with their respective 'moves'.

### **3.3 Economic policy reactions**

At first, most participants and observers perceived the crash at the New York stock exchange as a purely financial and 'conjunctural' phenomenon. When the impact of the crisis began to be felt more severely by larger parts of the affected populations, however, it was increasingly realized that important structural changes in the economy were taking place as well. The dynamics of these changes and their interactions were further complicated by the fact that the international economy was still burdened with the problem of war debts and reparation payments as agreed upon in the Versailles treaty and the 1924 Dawes Plan. This led to large-scale conflicts of interest between debtor and creditor nations. Such conflicts arose not only between the Allies and Germany, which under the Dawes Plan had to pay 2500 million gold marks in reparations annually, but also between the United States (as the major creditor country) and the United Kingdom and France, each of which had incurred war debts of more than 4000 million



dollars. (For details see Kindleberger 1973: 34 ff.) Moreover, the international monetary system was based on the somewhat fictitious 'gold standard' which presupposed the convertibility of the major currencies into gold at fixed exchange rates. It also presupposed a certain level of mutual cooperation and confidence by the governments and central banks concerned. With the aggravation of the international economic situation after 1929, the cooperation required for the system to function tended to slacken as the major actors and institutions increasingly began to put their own immediate interests first. (This point and the ensuing events are discussed extensively in Eichengreen 1992.)

The principal measures adopted by most governments to combat the crisis consisted in conventional 'austerity' policies. The main task of such policies was to attempt to balance the public budget in times of shrinking revenues, that is to cut public employment, social welfare benefits and other expenditures as much as possible. On the monetary level, many countries pursued high interest and tight credit policies in order to maintain international credit and the convertibility of their currency at fixed exchange rates. With the advantage of hindsight, of course, it is obvious that most of these measures were counterproductive and only served to aggravate the crisis even further. At the time, however, this was seen by very few, most notably by John Maynard Keynes in Britain and by certain individuals such as Wilhelm Lautenbach, an official at the Economics Ministry in Berlin, and the young Ludwig Erhard who was to become Minister of Economics and Chancellor of the Federal Republic of Germany after the Second World War (see Erhard 1931 and 1932). On the whole, however, governments and central banks continued to perceive inflation as the major enemy and attempted to return to the international stability of the pre-war period by clinging to the gold standard. Only in the course of the crisis did it dawn upon these actors, some sooner than others, that conventional policies were no longer effective and had become intolerable in terms of social suffering and the political consequences they entailed (see also Chapter 10 above). The major policy reactions on the part of the countries considered here are documented in Table 13.7.

As can be seen, all countries suffered deflation with the sole exception of Spain (which is of lesser significance because of the rather special situation prevailing there). Deflation reached a level of 2000 per cent (!) in Romania and rates of more than 100 per cent in Finland, Greece, Belgium and the Netherlands. In some countries, such as Greece, Belgium and France, the turnabout in domestic policy came in 1931/32 when deficit spending began to be more widely accepted or at least practised on a larger scale. In Germany, a new cabinet under Chancellor von Papen was appointed by the President in January 1932, replacing the austerity-minded Brüning government which had made reparations settlements a matter of priority. This problem had been alleviated to a certain extent by the acceptance of the

Table 13.7 Economic policy reactions (percentage change between 1928 and peak or bottom)

Country	Deflation	Public debts <sup>a</sup> (%)	Deficit spending <sup>b</sup>	Depreciation (change) <sup>c</sup>	Date of depreciation	Speed of depreciation (months)	Duration of crisis (years)	Strength of economic policy reaction
Survivors								
SWE	-14	55	-2	35.7	Sep 1931	23	3	-0.36
FIN	-234	19	-8	41.8	Oct 1931	24	1	-0.38
BEL	-174	129	-29	28.2	Mar 1935	66	4	-0.59
NL	-32	74	-20	19.2	Sep 1936	84	3	-0.25
FRA	-114	248	-24	56.6	Sep 1936	84	6	2.05
UK	-27	182	-6	31.8	Sep 1931	23	0	0.81
CZE	-85	55	-10	20.3	Oct 1931	24	5	-0.63
IRE	-23	20	-4	31.8	Sep 1931	23	0	-0.75
Break-downs								
AUS	-6	40	-16	20.8	Mar 1931	17	4	-0.60
GER <sup>d</sup>	-26	20	-27	51.5	Mar 1931	17	2	-1.13
HUN	-24	43	-18	0.9	Jul 1931	21	4	-1.12
ROM	-2000	73	-11	25.6	May 1932	31	1	-0.27
EST	-25	20 <sup>e</sup>	-6	40.1	Nov 1931	25	2	-0.47
SPA	-2	92	-10	45.2	Jan 1930	3	3	-0.52
GRE	-200	94	-61	56.4	Sep 1931	23	0	1.31

<sup>a</sup> Public Debts: Maximum of total public debts as percentage of NDP after 1928.

<sup>b</sup> Deficit Spending: Maximum of deficit as percentage of state income after 1928.

<sup>c</sup> Depreciation (Change): Difference between gold parity in 1928 and minimum of parity within first three years after depreciation.

<sup>d</sup> The parities of the 'Kreditspermark' and 'Effektenspermark' reported in League of Nations (1941) were used in the calculation of depreciation (change).

<sup>e</sup> Estimated value.

Sources: Flora et al. (1983; 1987); ILO (1947); Mitchell (1983); *Statistisches Reichsamt* (1936).

Young Plan in April 1930 and by the Hoover Moratorium of June 1931 which provided for the postponement of all reparations payments for the period of one year. In July 1932, an international conference at Lausanne finally came to the conclusion, despite French resistance, that Germany was no longer able to continue its payments under the prevailing world and domestic economic conditions. This, however, came too late not only for Brüning's efforts but also, as it turned out, for von Papen and his successor, General von Schleicher, who upon assuming office in March 1932 had instigated large-scale public works programmes in an effort to alleviate unemployment.

On the international scene, the gold standard began to be progressively abandoned as well. Pressure on the British pound had become so strong that its convertibility into gold at the fixed rate was seriously threatened. The Bank of England thus suspended convertibility on 19 September 1931, and devalued sterling by more than 30 per cent in the course of the following years. Other countries with close economic links to Britain such as Ireland, Sweden and Finland quickly followed suit. In Germany, even though the official rate was maintained, tight exchange controls were imposed and various categories of *de facto* devalued marks were introduced for international transactions (capital transfers, travel, etc.). Only Belgium, the Netherlands and France held out for a longer period, but in the end (1935 and 1936) they also had to abandon the gold standard and devalue their currencies. In the meantime, in April 1933, the US dollar had been disconnected from gold and allowed to fluctuate more freely. Contrary to most expectations and the conventional wisdom prevailing at the time, these moves did not lead to a spate of devaluations at the expense of other international competitors. Rather they constituted an important step towards recovery.

On the basis of our data and with the help of factor analysis, it was once again possible to construct an index indicating the strength of economic policy reactions. This index combines the extent of deficit spending, public indebtedness and currency depreciation. It shows that countries such as Greece and France employed quite strong policy measures – the former somewhat inadvertently, as it seems, since it was hardly affected by the crisis. In contrast, the strength of the combined policy measures adopted in Hungary and Germany remained relatively weak. We must, however, also consider the speed with which such reactions took place. Here we find that Greece had a large budget deficit and a high level of public indebtedness fairly early on, a fact which most likely helped alleviate those effects of the crisis which might have actually occurred. On the contrary, France and, to a lesser extent, the Netherlands and Belgium were late in reacting to the crisis, especially as far as devaluation was concerned. This appears to have contributed considerably to the prolongation of the crisis in these countries since the variable in question is strongly correlated with the duration of the crisis (Pearson's  $r = 0.43$ ), a result which is also in line with Eichengreen's (1992) arguments.

Taken together, economic policy reactions alone do not appear to account for the final regime outcome. In Germany, for example, the relatively early turnabout in economic policy was not able to prevent Hitler coming to power nearly a year later. Similarly, the strong deflationary measures adopted in Belgium, the Netherlands and France and the tardiness of devaluation did not lead to the collapse of these parliamentary regimes.

### **3.4 Political actors and moves**

So far, we have focused our attention on the social and political background conditions, the post-war crisis, the impact of the Great Depression, the social and electoral reactions to the crisis and the economic policies pursued in each case. Still, it was not these structures, stimuli and broader social and economic reactions alone which determined the final regime outcome. In addition, there was a variety of 'real' actors which, together with their decisive moves at critical turning points, must also be considered. Individuals such as Hindenburg, von Papen and Hitler in Germany, Maszaryk in Czechoslovakia, Svinhufvud in Finland and Päts in Estonia, to name but a few, obviously had a hand in what finally transpired in their respective countries. Of course, it is not only men (or women) who make history. However, it would be equally one-sided – and often false – to consider them by definition as mere 'character masks' in Karl Marx's sense. It is precisely the interrelationship between a structure- and an actor-oriented perspective that appears to be most promising for an analysis such as ours. After having determined the more objectively defined room for manoeuvre (or, in Jon Elster's (1989) terms, the 'opportunity set') and the measurable reactions of institutional actors such as governments and central banks, we must now turn our attention to the individual actors and their decisions. In so doing, we shall attempt to gauge, to a certain extent at least, the role these personalities and their distinct moves may have had in influencing the final regime outcome.

For this purpose we have compiled a schematic overview of some of the major actors involved in the final outcome and the kinds of measures taken by them. The actors referred to include political leaders, especially in cases where, according to the judgement of our country experts, strong personalities shifted the balance in one or the other direction. They also include military leaders (even if they abstained from outright intervention), the leaders of important political (especially fascist) movements, or church leaders who played an important role in the one or other case. Among the measures taken by these actors were the use of emergency decrees outside of normal parliamentary procedures, the formation of new and broadly-based democratic coalitions and direct intervention on the part of military, authoritarian or fascist forces. These aspects are documented in Table 13.8.

Here again, factor analysis was used to further aggregate these variables. Two characteristic factors which we termed 'military/fascist' and 'anti-democratic authoritarian' emerged. On the 'military/fascist' score countries

Table 13.8 Major actors and moves

	Country	Social movements	Church	Military	Strong political leaders	Emergency measures	Broad democratic coalition	Military intervention	Authoritarian intervention	Fascist intervention	Factor military/fascist intervention	Factor anti-democratic authoritarian intervention	Year of political crisis
Survivors	SWE	0	0	0	0	0	1	0	0	0	-0.07	-1.45	1934
	FIN	1	0	0	1	1	1	0	0	0	-0.89	0.11	1932
	BEL	1	1	0	1	0	1	0	0	0	-1.37	-0.25	1937
	NL	0	0	0	0	0	1	0	0	0	-0.07	-1.45	1937
	FRA	1	0	0	0	0	1	0	0	0	-0.59	-0.49	1934
	UK	0	0	0	0	0	1	0	0	0	-0.07	-1.45	1931
	CZE	0	0	0	1	1	1	0	0	0	-0.36	-0.85	1934
	IRE	1	0	0	1	1	0	0	0	0	-0.91	0.71	1932
	AUS	1	0	0	0	1	0	0	1	0	-0.61	1.22	1934
	GER	1	0	1	1	1	0	0	1	1	0.76	0.97	1933
Break-downs	HUN	1	0	0	1	1	0	0	1	0	-0.44	1.28	1936
	ROM	1	0	1	1	1	0	1	1	1	1.55	0.54	1938
	EST	1	0	0	1	1	0	0	1	0	-0.44	1.28	1934
	SPA	1	-1	1	0	1	0	1	1	1	1.97	0.18	1936
	GRE	0	0	1	1	1	0	1	1	0	1.54	-0.36	1936

Note: A value of 1 means the occurrence, and a value of 0 the absence, of an intervention by a particular actor.

like Spain, Romania and Greece rank highest. This should not be taken to imply, however, that in these cases military and fascist actors always operated in conjunction. On the 'authoritarian' score, Hungary, Estonia and Austria proved to be the most outstanding cases. Equally significant is the fact that Germany, is the only country that ranks relatively high on both indices. This appears to point to the unholy 'fascist-authoritarian' alliance formed by Hitler, von Papen and their supporters at the moment of takeover. Among the democratic survivor cases, Sweden, the Netherlands and the United Kingdom clearly have the lowest scores with regard to authoritarian intervention. In Belgium, the impact of the strong fascist 'Rexist' movement was mitigated by the positive intervention of the Catholic cardinal: the 'coup de crosse' as it was called.

#### 4 Overall dynamic analyses

Thus far, we were able to assess step-by-step the more general background conditions, the impact of the post-war crisis, the causes of the early breakdowns, the effects of intermediate stabilization, the impact of the Great Depression, the ensuing social and electoral reactions, the economic policies pursued, and the political moves of the major actors. It could be demonstrated that the strength of the Great Depression as such cannot explain the final regime outcome, the economic crisis having been almost as severe in Czechoslovakia, a survivor, as in Germany, the most fatal case of democratic collapse. Greece, another breakdown case, was hardly affected by the economic crisis at all. Similarly, the variety of economic policy reactions did not effect any significant changes on the political level. Depending on the measures taken (in particular early devaluation and the adoption of Keynesian-style policies), some countries recovered earlier than others. Nonetheless, survivors like France, Czechoslovakia and Belgium as well as breakdown cases like Austria and Hungary were among the countries in which the crisis lasted longest.

The social and electoral reactions to the economic crisis provide a somewhat clearer picture. Anti-system reactions were by far the strongest in Germany and Spain, but they were also considerable in a survivor case like Finland and quite weak in a breakdown case like Hungary. With regard to the collective actors, strong social movements and an active political role on the part of the military greatly influenced events in Romania, Spain and Greece, leading to the type of breakdown we have termed 'military/fascist'. In contrast, the more traditional 'authoritarian' type of breakdown occurred in Austria, Hungary and Estonia. There can be no doubt that the formation of more broadly-based democratic coalitions as in Sweden, Finland and Belgium constituted an important step towards coping with the political crisis. It is also clear that personalities such as presidents Svinhufvud in Finland and Maszaryk in Czechoslovakia played a significant role in a

positive sense while presidents Hindenburg in Germany and Päts in Estonia played an equally strong negative role.

4.1 Dynamic interactions during the period of crisis

If we look more closely at the interrelationships between certain of these factors with the help of bivariate and partial correlation analysis, we can combine them in the model (shown in Figure 13.1).

Here we find that the direct link between the impact of the depression and the political regime outcome is rather weak ( $r = -0.10$ ). It is even weaker in cases where strong economic policy reactions occurred ( $r = -0.05$ ). If, however, devaluation took place at a very late date, this correlation increases somewhat ( $-0.21$ ). Taken by themselves, however, all these relationships still remain fairly insignificant. In contrast, the relationships become much clearer when we consider a further factor, social and electoral anti-system reactions. Here it can be seen that the level of depression is highly correlated with anti-system reactions ( $r = 0.39$ ) and that these, in turn, are very strongly linked ( $r = -0.59$ ) to the regime outcome. If these relationships are further controlled for, it can be shown that the depression/anti-system forces correlation increases even further in conjunction with late devaluation ( $r = 0.43$ ) and strong economic policy reactions ( $r = 0.51$ ). The anti-system/outcome correlation similarly increases when strong economic policies are controlled for ( $r = -0.64$ ). The basic democratic background conditions which, by

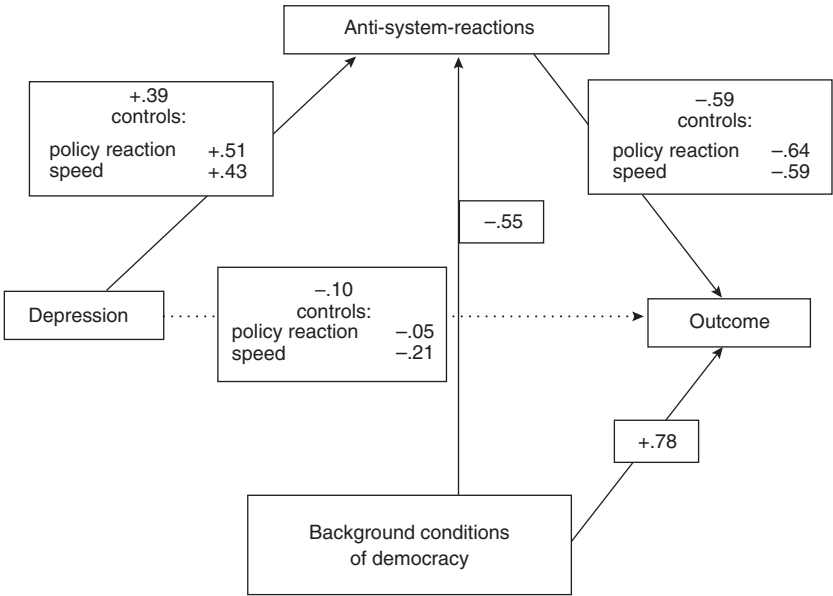


Figure 13.1 Factor interactions

themselves, reveal the highest positive correlation with the outcome ( $r = 0.78$ ) dampen, in turn, the anti-system reactions ( $r = -0.55$ ).

## 4.2 Survival analysis

If we want to take a longitudinal look at the overall situation, 'survival' and 'event history' analysis employing Cox regressions is a means of doing so (see also Blossfeld and Rohwer 1995). In contrast to the usual cross-sectional statistical analyses, which are mere 'snapshots' of a given situation, longitudinally-oriented research is much better suited to disentangle processes of change and causal relationships which operate over time. Thus, as has been noted before, causal conclusions based on cross-sectional data have often been radically altered after the processes were studied with longitudinal data (see also Lieberman 1985). Cox regression is based on pooled time-series data and computes 'survival functions' and corresponding 'hazard rates' including also 'censored' cases, that is, instances where the final outcome has not yet occurred. With regard to our original 18 cases and taking account of the major economic and political variations in the observed period we had collected and regrouped data, as much as possible, on a yearly basis. The major dynamic factors considered were changes of GNP per capita and industrial production, rates of inflation and unemployment and the export-import ratio in the economic sphere, and the electoral results achieved by the extreme right and more general anti-system parties, the fragmentation of parties in parliament, and the number of governments in the political realm (for the respective sources, definitions and figures for the broader periods considered so far see also the respective tables above).

We first tested variable by variable to see whether they had any effect on the survival function. Only the level of GNP per capita, the rate of unemployment, the percentage of anti-system parties in parliament, and the number of governments turned out to be of any significance. When we entered these simultaneously, we obtained the following result (see Table 13.9).

Stepwise procedures, whether 'forward' or 'backward', then only retained the percentage of anti-system parties and the number of governments in the equation, the economic variables were no longer significant. This result, with all due caution, thus emphasizes the importance of some of the major dynamic political factors over and above the economic ones giving the strongest weight to the percentage of anti-system parties ( $R$ 's here can be interpreted like partial correlations). The corresponding survival function is indicated in Figure 13.2.

This is an interesting finding which corresponds, to a certain extent, with our other results highlighting the importance of social unrest and anti-democratic forces. But, as all such procedures considering all cases simultaneously, it remains at a relatively high level of generality, some may even say superficiality, emphasizing the more or less obvious. The strength



Table 13.9 Event history analysis 1919–39, Cox regressions<sup>a</sup>

Variable <sup>b</sup>	B	S.E.	Wald	df	Sig	R	Exp(B)
<b>(a) Simultaneous</b>							
ECONOMY	−0.0636	0.0305	4.3531	1	0.0369	−0.1525	0.9384
UNMPL#	−6.9984	4.2785	2.6755	1	0.1019	−0.0817	9.13E-04
NGOV	0.3882	0.1992	3.7970	1	0.0513	0.1333	1.4744
EXTREMP	0.4567	0.2388	3.6575	1	0.0558	0.1280	1.5789
<b>(b) Stepwise</b>							
NGOV	0.5054	0.1820	7.7099	1	0.0055	0.2376	1.6576
EXTREMP	0.7334	0.2165	11.4749	1	0.0007	0.3061	2.0821

Notes

<sup>a</sup> Missing values in the time series for the indices of per capita income and industrial production and for the rate of unemployment were replaced by linear interpolation.

<sup>b</sup> ECONOMY: economy index (index of per capita income or if not available index of industrial production).

UNMPL# rate of unemployment.

NGOV number of new governments (annually).

EXTREMP extreme parties' share of votes.

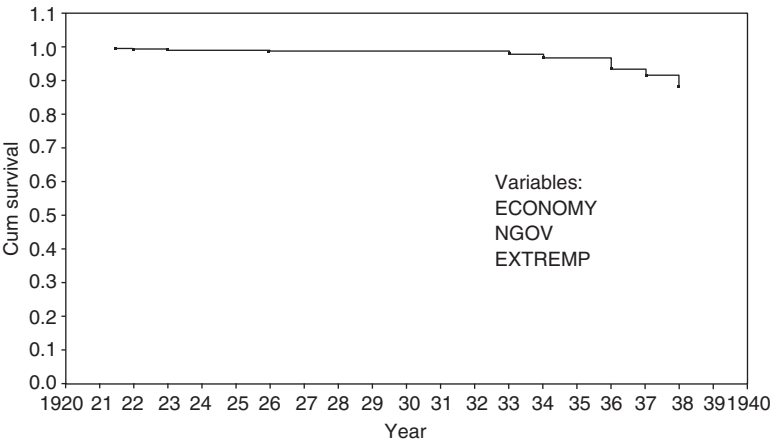


Figure 13.2 Survival function

of the relationship is also not really overwhelming. Thus, as we have done previously, we shall not only look at the ‘universalizing’ aspects but shall attempt to also do some ‘variation-finding.’

4.3 Synoptic overview, discernible patterns

Our analysis of the major constant factors across our seven categories affecting the eventual survival or breakdown of democratic regimes has resulted in the ‘Analytical map of interwar Europe’. Here, already the

Netherlands, Sweden, Belgium, the United Kingdom and France (on the left-hand side of Figure 12.1) could be counted among the relatively 'safe' candidates among our cases and, indeed, in all of them democracy passed the test of the Great Depression. In contrast, Romania, Spain, Poland, Portugal and Italy were all on the very unfavourable side of the spectrum and, in fact, all early breakdowns were among them (Romania being a rather dubious case of a 'democracy' from the beginning, in any case). This leaves us with the most interesting 'critical' cases in the middle, where Czechoslovakia, Ireland and Finland managed to stabilize their new democracies and where Estonia, Germany, Hungary, Greece and Austria succumbed to authoritarian and/or fascist forces. The variations among these and the impact of the dynamic factors on them will now be examined somewhat more closely.

Since we do not dispose of any software so far which can be applied to a dynamic analysis of Boolean data in a way which 'pools' cases and their variations over time (as does 'survival' analysis) and which allows for some distinct 'conjunctural' patterns of causation (as does 'Qualitative Comparative Analysis'), we will attempt to visualize the observable patterns as much as possible by reducing them to their most distinct features. This will be done in an illustrative and, to some extent, metaphorical way, but the respective elements of this illustration have been put together in as systematic and quantifiable a manner as at all feasible, so that, even if there is, of course, room for some justified criticism concerning possible alternative weighting procedures etc., we are fairly confident that this synopsis comes as close as possible to a realistic and fair assessment of the actual forces at work.

For this purpose, we found it helpful to conceive of the entire situation as a coastline which has been threatened by a huge *tsunami*.<sup>1</sup> Here, both the topography of the seashore which already has been shaped by some previous floods and similar events, and man-made structures like breakwaters or dikes, sluices and so on play a crucial role. These may be conceived as the respective historical and structural conditions determining the situation in each case. Against these then the actual onslaught of the floodwave and other secondary reactions triggered by the quake, possibly exacerbating its devastating impact, must be assessed. Then individual groups and actors manning the dikes and their distinct moves in the crisis situation, fighting the flood or reacting insufficiently and letting it pass, come into play. All these elements can, to a certain extent, be quantified with our data.

The strength of the original quake is measured by our 'Depression Index'. The previous impact of the post-war crisis and the subsequent intermediate period of relative calm have been assessed by taking the major economic and political indicators for these periods and checking their relationship with the final outcome. Of all the variables considered only some political factors (strength of extreme right and anti-system parties, number of governments) turned out to be consistently related to the final outcome. These were combined into a 'political crisis index' for each period by means of a

confirmatory factor analysis. In addition, we also took our index of social and electoral reactions, indicating the extent of the final onslaught of the *tsunami*, and our combined ‘super 8’ background variables as a measure for the height and solidity of the ‘dike’. Finally, whether or not, in fact, some major actors and personalities intervened either in favour of democracy or facilitating its breakdown was considered (here we relied on the qualitative assessments of our country experts).

All these factors were then standardized and weighted by employing the canonical discriminant function coefficients of ‘Discriminant Analysis’ when all variables were entered simultaneously. For our illustrative purposes we set some of these variables at zero by taking the lowest negative value for any of our cases as the point of departure. The resulting situation for each of our 15 cases is indicated in Figure 13.3(a,b).

The strength of the initial quake (the impact of the Great Depression) is symbolized by the first (dotted) bar. The topography of the seashore which has been shaped by the two previous periods, i.e. the immediate post-war crisis and the intermediate period before the Great Depression, is represented by the next two (shaded) bars. A positive value here can be conceived of as a reef which has persisted in the previous floods and continues to serve as a protection for the coast, and a negative value as a ‘trough’ which was created by the earlier floods and which now facilitates the onslaught of the new one.

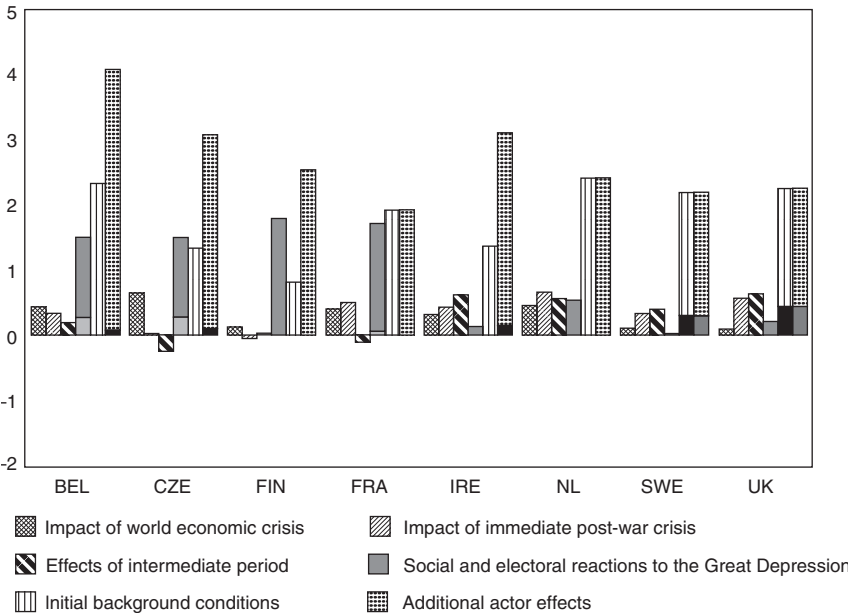


Figure 13.3a Crisis histogram – survivors

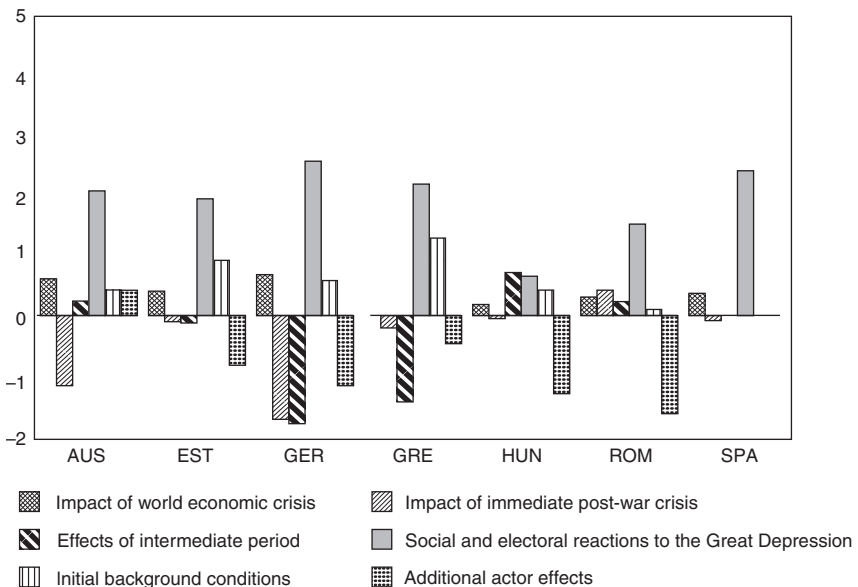


Figure 13.3b Crisis histogram – breakdowns

The actual tidal wave reflecting the social and electoral reactions in each country is indicated by the fourth (dark) bar. Against the impact of these forces the strength and the height of the existing dikes as an expression of the basic background conditions of the favourable or unfavourable factors for democracy must be seen (reproduced by vertically lined bars). In addition, finally, the particular actors either increase (for example by adding) or decreasing (by facilitating the passing of the flood) the height of the dikes (as indicated by the last darkly shaded bar for each case).

If we inspect these histograms more closely, we can discover interesting constellations of these factors and their dynamic interactions for each case in a highly summarized way which, however, is very much in line with the detailed historical accounts given by our respective case study authors (see Berg-Schlosser and Mitchell 2000). If we take a look first at the survivor cases, the pattern on the right-hand side of Figure 13.3a exhibits the solid democracies of the Netherlands, Sweden and the United Kingdom. There, the crisis factors of the different periods did not affect the final outcome very much. The 'dikes' remained consistently high and stable and did not require any specific intervention by a relevant actor. The crises were relatively insignificant in Ireland, too, but the dike (in a rather poor Catholic country with no previous experience of independent statehood and democracy) was somewhat lower as well, but was significantly reinforced by the supportive actions of Prime Minister de Valera and his Fianna Fáil followers after their

election victory in 1932, bringing into line the previous 'anti-Treaty' forces (concerning the agreements with the United Kingdom on the Irish Free State after the civil war in 1922/23).

In contrast, the situation in Belgium and France had been much more critical. In Belgium, the anti-democratic forces, mainly represented by the (francophone) Rexists and the 'Vlaamsch Nationaal Verband' and 'Verdinaso' on the Flemish side, had gained considerable strength. Even though the dike in this highly industrialized early democracy had been very high, in the crisis situation of 1937 when Rexist leader Degrelle put forward his major challenge the tension was considerably relieved by the positive interventions of Cardinal van Roey and the formation of a broader-based democratic coalition under Prime Minister van Zeeland. In France, similarly, the anti-system forces represented by right-wing groups like the Action Française and the Ligues, in particular the Croix-de-Feux headed by Colonel de la Rogue, had gained considerable strength, reaching almost the top of the dike. After the failed coup attempt in February 1934 and the formation of a Popular Front government under Léon Blum in 1936, including for the first time the Communist Party as part of a democratic coalition, the situation had become somewhat more consolidated, but the parliamentary governments remained shaky until the German invasion and the establishment of the Vichy regime in 1940.

The Czech and Finnish cases then exhibit a pattern where the final flood-wave, reinforced by the post-war and intermediate periods, would have gone over the dikes (very clearly so in the Finnish case) had it not been for the determined pro-democratic interventions by presidents Masaryk in Czechoslovakia and Svinhufvud in Finland. The latter put down the revolt by the fascistoid Lapua movement at Mäntsälä in 1932 by making use of the military after the Communist Party, which with its strong links to Moscow was perceived as a threat from the extreme left, had been outlawed in 1930. The establishment of a broad-based 'red-green' (socialist-agrarian) coalition then finally consolidated the situation after 1936.

The discernible patterns among the observed breakdown cases represented in Figure 13.3b are equally revealing. In countries like Hungary, Romania and Spain the democratic 'dikes' had been very low or practically non-existent from the very beginning and the anti-system forces had maintained or regained their strength. In Hungary, in the 'quasi-monarchy' or 'façade democracy' under the governorship of Admiral Horthy the conservative-authoritarian forces, with certain variations, had always maintained the upper hand until the regime finally gave way to the external pressures of fascist Germany in the Second World War. In Romania, it was King Carol II himself who established a royal dictatorship in 1938 which paved the way for the Iron Guard and the dictatorship of Marshall Antonescu, who formed an alliance with Hitler in 1941. In Spain, the civil war of 1936

sealed the fate of the second democratic republic and brought to power Generalissimo Franco and his authoritarian and Falange supporters.

In Austria, Greece and Estonia the strength of the anti-system forces was also overwhelming and clearly surpassed the existing dikes. In these cases the post-war crisis and, to some extent, a lack of political stabilization in the intermediate period had also left their marks. In Austria and Greece the democratic systems, after considerable internal turmoils, gave way to authoritarian regimes in 1934 under Dollfuss and in 1936 under Metaxas respectively. In Estonia, the incumbent president, Konstantin Päts, pre-empted a perceived fascist threat by the Veterans' Movement, abolished parliament and established an authoritarian regime in 1934. Germany, of course, still remains the most intriguing case with by far the most wide-ranging and, it seems, to some extent never-ending repercussions. We cannot possibly take up the vast debate about the generalities and the specificities of this case and, in particular, the question whether a special historical route (*Sonderweg*) has led to the eventual fatal outcome here again (we have discussed Germany's particular constellation of factors with regard to our comparative findings in greater detail in Berg-Schlosser 1995). From our present even more comprehensive and more dynamic perspective it must be noted that, among all our cases, Germany has been the one with the most turbulent events over the entire interwar period. The remaining effects of the post-war crisis (which included army mutinies, left-wing local rebellions, right-wing coup attempts and a period of hyperinflation) had been particularly strong and had not significantly been alleviated by the intermediate period (as represented in the second and third bars in our diagram indicating the depth of the remaining 'troughs'). The very strong effect of the Great Depression (our first bar) then finally let an already very fragile democratic system collapse and gave rise to the strongest active anti-system forces (more than 60 per cent of the electorate!) of all of our cases. This doubly reinforced wave clearly surpassed the existing dike and, in fact, already the presidential cabinets appointed by Hindenburg after 1930, which no longer had a parliamentary majority, can be considered as the beginning of the end of the first experience of democracy in Germany (see also Winkler 1993; Bracher 1955). The *tsunami* was then definitely channelled in an anti-democratic and, finally, fascist direction by the handing over of power by President Hindenburg and the former German-Nationalist Chancellor von Papen to Hitler and his Nationalist-Socialist party on 30 January 1933. It remains doubtful (and, of course, purely speculative) whether any other intervention could still have saved the regime. With regard to our data this seems quite unlikely. At 'best', perhaps, an authoritarian intervention with strong support by the military along the lines of the Austrian and Estonian cases in 1934 still might have succeeded. The world might then have been spared one of its worst experiences, but the Weimar democracy would not have survived either.

When, as a last step, we entered the factors of our '*tsunami*' scenario simultaneously in QCA we obtained the following most reduced formulas for our 15 cases (including 'logical remainders'):

Survivors: weak post-war crisis (p) and strong dikes (D) (BEL, CZE, FRA, IRE, NET, SWE, UK)

or weak world economic crisis (e) and positive democratic intervention (I) (FIN, IRE)

Breakdowns: weak dikes (d) and anti-democratic intervention (i) (AUS, SPA, EST, GER, GRE, HUN, ROM)

or strong post-war crisis (P) and strong world economic crisis (E) (AUS, EST, GER).

This means, that in this way, too, some particular constellations of cases can be identified. Among the survivors, the relatively stable cases with a weak post-war crisis and strong 'dikes' form one particular pattern which is more or less in line with the familiar arguments of 'modernization theory'. The socio-economically 'less developed' cases of Finland and Ireland deviate, however, from this pattern. There, the fact that the impact of the Great Depression had been relatively weak and that there have been strong interventions in favour of democracy by some major actors is highlighted by this method.

For the breakdowns, the generally unfavourable background conditions for democracy, including a low level of economic development, remnants of feudal agrarian structures, and largely authoritarian and non-democratic political cultures, together with strong anti-democratic interventions by major social forces, are emphasized by QCA for the majority of cases. This, to some extent, can also be interpreted to be a confirmation of modernization theory in a negative sense. But here again a second pattern which puts Austria, Estonia and Germany in a separate group, becomes apparent. There, too, the longer-term cumulative effects of both the post-war crisis and the Great Depression point to some more historically specific factors which are not covered by the more sweeping and 'universalizing' perspective of modernization theory.

## 5 Conclusion

This chapter has attempted to provide in broad strokes some of the major overall findings of our project. It has done so by looking, first, at the 'analytic map' of Europe which highlights the major background conditions of the 18 cases considered in terms of some major tenets of empirical democratic theory. Against this background then the impact of the immediate post-war crisis, the causes and patterns of early breakdowns, the alleviating effects of the intermediate period and the subsequent onslaught of the

Great Depression have been assessed. Here, the major factors and actors and their dynamic interactions over time were analysed in greater detail. This resulted in a final synoptic view of these forces, allowing for both the extraction of some more general dynamic factors across all of our cases in a longitudinal perspective and a more detailed case by case analysis and a discussion of more distinct discernible patterns.

Our 'multi-methodological' approach which has attempted to combine detailed historical insights and a systematic comparative analysis, a complex system framework and parsimonious explanations, macro-quantitative and macro-qualitative procedures, cross-sectional and longitudinal dynamic perspectives, structure- and actor-oriented approaches, and universalizing and variation-finding ('conjunctural') results has thus come up with a comprehensive, detailed and, we think, historically and theoretically plausible account of one of the most dramatic periods in recent world history. The substantive findings point to the broader relevance of some of the major tenets of empirical democratic theory as they have been proposed by Robert Dahl and others and as they have been tested and exemplified by our 'super 8'-variables in the 'analytic map of interwar Europe'. In addition, however, some of the specific longer-term interaction effects, as they have been revealed by our dynamic analyses, and, in particular cases, the relevance of individual actors must not be overlooked either, as Juan Linz, for example, has told us many times. This leads us to a more complex but also theoretically and, perhaps even in terms of practical politics, more satisfying perspective.

## Note

1. We have already previously described the situation employing the metaphor of floods and dikes (see Berg-Schlosser, IPSA 1994), but we find Fred Riggs's (1995) metaphor even more instructive. The Japanese word *tsunami* refers to a huge tidal wave produced by a submarine earthquake or a volcanic eruption. Thus it has a clear beginning and an end: it starts with some concrete event, which may be followed by a stretch of apparent calm while it crosses the ocean, and it ends with massive violence when it breaks against the land mass, often causing immense destruction. It should be noted, however, that the kind of *tsunami* we are talking about (the Great Depression and its consequences) is substantively different from Riggs's concerns about the possible devastating effects of ethno-national movements and rebellions.





# **Part V**

## **Conclusion**



# 14

## Implications for Theories of Democracy

*Dirk Berg-Schlusser*

The preceding parts have presented a detailed account of the most important features of the conditions of survival or breakdown of the interwar democracies analysed in this study, in both a cross-cutting sectoral and a comprehensive and dynamic sense. The overall results, compiled by different authors from different angles, tend to supplement and reinforce each other. Similarly, the findings obtained by the different systematic overall comparative methods in Part IV to a large extent confirm each other and thus seem to be quite 'robust'.

Here we need not summarize these results once again. This concluding chapter turns the attention to some of the implications of our findings for contemporary empirical theories of democracy and their potential range of applications. While our results, certainly, can only claim to deal with the period and the countries observed, we nevertheless have gained some further insights into the applicability of current political science concepts and theories and the necessity to further refine and elaborate them and to make them testable in other regional and historical contexts as well.

As emphasized in the introduction to Berg-Schlusser and Mitchell (2000) we have been taking a relatively broad perspective concerning the more general (pre-)conditions of democracy in our 18 cases and the forces and actors which contributed to its eventual breakdown or survival. In this sense, our approach and its respective results may be qualified as a 'complex' analysis of democracy encompassing both input- and output- as well as structure- and actor-related aspects in terms of Manfred Schmidt's (1995) classification. In a preliminary effort, we also had tested the major hypotheses of a greater variety of empirical democratic theories and found many of them not applicable, or wanting (see also Berg-Schlusser and De Meur 1994). We now attempt to evaluate our own findings with regard to such theories and point to some of the consequences for further theory-construction.

None of the 'single factor' approaches we had examined accounted for a great deal of the observed variance. Among these, the Lipset/Vanhanen type of explanation referring to a higher level of *socio-economic development*

and a wider distribution of power resources in society still fared relatively well. Lipset's individual 'modernization' indicators showed Pearson correlations of between 0.47 (for industrialization) and 0.74 (for GNP per capita) at still-significant levels with the observed outcome. Vanhanen's combined 'index of power resources', however, was not significantly correlated ( $r = 0.39$ ). Their explanation also left us with a considerable number of glaring exceptions such as the breakdown of democracy in a highly developed country like Germany, or its survival in poor states like Ireland or Finland. As described above (Chapter 12) we therefore reconstructed five modernization variables into a combined 'socio-economic development' index which showed strong overall relations with the final outcome, but which had to be supplemented by other factors and which turned out to be a necessary condition only in certain 'conjunctural' constellations.

Therefore, a further factor considered was the overall *social structure*, in particular the specific rural class relations in terms of Barrington Moore's historical analysis of 'Lord and Peasant in the Making of the Modern World'. This ties in also, conversely, with Tatu Vanhanen's emphasis on 'family farms' as an important factor for a more widespread pattern of power resources and democratization. All cases with significant remnants of feudal structures in Moore's sense were among our breakdowns (8 out of 10). More widespread family farming, however, in cases like Estonia and Poland did not prevent the collapse of the democratic system. In any case, we retained the factor 'feudalism' among our reconstructed 'super 8' variables as far as the general background conditions of our cases are concerned.

The size of the middle class or the strength of the labour movement did not turn out to be a single important contributing factor to the observed outcomes (see also Stephens 1989; Rueschemeyer et al. 1992; and Chapter 3 above). It should be noted, however, that the former were mainly concerned with the emergence of democracy over a longer time period (1870–1939) in the West European context and less so with the forces sustaining it or, conversely, contributing to its breakdown. We concur, however, with the finding by Stephens and Rueschemeyer, that the middle classes, depending on the circumstances and the alliances formed, played an ambiguous role (for example also in the German case) as far as the support for democracy is concerned. The role of the working class for the emergence of democracy is less equivocal. But it must be kept in mind that, together with a general weakening of socialist parties and union strength after an initial surge, in most cases, in the interwar period, the split of the labour movement into socialist/social democratic and communist camps after 1919, where the latter clearly had to be counted as 'anti-system' forces, in some instances significantly contributed (at least indirectly in form of a negative alliance) to the downfall of democracy.

Another social structural element concerns the ethnic, linguistic, religious, regional or similar *social composition* of each case together with the

possible existence of overarching structures in terms of certain 'consociational' arrangements to accommodate for such cleavages (see also Lijphart 1977). Indeed, five out of eight survivor cases were either socially more homogeneous (such as Ireland and Sweden) or had experienced some previous consociational agreements (as in Belgium, Finland or the Netherlands). Two relatively homogeneous cases (Greece and Hungary) were, however, among the breakdowns. Nevertheless, this was a factor worth retaining among the general background conditions (see also Chapter 2).

When we turned to the 'subjective' side of social conditions, certain elements of a democratic *political culture* were also clearly emphasized. This concerns both the general longer-term 'habituation' aspects of democratic political systems in Rustow's (1970) sense and more specific elements of political culture as such, as a stronger prevalence of participatory, egalitarian and politically tolerant attitudes (see also Almond and Verba 1963). All more consolidated pre-war democracies (five of our cases) survived the crisis of the interwar period and stronger elements of a democratic political culture, according to the judgements of our country experts in the absence of survey data, could be found in all survivor cases. Thus, these two variables were similarly retained.

Among the *institutional* factors considered, only the constitutional guarantee and actual observance of civil and political rights (for similar definitions see also Gastil 1978ff.) turned out to be of more general significance. These were, indeed, practised (again according to the judgements of our country experts) in all the survivor cases, but freedom of expression, political organization and similar aspects alone did not prevent the downfall of some democratic regimes (as, for example, in Austria, Estonia or Germany). Other institutional factors such as the electoral system or the type of the executive which often have been mentioned (as in Hermens 1941; Sartori 1976), did not play a major role (see Chapter 7). This does not mean that there have not been, now with the advantage of hindsight, certain institutional defects in some cases (such as the dual executive in Germany with far-reaching emergency powers for the president), but these were overshadowed by other more significant aspects including the kind of personalities who filled such roles as, for example, the contrasting cases of Finland and Estonia vividly show.

A 'semi-institutional' factor which, unless it comes to a direct (unconstitutional!) intervention, is more expressed in informal and latent ways, is the political role of the *military*. In all the survivor cases it turned out to be sufficiently 'domesticated', accepting civil control; in almost all breakdown cases, however, it either intervened directly (as in Poland, Portugal, Spain, etc.) or it more or less silently cooperated with anti-system forces or did not intervene against them (as in Austria or Germany).

Another either direct actor, or at least catalyst for things to come, were armed party militias or similar groups prone to *political violence*. In seven of

our 10 breakdown cases these played a significant role, most notoriously, of course, in Germany in the form of the SS and the SA, but similar groups existed also in Austria, Hungary, Romania and elsewhere. Even in two of our (close) survivor cases (Czechoslovakia and Finland) such groups and clashes between them and the political authorities existed. If we look at the combined impact and these 'super 8' background variables, we can also assess their respective weight. When we again used Discriminant Analysis for this purpose, we obtained the following standardized canonical discriminant function coefficients (see Table 14.1).

This indicates again that socio-economic development and 'modernization' alone explain relatively little. The 'standard model' (Schmidt 1995: 299 ff.) of the conditions favouring democracy thus has to include basic elements of a secular and democratic political culture, an effective civil control of the military, and the absence of feudal structures. Social heterogeneity in the absence of overarching agreements and the existence of violent groups may also complicate matters. Only after these factors have been taken into account, then, do differences in socio-economic development matter among our cases.

All these and similar factors have, of course, been listed in the comprehensive accounts of conditions favouring polyarchy by Robert Dahl (1971: 203; 1989: 244 ff.). Here, we were, however, able to operationalize these factors in a certain way, to verify their influence and to assess their specific weights and possible interactions among them. This applies, of course, only to the cases and the period observed, but even with this qualification in mind these more general background conditions are well worth testing for other regions and periods (such as the situation in Latin America in the 1980s, or concerning present developments in Eastern Europe).

Against this 'structural' background the more specific political processes and actors and their dynamic interactions over time come into play (see also Linz 1978a). For our cases with regard to our weighted assessment (see also Chapter 13 above) it can be said with considerable certainty that only four cases among the survivors (the United Kingdom, the Netherlands, Sweden and Ireland) and five cases among the breakdowns

*Table 14.1* Discriminant analysis ('super 8' variables)

Democratic political culture	1.22
Political role of the military	– 1.09
Remnants of feudal structure	– 0.83
Pre-war democracy	0.79
Civil and political liberties	0.60
Social heterogeneity	– 0.51
Socio-economic development	0.38
Violent militias	– 0.34

(Romania, Spain, Portugal, Poland and Italy) must be considered to have been 'structurally determined'. Two more in each category were definitely 'leaning' towards either outcome (Belgium and France among the survivors and Austria and Germany among the breakdowns). It remains feasible, however, that some extraordinary effort or event could have turned the scales in the opposite direction. In contrast, the outcomes in Finland and Czechoslovakia among the survivors and Estonia and Greece among the breakdowns were clearly 'actor-dependent' where in an almost balanced situation a decisive actor could relatively easily have tipped the scale in the direction he desired.

The overall result is thus a relatively mixed and complex one, leaning in the direction of Dahl's and Linz's more comprehensive assessments. Nevertheless, in face of the initially bewildering complexity of our cases and the large range of factors, this complexity could be reduced quite effectively to some basic structural elements and, in a number of instances, some additional actor-dependent ones. The different methods employed (see the respective chapters in Part IV above) also showed our findings to reinforce each other and to be relatively robust. The 'range' of these empirical findings and their theoretical implications remains, of course, limited to the region and period considered. But, in addition to certain conceptual and methodological innovations which have been realized in the course of this project, some of these findings may turn out to be relevant for other regions and periods as well.

The basic 'core of homogeneity' of our cases concerning certain common geopolitical, historical, political cultural and socio-economic elements, which only made meaningful systematic comparisons among them possible (see also Ragin et al. 1996), may now be systematically tested against other more homogeneous regions and periods. Then, again, more specific elements and actors may be considered within each region. This should be done in both systematic comparative cross-national and longer-term dynamic ways. In doing so, we may come up with a perhaps even more complex but also more realistic and meaningful empirical theory of democracy covering global developments including their historical antecedents in this century and possibly beyond. Better democratic theory may then also become an important guide for better democratic practice.



# Appendix: Definition of Variables (Boolean version)

0 : 'no', 'low', 'weak', 'below threshold' etc. (indicated in parentheses)

1 : 'yes', 'high', 'strong', 'above threshold' etc.

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## 1. General background

POPULATION	population (20 million)
SEAWARD	seaward periphery
COREBELT	core belt
LANDWARD	landward periphery
NONREF	non-reformed or counter-reformation
REFORM	reformation
EARLYSTATE	early state-building (before 1800)
PREWARDEM	consolidated pre-WWI democracy

## 2. Socio-economic conditions

NATPRODCAP	national product/cap. (200 US-\$)
URBANIZATI	urbanization (50%; population in towns with more than 20,000 inhabitants)
LITERACY	literacy (75%)
LANDLORD	significant share of landownership by landlords (100 ha)
FAMFARMS	family farmers (50% of agrarian population) (Vanhanen 1984)
AGRPROL	agrarian proletariat (20% of agrarian population)
INDLAB	industrial labour force (30% of labour force)
MIDDLE	old and new middle classes

## 3. Social composition

ETHNLINGCL	ethno-linguistic cleavage(s)
RELIGCL	religious cleavage(s)
REGIONALCL	regional cleavage(s)
OVERVERZUI	overarching structures ('verzuiling')

## 4. Political-cultural traditions

NATIDENTIT	'national identity'
SUBMILIEUS	sub-milieus (class, religion, regional, or ethnic; at least one of these 'strong')
VIOLACC	acceptance of violence
EGALITAR	egalitarianism
POLINFORM	political information
POLITIPART	political participation
STATISM	statism
PAROCHIAL	parochialism
DEMLEGITIM	democratic legitimacy
CONSENS/CONFL	dominant pattern of conflict resolution (0 conflictual/ 1 consensual)

TOLERANCE	social and political tolerance
AUTH/PART	authoritarian/participatory style of decision-making
SECULAR	secularization
SUBJECT	subject orientation

### 5. Intermediate structures

INTRURAL	rural interest groups
INTCOMMERC	commercial interest groups
INTUNIONS	trade unions
INTEMPLOYE	employers' organizations
CLIENTELISM	clientelism
MOVEMENTSO	social movements of more recent origin
MILITIAS	armed militias
PARTFRAG	fragmentation of party system (Rae's F 0.8)
ANTISYSP	share of votes of right and left antisystem parties (15%)
CORPORATISM	corporatism

### 6. Central political system

POLITYPE	political system (constitutional monarchy/republic)
ELECTSYSPR	electoral system (majoritarian/proportional)
STABGOVERN	stability of governments
ROLEBUREUA	political role of bureaucracy
MILITARY01	political role of military
SOCIALSEC	social security system
CIVRIGHT	index of civil rights (0 if score 3 and above)
POLRIGHT	index of political rights (0 if score 3 and above)

### 7. External factors

WW1WINNER	winner of WWI
ECONDEPEND	economic dependence (manufactured goods' proportion of foreign trade; mean of all countries)
CULTANGLO	cultural links: Anglo-Saxon
CULTGERM	cultural links: Germanic
CULTROMAN	cultural links: Romanic
CULTSLAVIC	cultural links: Slavic
IDEOLCATH	ideological links: Catholicism
IDEOLMARX	ideological links: Marxism
COLONIES	colonies

### 8. Crisis

POSTWARCRI	impact of post-war crisis (weak/strong)
WORLDECON	impact of world economic crisis
INTERNREACT	internal reactions (strikes, demonstrations, violence)
ELECTANTI	significant strengthening of right and left-wing anti-system parties

### 9. Major interventions and moves

KEYMDEMCO	broader democratic coalition
KEYMECOREF	economic reform
KEYMCHURCH	pro-democratic intervention of church
KEYMMILIT	anti-democratic intervention of military

KEYMAUTHOR	anti-democratic intervention of authoritarian (upper-class based) forces
KEYMFASCIS	fascist intervention
USEOFEMERG	use of emergency powers
EXTERNALIN	external influences (weak/strong)

**10. Outcome**

OUTCOME	breakdown/survival of democracy
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