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THE UNIVERSITY OF OKLAHOMA
GRADUATE COLLEGE

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THE MEDITERRANEAN COUNTRIES

A DISSERTATION
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degree of
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NED STEPHEN ROBINSON
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POLITICAL INSTABILITY AND ECONOMIC DEVELOPMENT:
THE MEDITERRANEAN COUNTRIES

APPROVED BY

A. J. Kondrachine

J. Robert Stephens

Arthur Bernhart

James E. Hildon

Jack L. Robinson

DISSERTATION COMMITTEE

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CHAPTER I

INTRODUCTION

The purpose of this study is to investigate some of the issues involved in the hypothesis that political instability hinders economic development. The unit of analysis is the seventeen Mediterranean nations and the period under analysis is 1948-1966.

For the purpose of substantive investigation, the hypothesis of a negative relationship between political instability and economic development is made.

Methodologically, the study will employ the statistical technique of multiple regression analysis to test the stated hypotheses. The statistical data for the study are derived from two major sources. The data on political instability have been compiled by Charles L. Taylor and Michael C. Hudson, World Handbook of Political and Social Indicators, while the economic development data were taken from Arthur S. Banks, Cross-Polity Time-Series Data.

Chapter II concerns itself with a review of the literature related to political instability and its relationship to economic development. In this regard, much of the research is based upon the developmental 'causes' of political instability rather than the reverse relationship of how political instability retards economic development. The latter is the focus of this study.

In Chapters III and IV a brief history of each of the European and non-European nations is respectively presented. Particular emphasis is placed on the interdependence of political, social, and economic factors. This area was chosen for study because it has the unique characteristic of being one of the few parts of the world which contains a number of politically unstable states with active disputes and sometimes armed conflicts among themselves, and at the same time is the scene of a confrontation between the two superpowers. Furthermore, the region not only contains both the traditional locus of great power conflict (the Balkans) but is also the source of a new one as well, namely, the rising anti-Westernism of the Arab states, of which the Jewish state of Israel is the symbol and the focus.

The countries of the Mediterranean region represent the full range of the continuum of economic development--from the high mass-consumption economy of France to the intermediate level economy of Greece to the largely traditionally-oriented economy of Algeria. The belief that economic performance is tempered by the political setting in which economic activity takes place is tested in Chapter V as the statistical analysis is applied to the data.

Finally, Chapter VI offers a summary of the findings and conclusions of the study.

CHAPTER II

INVENTORY OF RESEARCH: POLITICAL INSTABILITY AND ITS RELATIONSHIP TO ECONOMIC DEVELOPMENT

Introduction

Political stability is one of the most widely used concepts in political analysis. Comparative research on this concept suggests that there is a lack of uniformity as to interpretation.

To some 'stability' means maintenance of a particular system of government, a particular constitutional order. To others 'stability' may mean the continuance of a particular leader, or party, or coalition in power. By the first definition the French Third Republic was 'stable' over a long period of time; by the second, it most certainly was not. Yet another definition might be concerned with the frequency of political violence; an unstable system would be one marked by frequent riots, coups, assassinations, or rebellions. Another might be concerned with the basic economic relationships of the country; an unstable state would be one in which ownership of the means of production changed sharply. Still other definitions have appeared in the literature.¹

The dimensions of order and stability have long been central themes in classical political theory; violent upheaval

¹ Bruce Russett, et al., World Handbook of Political and Social Indicators (New Haven: Yale University Press, 1964), p. 97.

has become the modus operandi of more than fifty liberation movements found mainly in the less developed world.² Since 1900 the governments and social systems of perhaps half the world's population have changed by violent means. "Disorderly, nonconstitutional political processes have been the dominant mode of our era,"³ but protest and change have come to the "developed" world too. Americans have experienced mass civil protests in their cities and on their campuses during the 1960s over the issues of racial equality and the war in Indochina. Political scientists now realize that politics has a violent dimension even in the most developed nations.⁴

To explore such a concept as political instability, it is essential to develop as clear and concise a definition as possible within the limitations imposed above. Ivo and Rosalind Feierabend present a definition of the political instability concept which attempts to relate this phenomenon to the political system in which it exists. They state that it is defined as:

. . . the degree or the amount of aggression directed by individuals or groups within the political system against other groups or against

²Charles L. Taylor and Michael C. Hudson, World Handbook of Political and Social Indicators (2nd ed.; New Haven: Yale University Press, 1972), p. 59.

³James C. Davies, ed., When Men Revolt and Why: A Reader in Political Violence and Revolution (New York: The Free Press, 1971), p. 4.

⁴Taylor and Hudson, World Handbook, p. 59.

the complex of officeholders and individuals and groups associated with them. Or, conversely, it is the amount of aggression directed by these officeholders against other individuals, groups, or officeholders within the polity.⁵

In order to operationalize this definition, seven indicators of political instability were chosen.⁶ The indicators have been compiled by Charles Hudson and Michael Taylor and are archived at the Inter-University Consortium for Political Research, University of Michigan, Ann Arbor, Michigan.⁷

The behavior which we have termed "political instability" is often called "violence," "internal conflict," "strife," or "disorder," and is distinguished in this study as an integral and normal part of the political process, not merely an aberration to be viewed separately. The recorded events of these types of political instability are not to be considered "deviant" from moral or empirical norms. Protest demonstrations, for example, are frequently legal within a given political system and generally nonviolent in terms of injury to persons or damage to property.⁸

⁵Ivo K. Feierabend and Rosalind L. Feierabend, "Aggressive Behavior Within Polities, 1948-1962, A Cross-National Study," Journal of Conflict Resolution, X (September, 1966), 250.

⁶See Appendix A for a description of each indicator of political instability.

⁷Robert Beattie, Assistant Director, International Relations Archives, Inter-University Consortium for Political Research, University of Michigan, Ann Arbor, Michigan, considers this set to be the best available indicators of political instability. Telephone interview, December 20, 1972.

⁸Taylor and Hudson, World Handbook, p. 63.

Individual and group protests may be considered as indicators of relations between the rulers and the ruled. The demonstrations, riots, and armed attacks are acts of protest mainly directed against a regime or its policies; and, conversely, the regime acts against opposition through threatened or actual coercion, sometimes involving violence.⁹

The universality of individual group protest and violence as a form of participation within the political system is documented by the fact that only with rare exception has a modern government been free of political violence for as much as a single decade. The Feierabends have found that between 1948 and 1962, internal conflict behavior occurred in all but 'one' of 84 nations examined.¹⁰ Ted Gurr found, in a study of 121 countries for the time period 1961-1967, that internal conflict behavior occurred in 114 of the nations.¹¹

The occurrence of domestic political violence, of course, is not unique to the modern nation-state but is a well-documented fact in most nations over time. Pitirim Sorokin analyzed the histories of eleven European states and

⁹Taylor and Hudson, World Handbook, p. 63.

¹⁰Feierabend and Feierabend, "Aggressive Behavior Within Politics," 249-71. A similar inference is reached by Betty A. Nesvold, "A Scalogram Analysis of Political Violence," Comparative Political Studies, II (July, 1969), 172-94.

¹¹Ted R. Gurr, "A Comparative Study of Civil Strife," in The History of Violence in America, Report to the National Commission on the Causes and Prevention of Violence, ed. by Hugh Davis Graham and Ted R. Gurr (New York: Praeger, 1969), p. 573.

empires over a 25-century span and found that they averaged only four peaceful years for each year in which there was a major incident of civil unrest.¹² Similarly, Peter Calvert found that a total of 367 revolutions occurred in all countries during the historical time period between 1900 and 1965. This was an average of 5.56 a year for the 65-year period.¹³ In the historical period between 1800 and 1960 William Flanigan and Edwin Fogelman found that political violence was widespread in sixty-five countries studied.¹⁴

Having discussed the definition of political instability and its ubiquitous nature we now explore studies relating first to the human dimensions, and then to cross-national research on this subject.

Human Dimensions

James C. Davies observes that:

Violence among men goes back to the beginnings of human history, when Cain slew his brother Abel and later asked the question: 'Am I my brother's keeper?' Violence among citizens, of which revolution is the most extreme sort, probably goes as far back in the history of government. Indeed, it may be argued that violence of citizen against citizen, government against

¹²Pitirim Sorokin, Social and Cultural Dynamics, Vol. III: Fluctuations of Social Relationships, War, and Revolution (New York: American, 1937), pp. 383-506.

¹³Peter A. R. Calvert, "Revolution: The Politics of Violence," Political Studies, XV, No. 1 (1967), 1.

¹⁴William H. Flanigan and Edwin Fogelman, "Patterns of Political Violence in Comparative Historical Perspective," Comparative Politics, III, No. 1 (October, 1970), 1-20.

citizen, and citizen against government has always come before orderly political processes. . . . Men have always had the power to use violence against government; governments have always had the power to use violence against citizens. The question is not as to the power but as to the reasons people decide to exercise it.¹⁵

Explanations of fundamental causes of human behavior related to political consequences have been offered since Plato's Republic. This survey of the human dimensions of political instability will concentrate briefly on the classical and historical reference to this phenomenon and then take up the more recent developments of the social scientists' search for the fundamental causes of civil disorders and revolutions. We shall expect to find that the center of emphasis is placed first on the human mind as the elemental factor, then on the assertions that internal conflict behavior begins in group (economic, ethnic, or religious) conflict, and back again to the belief that violence and strife originate in the minds of men.

Aristotle notes a link between peoples' aspirations and their tendency to revolt when they fail to attain them.¹⁶ His study of man and society led him to believe that revolutions occur from a failure of a society to realize equality. " . . . it is the passion for equality which is thus at the root of sedition."¹⁷

¹⁵ Davies, When Men Revolt, p. 3.

¹⁶ Ibid., p. 86.

¹⁷ Aristotle, Politics, cited in Ernest Baker, The Politics of Aristotle (London: Oxford University Press, 1952), p. 205.

In 1776, when Jefferson premised the argument for independence from British rule with the statement that "all men are created equal," he was making an assertion about man's nature. Men who have been denied equality have been a major factor in all major revolutionary upheavals since Luther posted his ninety-five theses on the Wittenberg church door; indeed, since long before that.¹⁸

The identification of the inequalities of wealth and power by Machiavelli as a cause for the existence of civil strife comes closest to providing an operational theory of political violence as a control technique for governments and in recognizing both its strengths and weaknesses. Violence was seen as an inherent part of the political process, something governments could not avoid.

Machiavelli provides some theoretical and practical guides to government, but it was not until later in history that similar discourses became abundantly available to insurgents or revolutionaries. Engels, Marx, Lenin, Blanqui, Bakunin, Necaev, Sorel, and Fanon put out a stream of literature from the middle of the nineteenth century on. This later literature dealt almost exclusively with revolutionary violence and ways of capitalizing on the weaknesses of governments observed by Aristotle.

Max Weber provides an analysis which associates revolution, violence, and other control techniques. He places

¹⁸ Davies, When Men Revolt, p. 7.

violence in the center of political action by defining the state in terms of a monopoly on the legitimate use of violence.¹⁹

Most of the contemporary researchers of political violence base their analysis on individuals rather than on social aggregates. Their thesis is fundamentally a psychological one: political violence is more prone to occur when a period of objective economic and social development is followed by a short period of sharp reversal. This effects a rapidly widening gap between gratifications (socio-economic or otherwise) which suddenly drop off while expectations (socio-economic or otherwise) continue to rise. Frustration resulting from economic or social dislocations is the most general cause of this widening gap of individual dissatisfaction. People fear that the gains made in individual and collective satisfaction, obtained with great effort during the past period of economic and social development, will be hopelessly lost; hence, their mood becomes violent.²⁰

Figure 1 shows Davies' interpretation of this idea. He supports this notion with evidence from Door's Rebellion, the Russian Revolution, and the Egyptian Revolution.

The theoretical foundations of the 'gap' between social expectation and social achievement which Davies documents have

¹⁹Edward W. Gude, "Political Violence in Venezuela: 1958-1964," in When Men Revolt and Why, ed. by James C. Davies (New York: The Free Press, 1971), pp. 259-73.

²⁰James C. Davies, "Toward a Theory of Revolution," in When Men Revolt and Why, ed. by James C. Davies (New York: The Free Press, 1971), pp. 133-35.

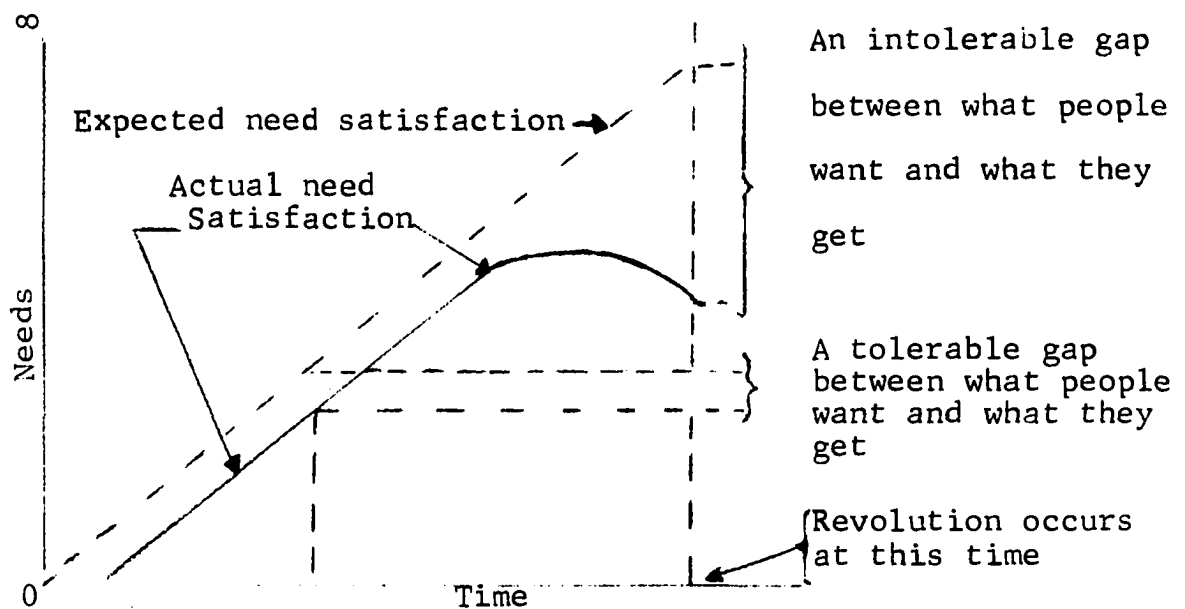


Figure 1. Need Satisfaction and Revolution

Source: James C. Davies, "Toward a Theory of Revolution," in When Men Revolt and Why, ed. by James C. Davies (New York: The Free Press, 1971), p. 135.

come to be known as the "relative deprivation theory." In brief, the theory of relative deprivation maintains that social strain and discontent are caused by a widening gap between aspirations and achievements.

Leonard Berkowitz is of the belief that a person's frustrations are more severe when the anticipated satisfactions he expects to derive from a goal are not achieved. The phrase "revolution of rising expectations" refers to just this conception of frustration.²¹ The demonstration effect that accompanies

²¹Daniel Lerner, "Modernizing Styles of Life: A Theory," in The Passing of Traditional Society: Modernizing the Middle East, ed. by Daniel Lerner (New York: Free Press, 1958), pp. 43-75.

the acquisition of modern conveniences by some members of a poverty-stricken group heightens expectations among all the members. Frustrations follow for the less fortunate members, not merely because they had previously been deprived of these things; their frustrations arise only after they had begun to hope. Privations in themselves are much less likely to elicit violence than is the destroying of hope.²²

Closely aligned to the relative deprivation theory as an explanation of domestic unrest is the concept of "social mobilization." This theory holds that a change in life styles of social relationships among people within a country leads to a personal destabilizing experience. In the words of the literature, a change in life style creates social tensions. Economic development is said to be a process of social mobilization by which people are uprooted from their traditional ties and ways of life and exposed to constantly changing social conditions.²³ Along these lines, Samuel Huntington categorizes the ways in which modernization tends to promote conflict among groups. As modernization proceeds, structural and qualitative changes occur in urbanization, education, and communication, leading to increased aspirations. When groups and individuals

²²Leonard Berkowitz, "The Study of Urban Violence: Some Implications of Laboratory Studies of Frustration and Aggression," in When Men Revolt and Why, ed. by James C. Davies (New York: The Free Press, 1971), pp. 181-87.

²³Leila Hucko Fraser, "A Cross-National Analysis of Political Instability and Economic Development" (unpublished Ph.D. dissertation, University of Illinois, 1971), p. 8.

try to satisfy these aspirations (increased demands), they often are stymied due to lack of resources available to society to meet these demands.²⁴ Then, as Karl Deutsch notes, political instability is prone to occur as the increased number of mobilized people cannot be assimilated into the modern sector in terms of employment, education, and other aspirations.²⁵

Other studies tend to support Huntington and Deutsch in their association of social mobilization with political instability through demands--capability reasoning. The same general manner of reasoning can be found in the writings of Wilbert E. Moore²⁶ and Arnold Feldman.²⁷

Lerner,²⁸ Lipset,²⁹ and Cutright³⁰ suggest that the wealth of a country determines its degree of political stability; that is, that an inverse relationship exists between economic development and political instability.

²⁴Samuel P. Huntington, Political Order in Changing Societies (New Haven: Yale University Press, 1968), p. 54.

²⁵Karl W. Deutsch, "Social Mobilization and Political Development," American Political Science Review, LV, No. 3 (September, 1961), 499.

²⁶Wilbert E. Moore, "Industrialization and Social Change," in Industrialization and Society, ed. by Bert F. Hoselitz and Wilbert E. Moore (The Hague: Mouton Co., 1963), p. 349.

²⁷Arnold S. Feldman, "Violence and Volatility: The Likelihood of Revolution," in Internal War, ed. by Harry Eckstein (New York: The Free Press, 1964), p. 116.

²⁸Lerner, "Modernizing Styles of Life," pp. 43-75.

²⁹Seymour Martin Lipset, "Some Social Requisites of Democracy: Economic Development and Political Legitimacy," American Political Science Review, LIII (March, 1959), 69-105.

³⁰Phillips Cutright, "National Political Development: Measurement and Analysis," American Sociological Review, XXVIII (April, 1963), 253-64.

Additional research efforts linking economic conditions to political instability have been made, with contrary conclusions. Lyford Edwards notes that: "As a group experiences an improvement in its living conditions of life, it will also experience a rise in its level of desires . . . leading to dissatisfaction and rebellion."³¹

Crane Brinton, in his analysis of the American, French, Russian, and English Revolutions noted the commonality that their " . . . societies were on the upgrade economically. . . ."³²

Raymond Tanter and Manus Midlarsky's findings for Latin America support McBrayer's judgement for that region--an increase in GNP per capita has a significant inverse relationship with political instability. On the other hand, Tanter and Midlarsky found that a significant positive relationship held for the Asian and African regions.³³

As an example of how these findings can be applied in analyzing contemporary conditions, we may now look at the development problems of low-income countries. One problem is that of over-extending or over-selling development. The allegation that "anything we can do will be useful and will provide more than

³¹Lyford P. Edwards, The Natural History of Revolution (Chicago: The University of Chicago Press, 1927), cited by McBrayer, "External Economic Linkages," p. 137.

³²Crane Brinton, The Anatomy of Revolution (New York: Vintage Books, 1965), pp. 250-64.

³³Raymond Tanter and Manus Midlarsky, "A Theory of Revolution," Journal of Conflict Resolution, XI (September, 1967), 277.

they have now" may sometimes be true, but it may also raise expectations above realistic levels.³⁴

In the twentieth century a common rallying point for political revolutions in the less developed countries is the question of inequality in land use and ownership. Davies contends that these factors determine a citizen's attitude toward his government. If a citizen feels that there is unjust distribution, he will harbor feelings of hostility toward his government.³⁵ This was so in the sixteenth-century German peasant revolt,³⁶ the eighteenth-century French Revolution, and the twentieth-century Russian and Cuban Revolutions.³⁷ And today, late in the twentieth century, land use and ownership remains a dominant political issue for those nations with a substantial rural population, which includes most of the nations of the world. This question also is reflected in the urban areas since rents and living conditions in the urban slums contribute to the explosive conditions prevailing there.³⁸

³⁴David C. Schwartz, "A Theory of Revolutionary Behavior," in When Men Revolt and Why, ed. by James C. Davies (New York: The Free Press, 1971), p. 130.

³⁵Davies, When Men Revolt, p. 25.

³⁶The basis for the German peasant discontent in the early 16th century that culminated in an unsuccessful rural revolt in 1525 was not identical but similar to those that De Tocqueville later described as developing in France before its revolution in 1789 and to those which Mao Tse-Tung and others emphasized in China before its great revolution. Davies, When Men Revolt, p. 25.

³⁷For an excellent discussion of the Cuban Revolution see: Benjamin Higgins, Economic Development (2nd ed.; New York: W.W. Norton & Co., 1968), ch. 34.

³⁸Davies, When Men Revolt, p. 205.

One of the first explicit attempts to come to grips with man's relation to the soil and to correlate that relationship with political violence has been through the efforts of Bruce Russett.³⁹ He reaches the tentative conclusion that there can be much latitude in the distribution of land ownership without producing political instability. The critical point is that if those at the lower end of the distribution are unable to provide for themselves and their families from the fruits of their labor, then political instability reaches a high point.⁴⁰ At variance with this view is the experience of Mexico following the Revolution of 1910. The agrarian reform (ejido system) abolished the feudal arrangement of land ownership and redistributed an estimated one-quarter of all farm land and about one-half of all cultivated land.⁴¹ Although the plots of land received by the ejidos were in most cases of sub-optimum size, nevertheless, the land was their own. In contrast to Russett's findings, the relative size of farms was less important than the question of ownership as the agrarian reform proved to be politically stabilizing. Russett's latter point would also be dismissed by Eric Hoffer, who contends that the wretchedly poor have little energy for agitation for a better political system, even if they held much

³⁹ Bruce Russett, "Inequality and Instability: The Relation of Land Tenure to Politics," in When Men Revolt and Why, ed. by James C. Davies (New York: The Free Press, 1971), pp. 206-13.

⁴⁰ Ibid.

⁴¹ Eastin Nelson, The Economic Potential of Mexico, 1970-1975 (Santa Barbara: TEMPO, 1959), quoted in Higgins, Economic Development, p. 637.

hope that real improvement was possible. "There is thus a conservatism of the destitute," says Hoffer, "as profound as the conservatism of the privileged."⁴²

Russett has investigated still another interesting possibility--that equality may be related to the stability of a democratic regime.⁴³ That is, it is highly unlikely that a nation with grossly unequal patterns of distribution of major sources of wealth, such as agricultural land, will have a consistently democratic government. Table 1 is a sixfold synopsis showing each of the countries in Russett's sample, classified after Lipset as a "stable democracy," an "unstable democracy," or a "dictatorship,"⁴⁴ and also listed as above or below the median for the Gini index of land inequality.⁴⁵ The time period is 1945-1961.

⁴²Eric Hoffer, The True Believer: Thoughts on the Nature of Mass Movements (New York: The New American Library, 1951), p. 17 and passim.

⁴³Russett, "Inequality and Instability," p. 213.

⁴⁴"Stable democracies" are defined as states that have been characterized by the uninterrupted continuation of political democracy since World War I, and the absence since that time of a totalitarian movement, either Fascist or Communist, which at any point received as much as twenty percent of the vote. "Unstable democracies" are countries which, although unable to meet the first criteria, nevertheless have a history of more or less free elections for most of the post-World War I period. "Dictatorships" are those countries in which, perhaps despite some democratic interludes, free elections have generally been absent. Lipset, "Some Social Requisites of Democracy," pp. 73-74.

⁴⁵The Gini index is a simple summary measure of the total inequality of a distribution. The Gini index for inequality in land distribution calculates over the whole population the difference between an "ideal" cumulative distribution of land (where all farms are the same size) and the actual distribution. The higher the Gini index, the greater the inequality.

Table 1

STABLE DEMOCRACIES, UNSTABLE DEMOCRACIES,
AND DICTATORSHIPS BY DEGREE OF INEQUALITY
IN LAND DISTRIBUTION

GINI INDEX	STABLE DEMOCRACIES	UNSTABLE DEMOCRACIES	DICTATORSHIPS
Greater than Median Equality	Denmark Canada Switzerland India Philippines Sweden Belgium Ireland Netherlands Luxembourg Norway United States United Kingdom	Japan France Finland West Germany	Yugoslavia Poland Taiwan S. Vietnam Libya Panama
Median Equality or Less	New Zealand Uruguay Australia	Austria Greece Italy Brazil Colombia Argentina Costa Rica Chile	Egypt Honduras Nicaragua Spain Cuba Dom. Republic El Salvador Guatemala Ecuador Peru Iraq Venezuela Bolivia

Source: Bruce M. Russett, "Inequality and Instability: The Relation of Land Tenure to Politics," in When Men Revolt and Why, ed. by James C. Davies (New York: The Free Press, 1971), p. 213.

The results lend credence to De Tocqueville's basic observation that no state can long maintain a democratic form of government if the major sources of economic gain are divided too unequally among its citizens. Of the twenty-three states with the more equal pattern of land distribution (Greater than Median Equality) thirteen are stable democracies, whereas only three of the twenty-four countries with the more unequal distribution of land can be classified as stable democracies. And, as Russett points out, each is a fairly rich state where agriculture is no longer the principal source of wealth.⁴⁶

The state of a nation's economic posture is the basis for much research and theory relative to political instability. In addition to the general theory of the gap between economic expectations and distribution as the source of political instability, James D. McBrayer, Jr. cites four expressive concepts of the relationship between economic development and political instability.⁴⁷

(1) The Marxian view:

As a group experiences a worsening of its conditions of life, it will become increasingly dissatisfied until it eventually rebels.⁴⁸

⁴⁶Russett, "Inequality and Instability," p. 213.

⁴⁷James D. McBrayer, Jr., "External Economic Linkages and Political Instability in Latin America: 1949-1969" (unpublished Ph.D. dissertation, Emory University, 1972), p. 136.

⁴⁸Cited by James C. Davies, "Toward a Theory of Revolution," American Sociological Review, XXVII, No. 1 (February, 1962), p. 5.

(2) The Alexis De Toqueville statement:

In none of the decades immediately following the Revolution did our national prosperity make such rapid forward strides as in the two preceding it . . . this steadily increasing prosperity, far from tranquilizing the population, everywhere promoted a spirit of unrest. . . . Thus it was precisely in those parts of France where there had been most improvement that popular discontent ran the highest. . . . For it is not always when things are going from bad to worse that revolution breaks out. On the contrary, it oftener happens that when a people which has put up with an oppressive rule over a long period without protest suddenly finds the government relaxing its pressure it takes up arms against it.⁴⁹

(3) The Davies' hypothesis:

Revolutions are most likely to occur when a prolonged period of objective economic and social development is followed by a short period of sharp reversal. People then subjectively fear that ground gained with great effort will be quite lost; their mood becomes revolutionary.⁵⁰

(4) Davies' other concept:

Satisfied or apathetic people who are poor in goods, status, and power can remain politically quiet and their opposites can revolt, just as, correlatively and more probably, dissatisfied poor can revolt and satisfied rich oppose revolution. It is the dissatisfied state of mind rather than the tangible provision of 'adequate' or 'inadequate' supplies of food, equality, or liberty which produces the revolution.⁵¹

The second area of research to be reviewed in this chapter will be those studies which have attempted systematic empirical

⁴⁹Alexis De Toqueville, The Old Regime and the French Revolution, trans. by Stuart Gilbert (Garden City, New York: Doubleday and Co., 1955) quoted in When Men Revolt and Why, ed. by James C. Davies (New York: The Free Press, 1971), pp. 95, 97.

⁵⁰James C. Davies, "Toward a Theory of Revolution," in When Men Revolt and Why, ed. by James C. Davies (New York: The Free Press, 1971), p. 134.

⁵¹Ibid., p. 136.

analyses of political instability more or less broadly based in cross-national studies. The major emphasis will be given to those studies that investigate the association between economic development and political instability.

Cross-National Research

Several social scientists have made systematic cross-national comparisons of political instability. Their aim is to portray quantities of civil unrest and change for comparative analysis. Numerous studies might be mentioned, but this listing concentrates on some of the most important ones using a number of countries and several different variables.

One of the most ambitious undertakings to date is the Arthur Banks and Robert Textor study, A Cross-Polity Survey.⁵² Their efforts represent a rating of 115 separate nations on 57 different political and social characteristics. Tables are presented showing the degree of association between characteristics (variables).

A unique element in the Cross-Polity Survey is that the authors have also presented "soft" judgmental variables like interest articulation or the political role of the police, in contrast to typical studies such as Russett, et al,⁵³ which rely exclusively on "hard" quantifiable variables like radios per

⁵² Arthur S. Banks and Robert Textor, A Cross-Polity Survey (Cambridge: The M.I.T. Press, 1963).

⁵³ Russett, World Handbook.

1,000 population and votes for socialist parties as a percentage of total vote.

A similar approach to the Cross-Polity Survey is the work by Lyle W. Shannon.⁵⁴ His analysis includes the creation of Guttman scales as well as simple indices of the correlation between paired variables.

In a work that has raised almost as many questions as it has answered, the Feierabends make an elegant attempt to scale various kinds of instability--from labor strikes at one end, to assassinations to coups d'état and actual civil war at the other.⁵⁵ In this study two major components of social research are combined: psychological theory, and the quantitative analysis of aggregate data. The aggregate data are statistics mirroring various internal conditions of all the nations in the world. Included are data on such things as percentage levels of literacy, percentage of population living in urban centers, number of telephones and doctors per capita, and on various kinds of instability events.⁵⁶

⁵⁴Lyle W. Shannon, "Socio-Economic Development and Political Status," Social Problems (Fall, 1959), pp. 157-69; "Is the Level of Development Related to Capacity for Self-Government?" The American Journal of Economics and Sociology, 17, No. 3 (1958), 367-81.

⁵⁵Feierabend and Feierabend, "Aggressive Behavior Within Polities," pp. 229-49. The Feierabends' article contains a wealth of references to previous research on political instability.

⁵⁶Davies, When Men Revolt, pp. 228-29.

Using a sample of thirty-six nations for a time period covering approximately one hundred years (1865-1966), Banks presents evidence to support the hypothesis that there is a general tendency for political stability, democratic performance, and modernization to vary positively, at least for the non-communist nations, during essentially normal conditions of political life.⁵⁷

In a major work on the stability of democracy, Lipset examined the characteristics for two groupings of national political systems: stable and unstable democracies, and popular and elite-based dictatorships for Western Europe and Latin America over a 30-year period. The criteria were essentially the presence or absence of free elections and the presence or absence of a totalitarian movement, either fascist or communist, which at any point during the period of study received as much as 20 percent of the vote. The findings revealed for each region that a relatively high level of economic development was associated with "stable democracies."⁵⁸

In conjunction with the above findings, Huntington agrees that there is a significant correlation between economic development and political instability, but this relationship is dependent upon the "stage" of economic development.⁵⁹

⁵⁷ Arthur S. Banks, "Modernization and Political Change: The Latin Americans and Amer-European Nations," Comparative Political Studies, II, No. 4 (January, 1970), 405-18.

⁵⁸ Lipset, "Some Social Requisites of Democracy," 69-105.

⁵⁹ Huntington, Political Order, p. 53.

Along these lines, the studies of Almond and Verba⁶⁰ tend to support the theses of Huntington⁶¹ and Lipset,⁶² who contend that the political climate necessary to support a democratic political system correlates with highly developed economic factors. Almond and Verba assert that:

. . . economic advance and a shift in the distribution of the labor force toward a higher proportion of skilled, white-collar, technical, and managerial personnel may be accompanied by the development of a more competent citizenry . . . /and possibly/ . . . development of democratic political participation. . . .⁶³

Contrary to the above-mentioned views that economic abundance leads to political development in the form of democracy, Max Millikan denies any bases for such a relationship: " . . . most scholars have little more than a priori reasoning to offer concerning the relationship between economic development and political development /democracy/." ⁶⁴ Hans Morgenthau emphatically denies such a relationship as he states that:

⁶⁰ Gabriel Almond and Sidney Verba, The Civic Culture: Political Attitudes and Democracy in Five Nations (Princeton: Princeton University Press, 1963).

⁶¹ Huntington, Political Order, p. 53.

⁶² Seymour Martin Lipset, Political Man: The Social Bases of Politics (New York: Doubleday and Co., 1960), p. 64.

⁶³ Almond and Verba, The Civic Culture, p. 345.

⁶⁴ Max F. Millikan, "The Political Case for Economic Development," in Why Foreign Aid? ed. by Robert A. Goldwin (Chicago: Rand McNally and Co., 1963), p. 74.

No necessary relationship exists between the two /economic development and democracy/. Recent history has made this clear. The most impressive example is the Soviet Union. Its rapid development has gone hand in hand with authoritarian government and a case could well be made for the proposition that the former would have been impossible without the latter.⁶⁵

Zbigniew Brezezinski and Huntington acknowledge the correlation between economic development and political instability but, citing the Soviet Union and Nazi Germany as examples, contend that economic development affects political systems in different ways, depending upon the society's present environment and past social history.⁶⁶

In a study mentioned earlier in this paper, Russett has applied multiple regression analysis in discriminating the effects of land variables and economic variables on political instability. His conclusion for the study of 47 countries was that inequality clearly is associated with political instability, especially when other influences such as per capita G.N.P. and the percentage of the labor force engaged in agriculture are taken into account.⁶⁷

In Rudolph Rummel's Dimensionality of Nations Project an attempt is made to include a wide variety of indices in a factor

⁶⁵Hans J. Morgenthau, "Preface to a Political Theory of Foreign Aid," in Why Foreign Aid? ed. by Robert A. Goldwin (Chicago: Rand McNally and Co., 1963), p. 74.

⁶⁶Zbigniew Brezezinski and Samuel Huntington, Political Power: USA/USSR (New York: Monthly Review Press, 1969), p. 40.

⁶⁷Russett, "Inequality and Instability," p. 213.

analysis not limited to measures of economic development. One study in this project has endeavored to identify patterns of domestic and international conflict.⁶⁸ The technique of factor analysis was also used by P. M. Gregg and Arthur S. Banks to investigate the characteristics of both developed and underdeveloped nations.⁶⁹

Peter and Anne Schneider have presented research which attempts to synthesize and test a series of hypotheses linking certain aspects of social change, political institutions, and economic development with political violence in ten of the world's more affluent nations for the time period 1948-68.⁷⁰ Their evidence seems to support the contention that violence results from changes occurring too rapidly for the institutions to handle and too rapidly given the extent of economic resources available to meet the increasing demands. A consequence of this study is that it demonstrates the feasibility of utilizing cross-national data in the analysis of nations which tend to cluster on many statistical indicators, e.g., political violence or

⁶⁸Rudolph J. Rummel, "Dimensions of Conflict Behavior Within and between Nations," General Systems, Yearbook of the Society for the Advancement of General Systems Theory, Ann Arbor, Michigan, 1963.

⁶⁹P. M. Gregg and Arthur S. Banks, "Dimensions of Political Systems: Factor Analysis of a Cross-Polity Survey," American Political Science Review, LIX, No. 3 (1965), 602-14.

⁷⁰Peter R. Schneider and Anne L. Schneider, "Social Mobilization, Political Institutions, and Political Violence: A Cross-National Analysis," Comparative Political Studies, IV, No. 1 (April, 1971), 69-90.

economic development. However, the authors warn that the findings should not be generalized to all nations, and particularly not to those which are the least developed.

Nesvold has used a cross-national analysis of political violence as it occurred in eighty-two nations during the period 1948-61 in an attempt to measure the amounts of social unrest in a nation--including both violent events and those that were potentially violent.⁷¹ Her findings reveal that there is clearly the tendency for the most industrialized nations to be the most peaceful nations. As nations begin the ordeal of industrialization, it is postulated, large numbers of people are attracted away from the rural environment to form a pool of labor for an expanding urban industrial base.

If these people find frustration and poverty rather than some of the gratifications of modernized society, one can expect to find a core of discontented persons who are living in close enough proximity so that collective expressions of this discontent are all too likely to occur. Furthermore, there is speculation in the literature that the paternalistic aspect of traditional society causes these new participants in modernity to look to the government as the agency with the power to dispense or withhold these sought-after benefits.^{72, 73}

⁷¹Nesvold, "Scalogram Analysis of Political Violence," 172-94.

⁷²Ibid., 181-82.

⁷³The frequent occurrence of serious social tensions and social unrest in the early industrialization of a nation has been noted. See, for example, Phillip M. Hauser, "The Social, Economic, and Technological Problems of Rapid Urbanization," and B. F. Hoselitz, "Main Concepts in the Analysis of the Social Implications of Technical Change," in Industrialization and Society, ed. by B. F. Hoselitz and W. E. Moore (Paris: UNESCO-Mouton, 1963), pp. 211 and 12-13, respectively. See also W. E. Moore, "The Social Framework of Economic Development," in Tradition, Values, and Socio-Economic Development, ed. by Ralph Braibanti and J. J. Spengler (Durham, North Carolina: Duke University Press, 1961), p. 71.

In addition, Nesvold believes that the data verify a curvilinear pattern of relationships among those nations that are presently at different levels of development. Operationally, this means that the greatest amount of violence occurs at the middle levels of development. Those groups of nations with the highest and lowest GNP per capita and the highest and lowest literacy rates are the most non-violent.

This same finding was noted by Russett, et al. (see Figure 2) who suggests that in a traditional society knowledge is limited, aspirations are limited, and expectations as to the proper activities of government are limited. All this changes with development.⁷⁴

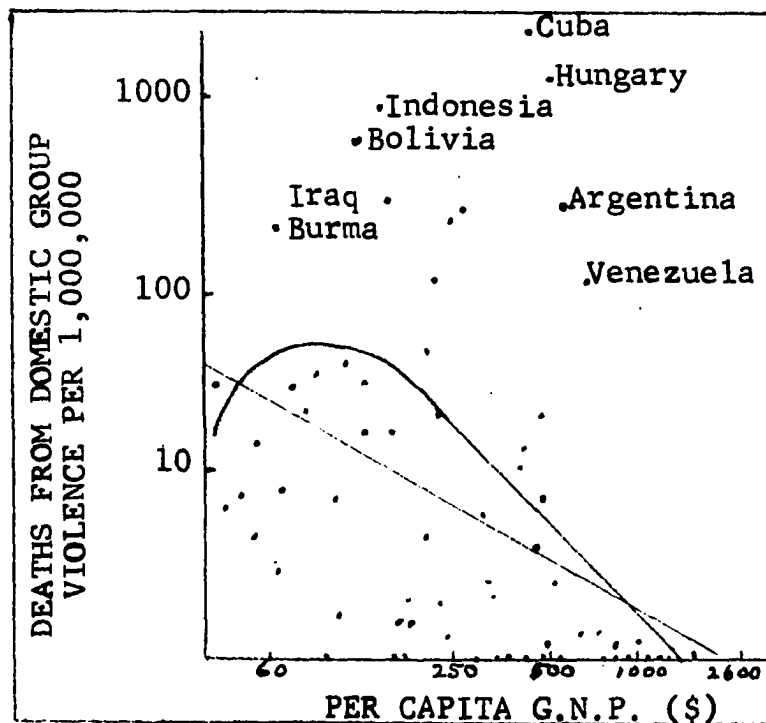


Figure 2. Economic Development is associated with Political Violence at Middle Stages of Development

Source: Bruce Russett, et al., World Handbook of Political and Social Indicators (New Haven: Yale University Press, 1964), p. 307.

⁷⁴Russett, World Handbook, p. 307.

This relationship was further elaborated in joint studies by the Feierabends and Nesvold. Using the generally-held notion that the more developed a society the more stable it will be, i.e., less domestic violence as the touchstone, the researchers compared eight indicators of the level of development for the period 1948 through 1955 and the degree of political stability for the period 1955 through 1961. The relationship produced no correlation below .79(N = 84).⁷⁵ The interpretation is that political stability in time period two is highly correlated with the level of development in time period one. Additionally, the authors came to the conclusion that modern and traditional societies tend toward stability, while the transition to modernization leads to political instability and violence.⁷⁶ In the words of the authors:

The arousal of an underdeveloped society to awareness of complex modern patterns of behavior and organization brings with it a desire to emulate and achieve the same high level of satisfaction. But there is an inevitable lag between aspiration and achievement. . . . It is postulated that the peak discrepancy between systematic goals and their satisfaction, and hence maximum systematic frustration, is likely to occur during the transitional phase.⁷⁷

⁷⁵Ivo K. Feierabend, Rosalind Feierabend, and Betty Nesvold, "Social Change and Political Violence: Cross-National Patterns," in Violence in America: Historical and Comparative Perspective, ed. by Ted Gurr and Hugh Graham (Washington, D.C.: National Commission on the Causes and Prevention of Violence, 1969), pp. 648-88; Ivo K. Feierabend, Rosalind Feierabend, and Betty Nesvold, "Correlates of Political Stability," Paper presented at the 1963 Annual Meeting of the American Political Science Association, September 4-7, 1963.

⁷⁶Feierabend, Feierabend, and Nesvold, "Social Change and Political Violence," pp. 670-76.

⁷⁷Ibid., p. 647.

Figure 3 depicts the increasing and decreasing gaps between modern aspirations and modern achievements.

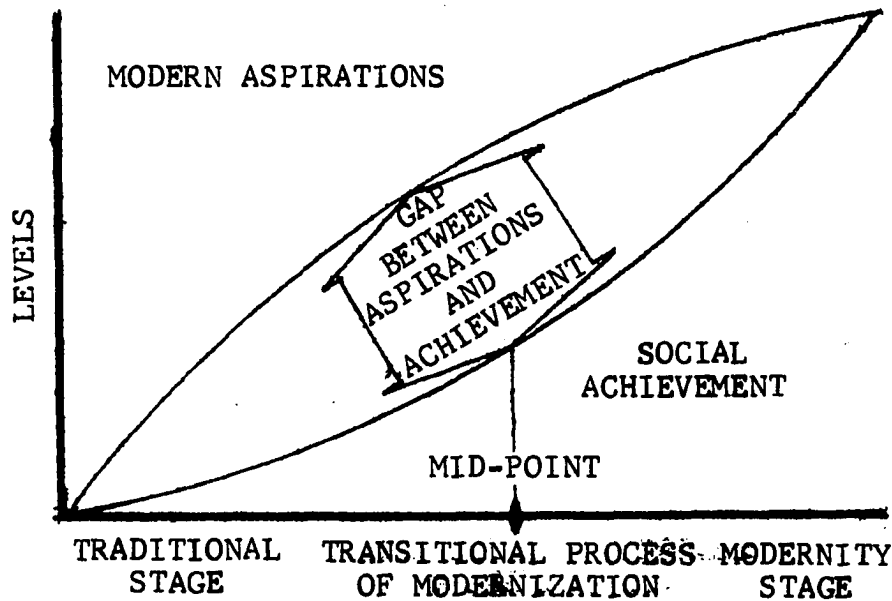


Figure 3. Model of Uneven Growth of Modern Aspirations and Achievement During Transition.

Source: Feierabend, Feierabend, and Nesvold, "Social Change and Political Violence," p. 647.

The modernization process, which has been most rapid in the modernizing states of the twentieth century, is placing a great burden upon the political and social systems of these societies. Huntington points out the findings of Karl Deutsch that during the nineteenth century the " . . . principal indicators of social mobilization in modernizing countries changed at about the rate of 0.1 percent per year, while in twentieth-century modernizing countries they changed at

about the rate of 1.0 percent per year." That is a tenfold increase in the rate of modernization in the twentieth century as compared to the nineteenth.⁷⁸

The relationship between economic development and political stability lacks a consensus among researchers as to the interpretation of the findings. It is reported in one study of 134 countries for the period 1958 to 1965 that violent conflicts were more than four times as prevalent in the least developed countries (with an annual per-capita income of less than 100 dollars) as they were in the highly developed countries (with an annual per-capita income of greater than 750 dollars).⁷⁹ And in a speech delivered at Montreal, Canada, World Bank President Robert McNamara made note of the relationship between development and political stability:

There exists a direct and constant proportion between the annual number of upheavals--which in the years between 1958 and 1966 has almost doubled--and the economic development of the countries involved. Out of the twenty-seven highly developed countries (with an annual per-capita income of greater than 750 dollars) only one has suffered a major upheaval since 1958; out of the thirty-eight least developed countries (with an annual per-capita income of less than 100 dollars) thirty-two suffered outbursts of violence during this period. Eighty-seven percent of the least developed, 69 percent of the underdeveloped, and 48 percent of the half-developed countries have suffered this fate. But out of the 148 revolutions during this eight-year period only

⁷⁸Huntington, Political Order and Changing Societies, pp. 45-47.

⁷⁹U.S. Department of Defense and Escott Reid, The Future of the World Bank (Washington, D.C.: International Bank for Reconstruction and Development, 1965), pp. 64-70.

fifty-eight were directly-related to Communist activity, and of these no less than seven were directed against Communism.⁸⁰

Substantiating these findings, Tanter found, in a study of seventy nations for the years 1955 through 1960, a correlation of $-.56$ between per-capita GNP and the number of revolutions.⁸¹

Corroborating evidence has been obtained by Flanigan and Fogelman in a study of sixty-five countries from 1800 to 1960. Their research revealed a consistently inverse relationship between political instability and rates of development.⁸² This casts doubt on the findings that rapid development is an instigator of political unrest and suggests that rapid development and political stability occur simultaneously.⁸³

As can be seen, an extensive literature is available concerning the relationship between economic development and political instability. Although there are conflicting views

⁸⁰ Robert McNamara, speech delivered to the American Society of Newspaper Editors on May 18, 1966 at Montreal, Canada. Quoted in Arend Theodoor van Leeuwen, Development Through Revolution (New York: Charles Scribner and Sons, 1970), pp. 239-40.

⁸¹ Raymond Tanter, "Dimensions of Conflict Behavior Within Nations, 1958-1960," Journal of Conflict Resolution, X, No. 1 (March, 1966), 41-65.

⁸² Flanigan and Fogelman, "Patterns of Political Violence," 14.

⁸³ Ibid., 13.

as to whether economic development has a negative, or positive, or no effect at all on political stability, the point of thrust for almost all research efforts has been to consider the political system as being acted upon by economic conditions and not vice-versa. Many scholars who are interested in economic and/or political development merely assume that political stability is a necessary condition for economic development. Very little empirical work has been done to test this hypothesized relationship.

Most notable among the scant number of research efforts have been the following.

Irma Adelman and Cynthia Taft Morris present a major study, its purpose being to focus upon the dynamics of the development process through the interaction of specific economic and non-economic variables. Seventy-four under-developed countries were classified with regard to forty-one indicators of socio-political and economic performance for the period 1957-62. The countries were arranged into three groupings based on the level of socio-economic development attained, and then factor-analyzed. Political instability was found to have its most debilitating effect at the intermediate level. By and large, this level is characterized by rapid social change, but progress has been strikingly uneven. As a result, while the previous equilibrium of the social structure has been shattered, the typical society at this level has been unable to reach a new equilibrium. A major

consequence of the condition of dis-equilibrium that now exists is extreme social tension reflected in a persistent lack of national integration, intermittent outbreaks of violence, and marked political instability. And, since long-term investment and thus continuous growth require reasonable stability of the political framework, the authors conclude that one of the crucial policy decisions among countries at the intermediate level must be political stability.⁸⁴

Albert Hirshman⁸⁵ and Barbara Ward⁸⁶ contend that political stability is a prerequisite to economic development. Simon Kuznets⁸⁷ and Charles Wolfe, Jr.⁸⁸ also maintain that a stable political system is a necessary condition of economic development. Peter T. Bauer and Basil S. Yamey see a steady political system in which the maintenance of law and order is one of the "minimum tasks" of the government which are " . . . of vital importance for economic growth and generally a necessary condition for such growth."⁸⁹

⁸⁴Irma Adelman and Cynthia Taft Morris, Society, Politics, and Economic Development: A Quantitative Approach (Baltimore: The John Hopkins Press, 1971).

⁸⁵Albert O. Hirschman, The Strategy of Economic Development (New Haven: Yale University Press, 1958).

⁸⁶Barbara Ward, The Rich Nations and the Poor Nations (New York: W. W. Norton and Company, 1958).

⁸⁷Simon Kuznets, Modern Economic Growth (New Haven: Yale University Press, 1966), pp. 450-55.

⁸⁸Charles Wolfe, Jr., The United States and the Third World (Boston: Little, Brown and Co., 1967), pp. 42-43.

⁸⁹Peter T. Bauer and Basil S. Yamey, The Economics of Underdeveloped Countries (Chicago: University of Chicago Press, 1957), p. 163.

Claudio Velized confirms that political stability is a prerequisite for economic development in Latin America. The principal problem in Latin America is the "stability" of the political system, i.e., the rule of the oligarchy.⁹⁰ Velized is not alone in linking political stability with economic development in Latin America. Said and Collier feel that: "The basic assumption of United States policy for Latin America . . . [is] that political stability is the most important prerequisite for development. . . ."⁹¹

Similarly, Pye is of the belief that:

Stability is legitimately linked with the concept of development, in that any form of economic and social advancement does generally depend upon an environment in which uncertainty has been reduced and planning based on reasonably safe predictions is possible.⁹²

In a second imaginative effort that bears some affinity to their previously-mentioned research, Adelman and Morris again seek to quantify non-economic variables that are thought to be significant in the economic development equation. Their stated purpose was to build an econometric model of socio-economic and political change for the less-developed countries which would give a statistical explanation of the economic and non-economic forces which directly and indirectly determine a country's

⁹⁰Claudio Velized, Obstacles to Change in Latin America (New York: Oxford University Press, 1965), p. 1.

⁹¹Abdul A. Said and Daniel M. Collier, Revolutionism (Boston: Allyn and Bacon, Inc., 1971), p. 85.

⁹²Lucian Pye, Aspects of Political Development (Boston: Little, Brown, and Co., 1966), pp. 41-42.

capacity for economic development. Of the variables (ranked in order of importance) that were found to produce the greatest change with respect to development potential, the majority of the ones above the median are non-economic in nature. The only political factor to have a significant impact is the extent of leadership commitment to economic development.⁹³

A final proposition of Adelman and Morris concerning the relationship between political stability and economic development should be noted. In their view the continued presence of extreme social tensions, accompanied by frequent outbreaks of violence, inevitably hampers economic development because of its adverse effects in the economic sphere on risk-taking activities and therefore on investment. It is expected that the adverse effects would be diffused throughout society to the point where feelings of indecision and hesitation color the outlook toward economic activity of even those who participate only peripherally in market transactions.⁹⁴

As a point in fact, the political instability that characterized Greece during 1944-1948 was a factor in the adverse expectations and low public confidence in the Government's monetary reforms. Consequently, the public did not deposit any

⁹³Irma Adelman and Cynthia Taft Morris, "An Econometric Model of Socio-Economic and Political Change in Underdeveloped Countries," American Economic Review, LVIII, No. 5 (December, 1968), pp. 1184-1219.

⁹⁴Adelman and Morris, Society, Politics, and Economic Development, pp. 45, 267.

great portion of their savings with the commercial banks, leading to a shortage of private savings for economic reconstruction and development.⁹⁵

Conclusion

From the contradictory findings which have been examined one may assert that economic development and political stability/instability are related. However, as previously noted, there is no consensus as to the nature of the relationship between economic development and political instability or as to whether economic development or political stability is the prerequisite of the other. The variety of opinions and results of the many studies concerning this relationship indicate the complexity of the association.

The above-mentioned contradictions in research findings provide an initial stimulus to delve further into this topic. The quantitative analysis presented in Chapter V is designed to provide a clarification to the previously discussed contradictions and to suggest the type of research which is now becoming possible from the available data. Most current quantitative research concerning the relationship between economic development and political instability utilizes some type of cross-national analysis. This approach, however, does not move toward the insights that can be drawn from a more complete study of the subject by the use of individual country analyses.

⁹⁵ Alexander J. Kondonassis, "Monetary Policies of the Bank of Greece, 1949-1951: Contributions to Monetary Stability and Economic Development," Norman, Oklahoma, 1964, pp. 22, 156. (Mimeographed.)

As a society transforms from tribalism to self-sustained economic growth, the interwoven political, social, and economic strands of the social fabric change their patterns and their relationships.⁹⁶ Consequently, it is important to grasp the history and culture of a society in order to make judgements as to how empirically observed phenomena are related to the environment from which they have been extracted. In an attempt to provide an environment for the quantitative research in Chapter V, Chapters III and IV include an analysis of the political, social, and economic history of each of the seventeen countries under study.

⁹⁶Adelman and Morris, Society, Politics, and Economic Development, p. 266.



CHAPTER III

EUROPEAN NATIONS OF THE MEDITERRANEAN SEA

Introduction

In 1945 the future for most of the countries described in this chapter was as bleak as their cities and countrysides which lay in waste from the ravages of war. Events since 1945 have belied the profound pessimism that existed then. The economic recovery has resulted in an era of prosperity and well-being, somewhat unique in European history. With the exception of Albania and scattered pockets of poverty elsewhere, the prosperity is not limited to a relatively small section of the population as it was so often in the past. The welfare state and the spread of higher education have made it possible for increasingly large sections of the population to become active participants in the modern technological societies. The prosperity is marred somewhat by persistent inflation. Inflationary policy is hampered by the attitude that inflation is preferred to joblessness. Other aspects of the problem of inflation concern the structure of European industry with its hosts of small undercapitalized firms and the difficulty of shedding unwanted labor.

The discussion in this chapter and also in Chapter IV brings out opposed elements common to all the nation-states:

first, that they are bound to act in concert in a large number of fields because their interests are complementary, and, secondly, that their national structures impose limitations on their joint action which are detrimental to their prosperity and progress.¹ What these countries--with the exception of Albania--have been seeking since the war is to find a method or methods of resolving this contradiction. An intelligent and constructive movement in this direction is the formation of the European Economic Community (EEC). Indeed, the presence of the EEC is felt in the formulation of nearly every major decision made by the countries discussed in this chapter. The institutional framework of the EEC is needed because without it the long-term advantages of integration--stability, a large market, a more rational use of resources, greater opportunities for political and economic growth--will never be realized. The interdependence of the nations involved necessitates such an institutional arrangement.²

In spite of all the talk of unity, Europeans have not yet overcome the persistence of myriad old tribal and regional interests and loyalties lying within and across the national frontiers. In Yugoslavia, recent outbreaks of Croatian nationalism mark her as the only European nation whose existence as a single, unified state seems directly imperiled. But others

¹John Calmann, ed., Western Europe: A Handbook (New York: Praeger, 1967), p. xvi.

²Ibid., pp. xvii-xviii.

have been shaken, to a greater or lesser degree, by unhappy minorities: France's Bretons and Corsicans, Spain's Basques, and the numerous ethnic groups of Italy--the German- and French-speaking pockets in the north and the Sicilians and Sardinians in the arid mezzogiorno (southland).

The re-emergence of minority problems is partly due to the removal of the kind of external dangers that justify strong central government. Another factor is the advance of modern communications which has brought the threat of cultural homogenization much closer to many once-isolated peoples. The result is that such communities have renewed their insistence on maintaining their own languages, their own traditions and--all too often--their own archaic rivalries.³ It is the Italian sociologist Francesco Ferrarotti maintains, "The greatest single non-unifying factor in Europe is an excess of history."⁴ The danger of such increasingly violent unrest is that it could impair relations between nations and thus slow down the pace of European integration.

The biggest political question marks concern France and Italy. The fear is that a future Socialist-Communist victory in France could also enhance the opportunities of the large, disciplined Communist party in Italy, a country with a chaotic political life. From all indications, Greece is on the threshold

³"The Year of Europe," Time, March 12, 1973, pp. 36-43.

⁴Ibid., p. 43.

of the return to a democratic form of government. It remains to be seen, however, whether the present political stability can be maintained in a democracy. The dictatorial nature of Spain, Yugoslavia, and Albania places them outside the periphery of European politics. The tiny nations of Malta and Cyprus are troubled by relations with England and by the question of national identification, respectively.

A more in-depth analysis will now be made of the major problems that have been highlighted by this introduction.

SPAIN

Spain, in southwest Europe, forms more than four-fifths of the Iberian peninsula. The Spanish people tend to reflect strong regional differences due to the country's historical development and the mountainous terrain, which help isolate one part of the country from another.⁵

The Republicans, taking advantage of the overwhelming majority they had won in parliamentary elections in early 1931, proclaimed the Second Spanish Republic. The Republic, which attempted liberal reforms, was unpopular with the Roman Catholic Church and the aristocracy. General dissatisfaction with the Republic increased as Spain began to feel the impact of the economic Depression of the 1930s. The army, the monarchists, the land-owning aristocracy, and the Church were united in their opposition to the Republic which was subscribed to by the socialists, communists, republicans, and various liberal groups.

Following a Republican victory in elections held in 1936, a military rising led by General Francisco Franco precipitated a three-year civil war confronting his Nationalists against the Loyalists, as the supporters of the government were called. The Loyalists were aided by sympathizers in the

⁵Charles E. Nowell, "Spain," Cowles Encyclopedia of Nations, 1968, p. 175. The Basques, the inhabitants of the Western Pyrenees on the Bay of Biscay, have historically advocated separation from Spain for an autonomous nation.

United States and other countries as well as the Soviet Union. Franco, however, received large-scale aid from Nazi Germany and Fascist Italy, and by 1939 the Loyalists were defeated. A fascist-type regime was established in Spain in which Franco still governs as Chief of State, Head of Government, Commander-in-Chief of the Armed Forces, and head of the National Movement (the only legal political organization in Spain).^{6, 7}

The political stability since 1939 is unique in recent Spanish history, which has been marked by great turmoil.⁸

The basic problems in current Spanish affairs arise from the need for a further adaptation of the country's political institutions and practices as it moves away from the period of civil war and dictatorship and approaches the threshold of the post-Franco era. Pressures for change and contrary pressures for maintenance of the status quo are evident in virtually every sector of Spanish life. . . .⁹

Since 1959, when economic reforms removed many of the controls which had existed on trade and investment, the Spanish economy has made rapid growth. The economy showed a real

⁶ Nowell, "Spain," p. 177; "Spain," Political Handbook and Atlas of the World, 1970, ed. by Richard P. Stebbins and Alba Amoia (New York: Simon and Schuster, 1970), p. 320; U.S. Department of State, Spain, Background Notes Series (Washington, D.C.: Government Printing Office, 1971), p. 1.

⁷ General Franco's designation of Prince Juan Carlos has resolved part of the problem facing Spain as to who shall become the 79-year-old dictator's successor.

⁸ U.S. Department of State, Spain, p. 3.

⁹ "Spain," Political Handbook and Atlas of the World, p. 321.

growth of 7.5 percent in 1972 and is expected to maintain at least a 7 percent growth rate through 1973. About 32 million tourists brought in \$2.1 billion in 1972, helping to push gold and foreign-currency reserves over \$5 billion, up from \$1.7 billion in 1970.¹⁰ Foreigners, their capital, and the resulting industry have swept into Spain, giving her the fastest industrial growth rate among major Free World nations.¹¹ But this rapid growth is also causing problems for Spain. The 8.3 percent inflation rate in 1972 was one of Europe's highest. One of the advantages to foreign investors has been the supply of cheap labor, but wages rose 15 percent in Spain in 1972 and are expected to spurt again in 1973. Also, the work force is showing signs of discontent under a rigid system of government controls. The dynamics of rising expectations have been created and the government is under pressure to meet it.¹²

Spain continues to be on the outside of the EEC-EFTA trading bloc and looking longingly inside. She has been actively engaged in trying to negotiate a new agreement with the EEC that would replace their present preferential

¹⁰ Neil Ulman, "Foreign Industry Pours into Spain, Spurring Rapid Growth Accompanied by Growing Pains," Wall Street Journal, April 27, 1973, p. 26. Spain now has the 10th-largest stock of gold and foreign-currency reserves in the world.

¹¹ Ibid.

¹² Ibid. In addition, the territorial dispute with England over Gibraltar continues as an embroiled issue for the Spanish government.

arrangement which became effective on October 1, 1970. Although the agreement fell short of Spain's expectations, it was in conformity with her general objectives toward westernizing the economy. In essence, the agreement is a six-year trade preference pact which is anticipated to affect favorably 95 percent of Spain's industrial and 62 percent of her agricultural exports to the EEC. In return, Spain agreed to give preferential treatment to about 61 percent of EEC exports to Spain. Statements made by leading European statesmen have indicated that Spain would only be welcomed into the Community when and if its political structures were in harmony with those of the Community.¹³

¹³Alexander J. Kondonassis, "The EEC and Her Association with Israel, Spain, Turkey, and Greece." (Distinguished Lecture Series No. 3, Department of Economics, The Graduate School of Business, The University of Alabama, 1972), pp. 3-4.

FRANCE

The Republic of France, being the largest country in Western Europe, has one of Europe's most homogeneous populations. Due to the strong feeling of cultural unity in France, she has experienced very little expressions of minority unrest.

France occupies a central position in Western Europe and for centuries has played a leading role in European affairs. Also, the intellectual and cultural life of France has had an outstanding influence on other countries.¹⁴

France emerged from World War II in 1944 in a state of virtual exhaustion, after four years of German occupation and government by the Vichy regime.¹⁵ The French were liberated in August, 1944 by Allied forces, which included contingents of the French Committee of National Liberation (the Free French) under General Charles de Gaulle.¹⁶ During the immediate post-liberation period de Gaulle presided over a provisional government, but resigned in 1946 because of communist and socialist opposition to a constitution providing for a strong executive branch. The Fourth French

¹⁴James A. Leith, "France," Cowles Encyclopedia of Nations, 1968, p. 64.

¹⁵Northwestern France was occupied by the Germans. In the southeast the Germans set up a puppet government headed by Marshall Henri-Philippe Pétain, which was known as the Vichy regime after the town that was its capital.

¹⁶Leith, "France," pp. 70-71.

Republic was then established under a new constitution with a parliamentary form of government controlled by a coalition of communists, socialists, and members of the MRP (the Catholic Popular Republican Movement).¹⁷ Twenty-six cabinets were formed during the life of the Fourth Republic, which came to an end in 1958 over the Algerian question and the threat of civil war facing the country.

Invited by Parliament to form a government and prevent incipient civil war, de Gaulle became Prime Minister in June, 1958 and the Fifth Republic came into being with his election as President in December. During the first decade of the Fifth Republic France enjoyed political stability and prosperity and played an ambitious role in foreign affairs. De Gaulle labored to build France into a major power free from the constraint or influence of other nations, particularly the United States, and foreign policy was directed toward that end.

Having survived student and industrial unrest in 1968, which forced economic and educational reform upon the government, de Gaulle resigned on April 27, 1969.¹⁸

Under de Gaulle, France, as well as being a leader of the EEC, became a nuclear power and followed an independent policy with regard to the United States and the Soviet Union. The era of de Gaulle was to a large extent an assertion of

¹⁷ Leith, "France," p. 70; U.S. Department of State, France, Background Notes Series (Washington, D.C.: Government Printing Office, 1971), p. 3.

¹⁸ Leith, "France," p. 70.

France's Great Power status and national prestige. His death in 1970 was deeply mourned.¹⁹

George Pompidou was elected President of the Republic in June, 1969. The government has maintained a large Parliamentary majority, until the last elections in March, 1973, with two other parties as coalition partners of the Gaullist UDR, and has gradually transferred the political allegiance of Gaullists from their former exceptional leader to the support of a more traditionally-based political party.²⁰ The Pompidou government has continued to follow the independent policy that was launched by de Gaulle, while maintaining close economic relations with her allies and playing a leading role in European affairs. The opposition parties of the left and center have combined their electoral forces and thus represent an ominous political challenge to the present government.

France is still Western Europe's leading agricultural country, with more than three-fourths of its area under cultivation, although agriculture has lost its dominant place in the economy.²¹ Since World War II French industry has expanded most rapidly. At present France has the fastest growing economy in Europe and is expected to surpass

¹⁹"France," Europa Year Book, 1972, I (16th ed.; London: Europa Publications Limited, 1972), p. 678.

²⁰Ibid.

²¹French agriculture is characterized by outdated techniques and low productivity.

West Germany in industrial output by 1980. Industrial expansion is being aided by a high level of public investment in services, amenities and regional development, and by reforms of working practices in many industrial concerns.^{22, 23}

Strong governmental direction of the economy under a series of formal development plans (indicative planning) also have contributed greatly to France's economic growth. The plans involve close cooperation between government and private business and have been successful in channeling resources and balancing economic growth.

Despite recurrent industrial relations problems in many sectors and nagging inflationary pressures arising from the full-capacity economy, the overall outlook for the French economy is excellent. Real GNP is expanding; new entrants to the labor market are being absorbed; the balance of payments presents a strong posture with French exports in a sound competitive position; and the economy has the expected strength to withstand the impact of an enlarged EEC.²⁴

²²"France," Europa Year Book, 1972, p. 679.

²³A structural problem hampering the French economy is the existence of a host of small, undercapitalized companies. Out of 908,000 firms, only 37 employ more than 5,000 people, and only 140 more than 2,000. "The Year of Europe - The Economy," Time Magazine, March 12, 1973, p. 51.

²⁴U.S. Department of Commerce, France, Foreign Economic Trends and Their Implications for the United States Series (Washington, D.C.: Government Printing Office, 1972), p. 3. Among the seventeen Mediterranean nations only France and Italy are full members of the EEC. This places the other nations at a disadvantage in trade relations with the EEC.

ITALY

Italy is a 700-mile-long peninsula extending into the heart of the Mediterranean Sea. Modern Italian history dates from 1870 when the entire peninsula was unified under the House of Savoy. Italy fought with the Allies in World War I but yielded in 1922 to the Fascist dictatorship of Benito Mussolini who, in the course of a few years, eliminated the old political parties, curtailed personal liberties, and installed a Fascist dictatorship, the Corporate State.²⁵

Italy entered World War II on the side of Nazi Germany and switched to the Allies side only after Mussolini's removal from office in 1943. Following a period of provisional government, the monarchy ended in a plebiscite in 1946, and a Constituent Assembly prepared the republican constitution for the present Republic.²⁶ Since the war the Christian Democratic Party has dominated a succession of coalition governments.

²⁵U.S. Department of State, Italy, Background Notes Series (Washington, D.C.: Government Printing Office, 1970), p. 1.

²⁶"Italy," The Europa Year Book, 1972, I (16th ed.; London: Europa Publications Limited), p. 895.

The present existence of nine major political parties and a number of minor ones can be traced back to the continuing secessions of Italian governments and their accompanying political instability.²⁷ Discontent and nation-wide unrest have resulted, as it is difficult for a government in power to reach agreements on specific issues when it must represent a wide range of views.

Throughout 1968 students organized strikes and demonstrations in favor of university reform, while workers struck nation-wide demanding higher pensions and the abolition of zonal wage differentials. Strikes and labor unrest have continued since 1968, mainly in support of social reform.²⁸

Italy has essentially a private enterprise economy although state-owned enterprises account for approximately half the total national industrial investment.²⁹ Many Italians work abroad and their remittances form a valuable source of income as do the receipts from tourism. As a reflection of the political instability in the last few years,

²⁷ Italy has the strongest political Communist party not in power in Europe. There is also an extreme right party (Neo-Fascists) of considerable strength holding seats in Parliament. Moreover, the Vatican City has traditionally influenced Italian politics.

²⁸ "Italy," The Europa Year Book, 1972, p. 895.

²⁹ Ibid.

Italy has been faced with severe inflation and stagnation.³⁰ Wage increases in 1969, totaling approximately 20 percent, were not offset by improved productivity, and as a result more than a million Italians were unemployed in Autumn, 1971. However, the government's measures to increase industrial activity (renewed public investment in building, improved credit facilities, and tax incentives for expansion) have definitely given an expansionary impetus to the economy. The predicted growth of GNP in real terms in 1972 was 3.5 percent, with industrial production up 4 percent. Initial expectations for 1973 are for GNP growth in real terms in excess of 5 percent.

Italy's long-term economic problem remains that of the integration of Southern Italy, including Sicily, with the more industrially-developed North. The income per capita of the Southern population is just over half that of the country as a whole, while employment and production lag far behind, despite the efforts of the Cassa per il Mezzogiorno (the state funds to develop Southern Italy).³¹

³⁰ The uncertain political and economic climate is the overriding factor in explaining Italy's weak investment activity. U.S. Department of Commerce, Italy, Economic Trends and Their Implications for the United States Series (Washington, D.C.: Government Printing Office, 1972), p. 5.

³¹ Ibid., pp. 4-5; "Italy," Europa Year Book, 1972, pp. 895-96.

YUGOSLAVIA

The Socialist Federal Republic of Yugoslavia, a nation at the western edge of the Balkan peninsula in southern Europe, is a federal union whose population has the greatest ethnic and religious diversity in Eastern Europe, an area noted for such diversity.

Following the struggle of the National Liberation Army (Partisans), led by Marshall Tito and the Communist Party against the German occupation during World War II, the Monarchy was abolished and a Republic set up in 1945 under the leadership of Marshall Tito.³² On January 31, 1946, a Soviet-type constitution was adopted, and Yugoslavia officially became a "people's republic."³³

During the immediate post-war period Yugoslavia was a firm supporter of the Soviet Union. But in June, 1948 the U.S.S.R. made public its strong disapproval of policies and practices in Yugoslavia. The issue was whether Yugoslavia could remain in the Soviet bloc while pursuing

³²"Yugoslavia," The Europa Year Book, 1972, I (16th ed.; London: Europa Publications Limited, 1972), p. 1420.

³³U.S. Department of State, Yugoslavia, Background Notes Series (Washington, D.C.: Government Printing Office, 1970), p. 3.

policies decided upon by its own leaders instead of by Moscow. Stalin decided this degree of independence was unacceptable, and Yugoslavia was expelled from the Soviet-dominated Cominform, an organization of Communist-bloc countries. This expulsion was followed by an unsuccessful Cominform campaign to subvert the Tito government and replace it with a regime subservient to Moscow.³⁴

Subsequent to 1948 Yugoslav foreign policy underwent a sharp change. Inasmuch as the Soviet-bloc countries had broken economic as well as political ties with her, the country was forced to direct its foreign trade to the West and to neutral countries. At the same time, she began to receive economic and military assistance from the United States and formed political, cultural, and economic ties with the countries of Western Europe.³⁵ Following the death of Stalin in 1953 Yugoslavia's relations with the Soviet Union were normalized, but have since been subjected to periodical strain, as at the time of the Soviet-led invasion of Czechoslovakia in August, 1968, when Yugoslavia was prompt and forthright in its condemnations of Soviet actions and took active measures to strengthen her own defenses. The

³⁴U.S. Department of State, Yugoslavia, p. 3.

³⁵Robert F. Byrnes and George Kish, "Yugoslavia," Cowles Encyclopedia of Nations, 1968, p. 217. There is considerable foreign investment in Yugoslavia ensuing from active encouragement by the government.

Yugoslavs were quite emphatic in their disapproval of the Soviet doctrine of "limited sovereignty" within the Socialist "commonwealth." Each country, so the Yugoslavs maintain, should search for its own distinctive "road to socialism" in internal policies.³⁶

The Constitution of 1963 and subsequent amendments have brought about a deliberate decentralization of power from the Federation to the Constituent Republics. Constitutional amendments adopted in June, 1971 led to the formation of a collective Presidency which will eventually succeed President Tito.³⁷ However, this legislation has failed to temper the outburst of Croat nationalism which erupted twice in 1971 in protest against the proportion of the country's wealth which was being redistributed to Serbia. There followed demands from other republics for greater autonomy. In December, 1971 the regime applied strict measures to bring the situation under control, including a purge of political and student leaders, teachers, and writers.³⁸

Prior to World War II the Yugoslav economy was based on agriculture and mining. During the post-war period,

³⁶U.S. Department of State, Yugoslavia, p. 3.

³⁷The question of secession is perhaps Yugoslavia's most pressing problem. There is no recognized personality to replace Tito.

³⁸"Yugoslavia," Europa Year Book, 1972, pp. 1420.

however, the industrial sector has come to the forefront under the direction of the Yugoslav Communist Party, which had come to power during the war.

In 1950, Yugoslavia began a far-reaching program of experimentation with workers' self-management, decentralization of investment decisions, and freer markets, while retaining social ownership of capital goods.³⁹ Forced collectivization in agriculture was tried and abandoned in the immediate post-war period when it became apparent that much of the mountainous country was not suited to extensive cultivation. Collective farms do exist, but about 80 percent of the country's arable land is privately owned.⁴⁰

During the 1950s and early 1960s Yugoslavia enjoyed a high rate of economic growth, and industrialization of the country proceeded. Neither process, however, solved the persistent balance-of-payments problem or leveled out the sharp regional contrasts, as, for instance, between highly developed Slovenia and Croatia and backward Macedonia and Montenegro.

In 1965 Yugoslavia embarked on a program of economic reform to convert an essentially command-type, centrally-controlled economy into a more market-oriented, Western-style economy. The immediate effect of the reform internally, was

³⁹U.S. Department of State, Yugoslavia, p. 5.

⁴⁰Byrnes, "Yugoslavia," p. 215.

a rapid rise in prices and in unemployment. Externally, the country experienced a sharp rise in imports and a growth in the visible trade deficit, partly offset by an increase in invisible receipts.⁴¹ A stabilization program was initiated in November, 1970 to counter inflation and reduce the trade deficit. Another measure to strengthen the balance of payments was the devaluation of the 'dinar' in January, 1971. Nevertheless, inflation and balance-of-payments deficits continue to be a troublesome problem.

In March, 1970, Yugoslavia became the first communist country to conclude a non-preference trade agreement (based on the most-favored nation clause) with the EEC, one of her most important trading partners.⁴²

Despite the conditions prevalent in Yugoslavia she has enjoyed a considerably higher standard of consumer welfare than other communist states as well as a decidedly higher degree of personal freedom.

⁴¹At present Tourism is very important as a source of foreign currency and has great potential in the future. Particularly appealing is the unspoiled beauty of the Dalmatian coast on the Adriatic Sea.

⁴²"Yugoslavia," Europa Year Book, 1972, pp. 1420-21.

ALBANIA

Albania is a small Communist nation in southeastern Europe. The majority of the rapidly growing population is Albanian, but there is a significant Greek and Slavic minority in the country. There is virtually no formal practice of the previously predominant Islamic religion due to government restrictions. In 1967 the government undertook an accelerated campaign to eradicate religious thoughts and beliefs.⁴³

Central planning is the guiding force for economic activity. The government has sought to transform the country from an agricultural to an agricultural-industrial nation.⁴⁴ At present, Albania's per capita gross national product is the lowest in Europe. Lack of accessible resources, arable land, and a trained work force greatly retard the economy's growth rate. The envisioned structural transformation has required support from abroad. Up to the early 1960s, Albania relied on the Soviet Union for economic and technical aid. Since then she has depended on Communist China. Communist China is Albania's principal trading partner but trade with Eastern Europe and the West has been expanding.

⁴³"Albania," The Europa Year Book, 1972, I (16th ed.; London: Europa Publications Limited, 1972), p. 507.

⁴⁴Robert F. Byrnes and George Kish, "Albania," Cowles Encyclopedia of Nations, 1968, pp. 2-3.

Whereas in 1938 industrial production accounted for 9.1 percent of total production in the country, in 1970 it accounted for 60.8 percent, output increasing sixty-fourfold. Agriculture, the economy's largest employer, has increased production threefold since before World War II, and the area of cultivable land has doubled. The post-war years have seen an extensive socialist transformation of the countryside: land reclamation, mechanization, utilization of chemicals, and the complete collectivization of agriculture.⁴⁵

Albania is a people's Republic with a one-party system of government. In many respects Albania is a closed society. The government owns and controls all internal communications media. The media is used effectively as an indoctrination instrument to reach the masses. Party-controlled agencies closely watch the people's activities. The system of controls circumscribe individual freedoms and reach nearly every facet of day-to-day life.⁴⁶

Albania was under Turkish control from the 1300s until 1912 when Independence was proclaimed.

Albania's most notable tradition from ancient times has been one of foreign domination. Brief periods of independence have been overshadowed by long centuries of subjection to alien rule. Foreign rulers never seemed able or willing to subject the Albanian peasants to the complete authority of a central government. . . . The

⁴⁵ "Albania," Europa Year Book, 1972, p. 508.

⁴⁶ Eugene K. Keefe, et al., Area Handbook for Albania (Washington, D.C.: Government Printing Office, 1971), ch. 9.

foreign domination plus the limited autonomy /Due to the remoteness of their mountain villages/ developed in the people a spirit of fierce independence and a suspicion of neighboring states who might have designs on their territorial integrity.⁴⁷

During the 1930s Italian influence became dominant in Albania as the lack of natural resources and a poorly developed economy created a heavy requirement for foreign aid. Excessive reliance on Fascist Italy eventually led to the landing of Italian troops on April 7, 1939, and five days later a union of Albania with Italy was proclaimed.

Italian efforts to win Albanian support met with little popular success.⁴⁸ In 1942 a national resistance movement, the National Liberation Front, was organized under Communist control. By the end of 1944, when German troops had been driven from Albania, the Communist Party, under the leadership of Enver Hoxha, the present party leader, was in firm control of the nation. The Albanian Communist regime had close ties with Yugoslavia which had also come under Communist control. The Yugoslav communist-led resistance movement had given significant aid to the National Liberation Front during the war, but in 1948 when Yugoslavia and the Soviet Union split, the Albanians supported the Soviet Union.

The Sino-Soviet disputes in the early 1960s led to a final break in the troubled Soviet-Albanian relations. Despite its heavy dependence on Soviet economic aid, Albania

⁴⁷ Keefe, et al., Area Handbook for Albania, p. v.

⁴⁸ Byrnes and Kish, "Albania," pp. 2-3.

supported Communist China in the dispute. During the 1960s and 1970s Communist China provided an undetermined amount of assistance to the resource-poor, underdeveloped Albanian economy.

The goals of the present Communist regime are to strengthen and perpetuate the Party's hold on the reins of government, to maintain Albania's independence, and to modernize society according to the Leninist-Stalin model. Only modest progress has been made in Communist programs to create a monolithic and modernized society.⁴⁹ Despite modernization efforts, the remote and isolated areas seem to preserve old customs and vestiges of the past that detract from the collectivization and modernization of society.

⁴⁹ Keefe, Albania, pp. 2-6.

GREECE

A small country of mainland and many islands, Greece lies at the southern end of the Balkan Peninsula, where it extends into the Mediterranean Sea. This country traditionally has had a high rate of emigration, as Greeks have settled throughout the world. Their heritage includes a classical age of culture and power during the early days of recorded Western history. The people have a close sense of national identity that draws strength from an awareness of the great achievements of the world's first democracy of the classical age. However, modern independence dates only from 1829, when Greece gained independence from Ottoman rule. The society is dynamic and is increasingly involved in a modern industrial and economic transformation.⁵⁰

Greece entered World War II on the side of the Allies on October 28, 1940, when the country was invaded by Italy. Determined and effective Greek resistance drove the Italian forces back into Albania despite Italian numerical superiority. But Germany quickly followed the Italian invaders and occupied Greece until 1944. George Papandreou, one of the political leaders of Greece during the war, became the first Prime

⁵⁰ Allison Butler Herrick, et al., Area Handbook for Greece (Washington, D.C.: Government Printing Office, 1970), p. v.

Minister after the liberation. However, his government was able to maintain control for only a few months. A communist-led resistance group had political and economic control of the countryside, and a right-wing royalist faction dominated parliament.⁵¹ An election in 1946 restored the monarchy, but before King George II could return to the throne, a civil war erupted between the right and the left.

This turbulent period was kindled by Greece's desperate political and economic troubles and inflamed by the support from Yugoslavia for the communist guerrillas and by United States aid to the government forces. In 1947 Yugoslavia withdrew military assistance concurrently as the United States gave increasingly larger financial and military aid to the country under the Truman Doctrine. By 1949 the Greek government was able to subdue the communist rebels. Two important developments initiated the so-called reconstruction period, 1949-1951, and influenced the economic and political environment of Greece during the period of war and unrest from 1940 to 1949. These developments were the end of active war associated with the Communist threat, in 1949, and the increase of American economic assistance to Greece under the Marshall Plan Aid program.⁵²

King Paul took the throne after his brother George's death in 1947. Upon the death of King Paul in 1964, his son

⁵¹George Kren, "Greece," Cowles Encyclopedia of Nations, 1968, p. 83.

⁵²Kondonassis, "Monetary Policies of the Bank of Greece," p. 39.

succeeded him as Constantine II. Beginning in the mid-1950s to the early 1960s, Greece, under the leadership of Prime Minister Karamalis, experienced one of its longest periods of political stability.

From 1965 through May, 1967 Greece endured almost continued political instability as a result of eight conventional changes in government. No one party succeeded in winning a majority in parliament, and premiers were forced to rely on weak coalition cabinets. George Papandreou, head of the powerful Center Union Party, resigned in 1965 in a dispute with the king. In March, 1967 Panayotis Canellopoulos, a political rival of Papandreou, was appointed by King Constantine to head the caretaker government. Canellopoulos formed a one-party cabinet and dissolved parliament in April, 1967 after two years of nearly constant political crisis, in order to permit his government to last until the scheduled May election could be held. But on April 21 a group of army officers representing the more conservative elements in the country led a bloodless coup d'état that wrested control of the government from the civilian authorities. The leaders of the coup maintained that their takeover had saved Greece from a leftist rebellion. In December, 1967 King Constantine attempted to overthrow the junta, but failed and went into exile in Rome. And in 1968 the new regime, headed by Col. George Papadopoulos, who had played a significant part in the 1967 coup d'état won diplomatic recognition for the government from the United States and many other countries. During the past five years Greece has achieved political stability. On May 31, 1973, Premier Papadopoulos announced that he was

abolishing the monarchy and making Greece a presidential republic with himself as first provisional president. He is a candidate in a popular plebiscite to be held on July 29, 1973, which will elect the next president. Parliamentary elections are scheduled by the end of 1974.

Greece traditionally has been an agricultural nation, producing most of its own needs and exporting a considerable amount of produce. The pace of industrial expansion has accelerated since Greece became an associate member of the EEC in 1962,⁵³ and despite a setback following the coup d'état in 1967 industrial production now exceeds that of agriculture.⁵⁴ Continued economic growth means expansion of the industrial and service sectors, and competition within the EEC will require increasingly efficient production. The problem of becoming competitive in industrial production is made difficult by existing structural problems in the economy. Most industrial raw materials must be imported. Equally significant, family-owned industrial units employing less than ten people still account for 95 percent of all units and 50 percent of all industrial employment. There is little specialization in small firms since many of them produce a variety of products. Vertically- and horizontally-integrated firms are rare.

The Greek government exercises control over the economy through fiscal and monetary policy, and basic economic goals are

⁵³ Greece is to become a full member of the EEC in 1984.

⁵⁴ "Greece," Europa Year Book, 1972, I (16th ed.; London: Europa Publications Limited, 1972), p. 817.

formulated by the government. To achieve these goals various incentives are given to certain sectors, subsidies are granted, and budget spending is concentrated in these areas. Price controls are also utilized.⁵⁵ A large balance-of-trade deficit has been a feature of the Greek economy, but this has been partly offset by "invisibles"--income from tourism, earnings of the large merchant fleet, and remittances from Greek workers abroad, with the remainder coming from large amounts of foreign investments.⁵⁶

Economic growth in Greece has been steady if not spectacular; monetary stability has been achieved; and the economic aims of the government appear not to be unreasonable.⁵⁷ Therefore, the prospects appear good for the continued growth of the Greek economy, given domestic and international stability.

⁵⁵U.S. Department of Commerce, Basic Data on the Economy of Greece, Overseas Business Reports Series (Washington, D.C.: Government Printing Office, 1972), p. 3.

⁵⁶"Greece," Europa Year Book, 1972, p. 817.

⁵⁷Greece's GNP increased 5.5 percent in 1968; 8.5 percent in 1969; 10 percent in both 1970 and 1971; and 10.5 percent in 1972. Workers' incomes have risen 10 percent per annum. The average Athens' Stock Exchange industrial share has climbed 140 percent since 1967. Tourism, which is Greece's largest single source of income, in 1973 is running 21 percent above 1972's record-breaking level. Yet prices remain reasonable; the price rise in 1972 was less than four percent.

TURKEY

The Republic of Turkey is situated between the Black and Mediterranean Seas, linking Europe and southwest Asia. This country was founded in 1923 by Mustafa Kemal, whose final name was Kemal Ataturk--"Father of Turks" after the collapse of the 600-year-old Ottoman Empire. The ruin of the vast empire resulted from its failure to keep pace with the social and technological developments of Europe in the nineteenth century and the rise of nationalism among several nations of the empire. The culminating event was the disastrous Ottoman participation as one of Germany's allies in World War I. Defeated, stripped of much of its former territory, and partially occupied by armies of the victorious European states, the Ottoman Empire was rejected by Turkish nationalists who rallied under the leadership of Ataturk. The invading Greek forces, with the aid of Western allies, were defeated by the nationalists, who then abolished the sultanate and the caliphate, the temporal and religious ruling institutions of the Old Empire.⁵⁸

Rejecting the imperial ambitions and traditions of the Empire, the new Republic concentrated on modernizing and

⁵⁸U.S. Department of State, Republic of Turkey, Background Notes Series (Washington, D.C.: Government Printing Office, 1971), p. 1.

Westernizing the ethnically-Turkish core of the Old Empire--
Anatolia and Thrace.

The series of social, political, religious, linguistic, and economic reforms and attitudes introduced by Ataturk before his death in 1938 forms the ideological basis of modern Turkey. Referred to as 'Ataturkism,' its meaning, continued validity, and applicability are the subject of frequent discussion and debate in Turkey's political life.⁵⁹

Following the death of Ataturk, a member of his own Republican People's Party, Ismet Pasha (Inönü), governed the country until 1946. Inönü continued the Westernization movement. In the period 1946-60 the country went through a cycle of liberalization and repression. A multiparty system was introduced in 1946, but the Democratic Party which came to power in 1950 began to restrict political liberties in 1955. The May 27, 1960 military coup ended the First Turkish Republic. A new constitution was written, and in 1961 the Second Turkish Republic was born with the return to civilian government.⁶⁰

Since the birth of the Second Turkish Republic, the political scene has been characterized by frequent changes of governments and continuing incidents of violence between extremists on the right and left. For the first time in two years Turkey now, in May, 1973, is in the hands of a

⁵⁹U.S. Department of State, Republic of Turkey, p. 2.

⁶⁰Thomas D. Roberts, et al., Area Handbook for the Republic of Turkey (Washington, D.C.: Government Printing Office, 1970), p. 4.

government chosen by the political parties instead of the military. The coalition government of Premier Main Talu has promised the enactment of social reforms and the lifting of martial law which has been in effect since April, 1971.

The Turkish economy is basically agrarian, with agriculture contributing approximately one-third of the GNP and providing employment for 65 percent of the labor force. The industrial production index is rising considerably faster than the GNP. Turkey's economy is a mixture of public and private enterprise, with each sector supplying about half of the combined industrial, mining, and energy production. Since 1961 the government has encompassed developmental planning in an effort to systematize the development process after years of unfocused planning.⁶¹

In September, 1964 Turkey concluded an association agreement with the EEC, a step that was expected to accelerate economic development generally. However, there is a transition period for both Turkey and Greece which is designed to permit the countries to raise their industrial output and efficiency to a point at which it would be realistic for them to allow their industries to compete with European producers on an unprotected basis. Greece is scheduled to become a full member of the Community in 1984, while Turkey is to receive full membership at a later, but as yet unspecified, date. However, the length of the transition period has been the subject of much criticism. The argument is

⁶¹U.S. Department of Commerce, Turkey, Foreign Economic Trends and Their Implications for the United States Series (Washington, D.C.: Government Printing Office, 1972), p. 10.

that a period this long does not result in much present pressure on industry to modernize its production processes.⁶² Although most economic indicators point to strength in the economy, inflation, and persistent budget deficits continue to elude solution. High unemployment and the inability to provide for new arrivals to the labor force resulting from the high population growth are also major economic problems with dangerous political implications.

In spite of Turkey's many difficult problems which remain unsolved,⁶³ the present reading of the current political situation is that relative political stability will continue under the present government, or a government along similar lines.

⁶²U.S. Department of Commerce, Market Profiles for the Near East and South Asia-Turkey, Overseas Business Reports Series (Washington, D.C.: Government Printing Office, 1972), p. 22; U.S. Department of Commerce, Turkey, p. 6; Roberts, Turkey, p. 7.

⁶³Two significant problems are the differences in outlook between Westernized city dwellers and traditional-minded villagers and the Cyprus issue which has been a burden to the development programs due to the increased defense outlays.

CYPRUS

The Republic of Cyprus is a mountainous island in the eastern Mediterranean about 60 miles south of Turkey. It is the third largest Mediterranean island next to Sicily and Sardinia.⁶⁴ The population of Cyprus was an estimated 643,000 in 1971. The Greeks and Turks, who together make up almost the entire population (78 percent and 18 percent, respectively) live and generally work in separate communities.⁶⁵ The exclusiveness and separation of the Greek and Turkish communities is the most striking feature of Cypriot society.

At the top of the society in both communities are a few rich persons who control a large share of the wealth. The middle class, relatively small in number, is larger proportionally in the Greek than in the Turkish community. After 1963 the Turkish community did not share fully the benefits of the country's increasing economic activity. However, since 1968 efforts have been made to increase Turkish participation in the economy and to return refugees

⁶⁴"Cyprus," Europa Year Book, 1972, I (16th ed.; London: Europa Publications Limited, 1972), p. 589.

⁶⁵U.S. Department of Commerce, Basic Data on the Economy of Cyprus, Overseas Business Reports Series (Washington, D.C.: Government Printing Office, 1972), p. 1.

from the period of intercommunal conflict, 1963-1967, to their former homes.⁶⁶

The constitution of Cyprus, adopted at the time of independence from the British in 1960, provided for a republic with government posts divided proportionally between the Greek and Turkish communities. The president was to be a Greek-speaking Christian, the vice president a Turkish-speaking Muslim. The parliament was also divided--70 percent Greek and 30 percent Turkish. The structure of the government was designed to safeguard the status of the two ethnic communities and provide representation for both. This was in response to long-standing differences between Turkey and Greece regarding the island's political status. As President Makarios remarked at the time of independence, "a state but not a nation."⁶⁷

The period of intercommunal conflict arising over a proposed constitutional change that would have reduced the power of the Turkish minority and the continuing demand for Greek Cypriots for union with Greece resulted in the separation of the two communities and the withdrawal of

⁶⁶Thomas W. Adams, et al., Area Handbook for Cyprus (Washington, D.C.: Government Printing Office, 1970), pp. 2-3.

⁶⁷U.S. Department of State, Republic of Cyprus, Department of State Background Notes Series (Washington, D.C.: Government Printing Office, 1971), p. 3.

the Turkish Cypriots from the central government.^{68, 69} In April, 1964 a United Nations peace-keeping force was set up and a U.N. Mediator appointed. The intervention of U.N. forces helped to limit both the scale of the conflict through the most critical period (1964-67) and terrorists' activities after that period.^{70, 71} Yet today this conflict between the two major segments of the population over the issue of national identification continues unresolved, and is at the heart of the "Cyprus problem."⁷²

The Cypriot economy is based primarily on agriculture. More than one-third of its economically active population and three-fifths of its land is devoted to farming.⁷³ The Greek community is responsible for 90 percent of business in Cyprus, and despite the internal turmoil, the economy remains

⁶⁸U.S. Department of Commerce, Basic Data on the Economy of Cyprus, p. 2.

⁶⁹Turkish participation in government and legislation was withdrawn in January, 1964, after which the post of vice-president was abolished. In June, 1966, all Turkish judges resigned. "Cyprus," Europa Year Book, 1972, p. 589.

⁷⁰Adams, Cyprus, p. 5.

⁷¹The Cyprus crisis of November, 1967 brought Greece and Turkey, both members of NATO, close to open conflict and war between the two countries was narrowly avoided. Unfortunately, the end of the crisis left the basic problems of Cyprus unresolved, but the conflict illustrates the capability of such an event amplifying to significant importance and reaching beyond the shores of the small island republic.

⁷²U.S. Department of State, Cyprus, p. 1.

⁷³Adams, Cyprus, p. 6.

remarkably strong. From 1968 through 1972 the economy has achieved a growth rate in real terms of over 8 percent each year.⁷⁴ Cyprus has recently joined the EEC as an associate member. The economic system viewed as a whole is a partnership of private enterprise and the government. The public sector owns and controls the power plants, and money is controlled through a central bank. The bulk of the economy is privately operated, but the activities of the government as financier and regulator are increasing.⁷⁵ Tourism is encouraged by the government and is an important source of income. The number of arrivals in Cyprus in 1971 increased by 40.2 percent over the previous year and earnings increased by a spectacular 67 percent.⁷⁶

The year 1972 heralds the beginning of the Third Five-Year Plan. The new plan is characterized by a shift in emphasis from the development of import-substitution to export-oriented industry, and the development of Cyprus' position as the Mediterranean region's re-exporter.⁷⁷ However, until the political conflict is resolved, all aspects of the island's life are likely to remain in a precarious state.⁷⁸

⁷⁴"Cyprus," Europa Year Book, 1972, p. 589.

⁷⁵Adams, Cyprus, p. 6.

⁷⁶U.S. Department of Commerce, Cyprus, Foreign Economic Trends and Their Implications for the United States Series (Washington, D.C.: Government Printing Office, 1972), p. 11.

⁷⁷Ibid., p. 9.

⁷⁸Ibid., p. 4.

MALTA

Malta is comprised of two main islands (Malta and Gozo), and the small islands of Comino. In 1530, the Maltese Islands were ceded by Charles V of Spain to the rich and powerful Order of the Knights of St. John of Jerusalem. Under the Knights the island grew prosperous for the next 268 years from Mediterranean trade.⁷⁹ The military strength and effectiveness of the Order declined from 1600 to 1700, and in 1798 Malta surrendered to Napoleon. But after a two-year insurrection, the people of Malta, with the help of the British, drove out the French. Thereafter, the Maltese requested permanent British protection. In 1814 Malta became a British Crown colony and a vital naval base--the headquarters of the British Mediterranean fleet.⁸⁰

The islanders became self-governing during the 1920s but two issues soon sharply divided the island--the choice of Maltese or Italian as an official language and church-state relations. The conflict grew in intensity until in 1936 Malta's home rule was abolished by England.⁸¹ During

⁷⁹ U.S. Department of State, Malta, Background Notes Series (Washington, D.C.: Government Printing Office, 1972), p. 1.

⁸⁰ Charles Nowell, "Malta," Cowles Encyclopedia of Nations, 1968, p. 127.

⁸¹ Ibid., pp. 127-28.

World War II Malta played a strategic role as a base for the invasion of Sicily. After the war the country worked to achieve sufficient unity to allow for the return of complete internal self-government, which it received in 1962. Maltese and English were made the official languages, and Roman Catholicism was declared the official religion. In 1964 Malta obtained full independence.

Under its 1964 Constitution, Malta is a parliamentary monarchy within the Commonwealth. Her Majesty, the Queen, is represented by the Governor-General. The Governor-General exercises executive authority on the Queen's behalf, but the actual direction and control of the government and the nation's affairs are in the hands of the Cabinet under the leadership of the Prime Minister (head of government). The Governor-General appoints as Prime Minister the leader of the majority party.⁸²

Malta is attempting to advance and restructure its underdeveloped economy and to gradually lessen its economic dependence on the expenditures of British military forces stationed on the island, which have been its economic mainstay since 1814. Two 5-year plans (1959-64 and 1964-69) were aimed primarily at diversifying the economy. New industry was established; military shipyards were converted to commercial ship repairs; and tourism was promoted.

⁸²"Malta," Europa Year Book, 1972, I (16th ed.; London: Europa Publications Limited, 1972), p. 956; U.S. Department of State, Malta, p. 3.

However, the reduction in British troop strength over the past several years has put a severe strain on the Maltese economy which condition will continue as further reductions occur, depending on the policy of the British and Maltese governments.^{83, 84}

Malta has no proven mineral resources other than limestone and salt. This country has no known petroleum or hydroelectric potentials. Agriculture on Malta is small in scale. Although almost 60 percent of the island's total land is devoted to farming, the soil is generally shallow because of the abundance of limestone rock. About 70 percent of the nation's food must be imported.⁸⁵ Tourism is one of the island's most important industries. In April, 1971 Malta joined the EEC as an associate member.

⁸³U.S. Department of State, Malta, p. 3.

⁸⁴The present government has increased its demands for higher rents from the British military bases on Malta.

⁸⁵U.S. Department of State, Malta, p. 2.

Summary

In their attempts to solve their post-war difficulties, most of the nations discussed in this chapter have used widely varying solutions. Yet the difficulties themselves have shown great similarity. The need for economic recovery, military security, and political stability have been the foremost problems faced by each government since 1945.

The democratic countries have faced a great deal of internal discontent because their achievements, as usual in democratic societies, fell short of expectations. France's efforts at recovery after the war have been seriously retarded by political instability. The instability was heightened by the innumerable divisions among its electorate and by almost continuous nationalist revolts in her colonies. The Italian political scene since the war has been noted for its recurring political crises. Despite Communist sentiments among many Italians, the government has been undeviating in support of the West. The political history of Greece since the war has been characterized by periods of incessant political instability. Continuous political stability, seemingly of utmost importance for the economic advancement of this nation, has been achieved, but the price has been the abolishment of the previous democratic form of government. In Cyprus the conflict between the two major segments of the population over the issue of national indention continues unresolved, and until a settlement is reached all aspects of the island's life are likely to remain in a precarious state.

The future of the European nations of the Mediterranean Sea as active participants in world affairs lies in their ability to overcome nationalistic antagonisms and work toward a European Integration through the framework of the EEC. The safe prediction is that these nations will continue on their present track: toward a fairly sophisticated economic federation, but probably well short of the political union that Jean Monnet envisioned in the 1950's.

CHAPTER IV

NON-EUROPEAN NATIONS OF THE MEDITERRANEAN SEA

Introduction

Few areas of the world provoke more interest, controversy, or international crises than the Middle East-North Africa. Although these countries that border the Eastern and Southern coast of the Mediterranean Sea have only received popular attention since World War II, the area has been an important center of world events throughout history. From ancient times, the area has given birth to four great civilizations--Egyptian, Sumerian, Babylonian, and Assyrian. The three principal monotheistic religions--Judaism, Christianity, and Islam--have taken seed and flourished here. The area was successively a part of the Persian, Greek, Roman, Arab, Mongol, Tartar, and Turkish empires, each contributing to a new blending of culture and civilization there--blendings that at times reached high points in man's development.¹

Since the end of the nineteenth century all of these countries have been strongly influenced by the Western world yet few have successfully adapted themselves to Western political,

¹Don Peretz, The Middle East Today (2nd ed.; New York: Holt, Rhinehart, and Winston, Inc., 1971), p. 1.

economic, and social systems. Anti-Western sentiments are strongly expressed by several of the nations who are moving away from the adherence to Western institutions.

The concern of these nations is what form of government can best bring about and direct the social and economic reforms needed to provide for their expanding populations. The population problem arises as the result of a high birth-rate, together with a fairly high death-rate which is now in some countries declining rapidly as the result of improvements in public health. A concomitant problem is that of migration to the cities. For the urban areas this has resulted in congestion and falling levels of subsistence, while the declining rural areas have experienced a fall-off in agricultural production. In Egypt, for instance, it is believed that the production of foodstuffs has actually declined during the last thirty years, despite a growth in population numbers. Under such conditions it is not difficult to suggest a possible relationship between the current demographic situation of an underemployed, underfed but increasing proletariat, and the political instability that characterizes this area of the world.

A second problem arises from the social inequality that characterizes many of the Middle East-North Africa countries. There is a large group of the poor, and a small number of wealthy families, with few of a 'middle' class. Most significantly many experts maintain that the gap between the groups is widening rather than closing.

A third problem concerns the political organization in several of the countries. By temperament and experience many of the people of this region incline to personal and authoritarian forms of rule. In consequence, the idea of Parliamentary Democracy has had a limited and uncertain extension. The average man has tended to be impatient with Western democratic methods, preferring to follow a single individual of superior appeal and ability. The individual has most often come from the officer ranks of the armed forces, espousing a leftist or even radical opinion essentially different from the bourgeois attitudes of the merchant groups. In more recent times, there has been a tendency towards a renewal of personal rule, the outstanding instances being in Syria, Libya, Tunisia, Algeria, and Morocco.

The widest problem of all concerns the cultural crisis within modern Islam. Since the end of the Middle Ages there has been a considerable decline in the power and intellectual strength of Islamic culture. Large-scale political penetration and domination from Europe began in the nineteenth century, and for several centuries standards of living have no longer approximated to those of the West. As a result there has been much introspection in the Arab world upon the reasons for this decline. Three broad points of view are in evidence: (1) There are those who advocate a discontinuation of Islamic traditions, and so wish to follow a new way of life--either Christian and Western, or, less clearly, new materialistic doctrines, one ultimate

expression of which may be Communism; (2) At the opposite extreme are those who suggest a return to a stricter form of Islam--this policy is followed to some extent in Libya; (3) The third group wishes to combine modernity with a maintenance of internal traditions. The result of these widely diverse views has been to give us the phenomenon of the 'angry young arab'--given more and more to rejection of existing ways, critical of the failure of leadership over the Israeli question, and of inequalities in and lack of opportunity for economic advancement. He has an increasing sense of frustration which becomes more and more vocal with the spread of literacy.²

The main element in the contemporary politics of this region is the existence of the state of Israel. To most Arabs, the creation of a Jewish state was a clear demonstration of hostility toward the Arab world on the part of Britain, France, and the United States--a view which the events of 1956 and then of 1967 seemed only to confirm. The Arabs feel that there can be no real friendship or understanding with the West until support for Zionism is disavowed. Increasingly Arab states have turned to the U.S.S.R. for support against Zionism and its patrons.

In the economic sphere it is more difficult to present a clearly defined picture. There is the unique asset of petroleum, which has already transformed ways of life in areas where it is

²The Middle East and North Africa: 1969-1970 (16th ed.; London: Europa Publications, 1969), pp. 13-14.

produced (Libya, Tunisia, Algeria), and brought unexpected wealth to port terminals such as Tripoli (Lebanon).

As a consequence of petroleum, a striking inequality has developed between various countries, e.g., the oil countries of Algeria, Libya, and Tunisia in contrast to the non-oil countries of Syria, Egypt, and Morocco. Those actually producing oil have substantial sums of extra wealth which can be used for vast development schemes.

As regards agriculture and industry the position is less satisfactory. The region, on the whole, is resource poor and condemned by aridity. Nevertheless, significant increases in standards of living have been made by several countries.

For the nations of North Africa, the liquidation of colonial rule continues to have two adverse economic effects:

- (1) The independence struggles resulted in the dislocation of large masses of people and the disruption of the fragile economies which formerly had been strongly integrated with that of France;
- (2) The withdrawal of French 'colons' who contributed in predominant measure to the more highly developed economic activities--all of these will take time to dissipate.

These and other problems will now be explored as an examination is made of the relevant historical and contemporary factors governing the internal policies as well as the external relations of the nations within the area. Specific attention will be given to the period 1948-1966.

SYRIAN ARAB REPUBLIC

The Syrian Arab Republic, a Middle Eastern state, secured full independence in 1946 after a quarter of a century rule by France and several centuries as part of the Ottoman Empire. In February, 1958 Syria united with Egypt to form the United Arab Republic, with Egypt's Gamal Abdel Nasser as President. Syria's political instability, the parallelism of Syrian and Egyptian policies, and the appeal of Egyptian President Nasser's leadership in the wake of the Suez Crisis of 1956 created the support in Syria for the merger with Egypt.³ The union with Egypt lasted only three years. The reasons for the dissolvment are many, but there is little doubt that the stringent economic measures introduced into Syria to bring her economy in line with that of Egypt were chiefly to blame. Syria's interests lay in free trade and an open economy, while Egypt's lay in protectionism and nationalism. Economic austerity and Egyptian mismanagement led to a coup d'état in Damascus and the secession of Syria from the Union in September, 1961.⁴ Since the secession, the Syrian political

³ U.S. Department of State, Syrian Arab Republic, Background Notes Series (Washington, D.C.: Government Printing Office, 1971), p. 2.

⁴ Abbas Kelidar, "Syrian Arab Republic," The Middle East: A Handbook, ed. by Michael Adams (New York: Praeger, 1971), p. 302.

scene has been marked by a series of successful and attempted coups d'état, and in November, 1970 the present government in office, that of President Hafiz al Asad, came to power by means of a military coup.

The Syrian army traditionally has played a key role in Syrian politics. The lineup of factions within the army often has been the elemental factor in the changes of governments. These factions frequently have been influenced by external social and political forces emanating from Baghdad and Cairo, the common denominator being a leftist political orientation. The present political party in power, the Ba'ath Party, has, through the years, achieved considerable success in gaining supporters from within the army. The party is socialistic⁵ and is dedicated to carrying a Socialist revolution to every part of the Arab world. The party also has attracted supporters of all faiths in other Arab countries, especially Iraq, Jordan, and Lebanon.⁶

After assuming power in 1970 the Asad government has made efforts to win the confidence of the people by relaxing

⁵ The nationalization decrees of the 1960s resulted in the nationalization of almost all medium- and large-scale industries and the redistribution of the land to large numbers of formerly landless peasants. Both events have altered a society that was predominantly tribal and archaic. Richard F. Nyrop, et al., Area Handbook for Syria (Washington, D.C.: Government Printing Office, 1971), p. 3; Kelidar, "Syrian Arab Republic," p. 303.

⁶ U.S. Department of State, Syrian Arab Republic, pp. 3-4.

security measures and emphasizing economic development programs. The regime also has placed firmer restrictions on the operations of the strong Palestinian guerrilla organization based in Syria. This organization has concentrated its efforts from camps in Lebanon and Jordan, creating serious difficulties from Israeli reprisal attacks for all three countries.⁷ In September, 1971 Syria joined with Libya and Egypt to form the Federation of Arab Republics.

Syria's major natural resource is its agricultural land, although less than half of the country's total area is considered suitable for cultivation. The expansion of the amount of irrigated land devoted to the growing of high-grade cotton has been of great significance to the economy and will continue to be during the 1970s. The other known natural resources consist of a sizeable hydroelectric potential, some comparatively modest reserves of petroleum and phosphates, and scattered deposits of a few minor minerals.

The labor force as a whole reflects a scarcity of trained technical and managerial personnel. For this reason the country continues to be largely dependent on foreign experts, many of them from the Soviet Union, for economic and social development programs. Implementation of the development programs also presupposes a continuance of foreign economic assistance, also largely from the Soviet Union.⁸

⁷U.S. Department of State, Syrian Arab Republic, p. 4.

⁸Nyrop, Area Handbook for Syria, pp. 193-94.

Syria has been plagued by chronic balance-of-payments problems, the roots of which go back to the drought years of 1958-61 and the capital flight caused by the fear of socialism. And recently, the dislocations caused by the socialization of broad areas of the economy and the demands of an ambitious economic development program are contributing factors. Military expenditures, accounting for about one-half of the country's budget and reflecting the continuing tension between Syria and Israel, are a continuing drag on the economy.⁹

Syria has been particularly subject to the political instability which has been endemic throughout the Middle East since World War II. The development of the country's economy, therefore, has been determined to a greater degree perhaps than anywhere else in the Middle East by the vagaries of her political history.¹⁰

⁹U.S. Department of State, Syrian Arab Republic, p. 4.

¹⁰Kelidar, "Syrian Arab Republic," p. 304.

LEBANON

Lebanon is an independent parliamentary republic at the eastern end of the Mediterranean Sea. Its area is limited to a narrow stretch of land, 156 miles long and averaging about 31 miles wide, between neighboring Syria on the north and east and Israel on the south. The Lebanese people are largely Arab. The population is almost equally divided between Christians and Muslims and is concentrated in the port cities of Beirut, Tripoli, and Sidon. Lebanon has been characterized since 1860 by heavy emigration, primarily to North and South America, of Lebanese Christians who initially sought sanctuary from the exploitation and oppression of the Ottoman rule. Today there are almost as many Lebanese living abroad as in Lebanon.¹¹

The country was the homeland of the Phoenician civilization, famous for its commercial and naval power. Lebanon's excellent deep-water ports have made it an important trading center since ancient times. Commerce expanded after the Arab and Ottoman conquests in the 600s A.D. and 1500s,

¹¹Sara Gilbert and Charles Issawi, "Lebanon," Cowles Encyclopedia of Nations, 1968, p. 119; "Lebanon," Europa Year Book, 1972, II (London: Europa Publications Limited, 1972), p. 882.

respectively, during which periods the country's mountains became a refuge for religious minorities, mainly Christians.¹²

Throughout the period of Ottoman rule the Lebanese Christian and Muslim communities expanded, and the two occasionally came into conflict. In 1860 a revolt by Christian peasants against Muslim overlords ignited widespread religious strife, eventually leading to civil war. Britain and France intervened and forced Turkey to give Lebanon an autonomous government that apportioned power equally between the Christians and the Muslims.¹³

The modern state developed from five Turkish districts detached from the defeated Ottoman Empire in 1920 when, along with Syria, the area was awarded to France under a League of Nations mandate. In 1945 Lebanon was admitted to the United Nations as an independent and sovereign state; it also joined the Arab League. The last French troops were withdrawn in 1946, and in 1947 parliamentary elections were held.

Lebanon attempts to follow a more neutral policy in the disputes between Arab states and in foreign affairs, while accepting the Arab policy of boycotting Israel. In 1958, however, the Lebanese government accused Egypt of inciting a widespread rebellion. Civil war was ended only with the landing of United States troops.¹⁴

¹²Gilbert, "Lebanon," p. 119; Harvey H. Smith, et al., Area Handbook for Lebanon (Washington, D.C.: Government Printing Office, 1969), p. ix.

¹³Ibid., pp. 119-20.

¹⁴Ibid.

Israeli commandos raided the Beirut airport in December, 1968, destroying or damaging aircraft worth £15 million belonging to the National Airlines of Lebanon (MEA). The raid, said to be a reprisal for Palestinian guerrilla use of Lebanon as a base, caused the fall of the coalition government in January, 1969. Sulaiman Franjiya was elected President in August, 1970. The activities of the guerrillas persisted in the south of the country and Israel continued reprisal raids into Lebanon in 1973.¹⁵ The recurrent operations of the Palestinian guerrillas have affixed an aura of uncertainty and tension to the political climate.¹⁶

Lebanon is a republic in which power is divided between Christians and Muslims. The custom is for the President to be a Maronite Christian, the Prime Minister a Sunni Muslim, and for the rest of the Cabinet to represent other faiths.¹⁷ The President, elected by a unicameral parliament, is head

¹⁵"Lebanon," Europa Year Book, p. 882.

¹⁶Stability will be out of reach for Lebanon, as for its Arab neighbors, until the fundamental problem of Arab-Israeli relations is solved. David Cowan, "Lebanon," in The Middle East: A Handbook, ed. by Michael Adams (New York: Praeger, 1971), p. 251. On May 2, 1973 Lebanese troops clashed with Palestinian guerrillas in the streets of Beirut in the worst fighting since a similar outbreak in 1969. President Sulaiman Franjiya vowed he would not tolerate a Palestinian "occupation army" in Lebanon.

¹⁷"Lebanon," Europa Year Book, p. 888.

of state. Members of parliament are popularly elected under a system of confessional representation by which each religious group elects a number of representatives in proportion to its membership.

Traditionally, the economy is based on private enterprise. This system has worked relatively well, giving Lebanon the highest per capita GNP of the non-petroleum-endowed Arab countries.¹⁸ Agriculture employs about half the labor force; industry, less than one-tenth; yet their contributions to the national income are approximately the same.¹⁹ Lebanon's strategic geographic location relative to the oil-rich Middle Eastern states and its private-enterprise-oriented government have combined with the national character of the people to produce a predominantly trading economy. Beirut is the principal commercial and financial center of the Middle East. Transit trade, with the attendant service requirements such as good transportation and banking facilities, has been a key component in the growth of the economy since World War II. Lebanon also receives a significant percentage of its national income from expenditures by tourists and seasonal residents.²⁰

¹⁸U.S. Department of Commerce, Basic Data on the Economy of Lebanon, by John P. Edwards, Overseas Business Reports Series (Washington, D.C.: Government Printing Office, 1971), p. 3.

¹⁹Smith, Lebanon, p. 213.

²⁰U.S. Department of Commerce, Lebanon, p. 3.

The future outlook for the economy is somewhat clouded. Structurally, the economy is poorly balanced. For the country's well being Lebanon's highly-developed, service-oriented economy is excessively dependent on foreign countries. The uneven distribution of income is a threat to domestic stability--four percent of the population receives about 32 percent of all income, while 50 percent of the population receives only about 18 percent. The economy, particularly banking and tourism, is vulnerable to the capricious situation in the Middle East.

Despite their problems, life is not entirely gloomy for the Lebanese. Money is flowing into Beirut banks, partly as a result of the upward movements in oil prices. The rapid development of light industry has provided some needed diversification; tourism has continued to expand; and Lebanon has signed an economic cooperation agreement with the EEC.²¹

²¹U.S. Department of Commerce, Lebanon, pp. 9-10.

ISRAEL

Situated at the eastern end of the Mediterranean Sea, the State of Israel, in existence only since 1948, is an independent, semi-socialist, parliamentary democracy. Modern Israel, in the midst of hostile Arab neighbors, is a predominantly Jewish state, populated by only 3 million people and possessing few vital resources. Geographically and topographically the country is a segment of the Middle East, but in most other respects its people are Western-oriented. The great majority of Israeli leaders, or their forefathers, have immigrated to the area within the past century.²² Because of the widespread ramifications of the continuing turmoil in the Middle East, Israel plays an increasingly important role in world affairs related to this region.²³

The creation of the modern state of Israel in 1948 was preceded by more than a half-century of

²² Since its creation Israel has absorbed 1.5 million immigrants from all over the world. The migration pattern has brought about a cultural and economic chasm between Jews from the West and "Oriental" Jews from North Africa and the Middle East. Raised in Muslim societies, these latter Jews came to Israel impoverished, poorly educated, and ill-equipped for life in a modern nation. They have remained at the bottom of the economic ladder. "Israel at 25," Newsweek Magazine, May 7, 1973, pp. 49, 51.

²³ Harvey H. Smith, et al., Area Handbook for Israel (Washington, D.C.: Government Printing Office, 1970), p. 1.

efforts by Zionist leaders to create a nation as a Jewish homeland for Jews dispersed throughout the world. Over the years prior to 1948 Jews had immigrated to the area which is now Israel, fleeing persecution and seeking fulfillment of the Zionist dream.²⁴

Prior to 1948 Palestine (of which present-day Israel now forms a part) was a Mandated Territory under British colonial administration. The flow of Jewish immigration and Arab apprehension over the displacement of the Palestinians, and the impending creation of an alien state finally led to war between Jews and Arabs in 1947. The State of Israel was proclaimed on May 14, 1948, the termination date of the British Mandate. Fighting continued until January, 1949, when a truce was brought about under United Nations auspices. No general peace settlement has been achieved and no Arab state has diplomatic relations with Israel. Incidents of terrorism and retaliatory acts have occurred intermittently since the truce.

In October, 1956 Israel invaded the Gaza Strip and Sinai Peninsula, coincident with operations by French and British forces against Egypt in the Suez Canal area. Israel forces withdrew in March, 1957 after the United Nations established the U.N. Emergency Force in the Gaza Strip and the Sinai. A six-day war against the Arab countries in June, 1967 left Israel in possession of all Jerusalem, the

²⁴U.S. Department of State, State of Israel, Background Notes Series (Washington, D.C.: Government Printing Office, 1971), p. 1.

west bank of the Jordan River, the Sinai Peninsula, the Gaza Strip, and the Golan Heights. The formerly Jordanian-controlled sector of Jerusalem was almost immediately integrated into the State of Israel; the other regions still retain the official status of "occupied areas" although Israel continues to graft the Arab lands ever more tightly onto the Jewish nation. Since the June, 1967 war, efforts have been made to reach a peaceful settlement of the Arab-Israel dispute, but severe border incidents and raids have occurred, and the basic conflicts remain.²⁵

The organization of Israel's economy is unlike that of any other country in the world. From the earliest days of the State in 1948 to the present, the Israeli government has played an important part in the economy in order to promote national aims and objectives. Large capital imports have been obtained mainly from public and semipublic sources abroad and have passed through such national institutions as the Jewish Agency, the United Israel Appeal, and the Jewish National Fund.²⁶ As a result, the public sector has had control of a large part of the capital available for investment. These circumstances are responsible for the

²⁵"Israel," Europa Year Book, 1972, II (16th ed.; London: Europa Publications Limited, 1972), p. 706; U.S. Department of State, Israel, pp. 1-3.

²⁶U.S. Department of Commerce, Basic Data on the Economy of Israel, Overseas Business Reports Series (Washington, D.C.: Government Printing Office, 1971), p. 3.

creation of a large sector of public and semi-public enterprises in almost every branch of the economy.

Also playing a major and unique role in the economy is the Histadrut (General Federation of Trade Unions), which, in addition to being a labor organization of over 750,000 workers, owns and operates on a cooperative basis between 20 and 25 percent of the industrial plants in Israel.²⁷

Particular features of agriculture are the Kibbutzim (collective settlement), the irrigation schemes, and the reclamation of the vast Negev desert in the south.²⁸

In the last five years Israel's industrial output has more than doubled, and its currency reserves are at an all time high of \$1.2 billion. The GNP is rising at an average rate of 9 percent a year (from \$3.2 billion in 1950 to \$28 billion in 1972), while the country's exports are 48 times greater than they were in 1949. Israel has not made such rapid economic strides without costs, however. Defense spending--approximately half the total national budget--is now four times as large as it was at the time of the 1967 war, and is increasing every year. The currency has repeatedly been devalued and at the same time prices have soared. The cost of living rose 14 percent in 1972.²⁹

²⁷ U.S. Department of Commerce, Israel, p. 3.

²⁸ "Israel," Europa Year Book, p. 706. At present, only 4 percent of the population live on the kibbutzim.

²⁹ "Israel at 25," Newsweek, pp. 48-49.

The presence and status of the more than one million Arabs now in the occupied lands poses deeper problems for Israel. One of Israel's nagging nightmares is that the Arabs, with their soaring birthrate, will someday outnumber Jews in the Jewish homeland. And in a state that wants to see itself as the model of democracy, the denial of meaningful political rights to the Arabs gives some Israelis a discomforting feeling. Yet, assimilation of the Arabs seems impossible to many Israelis concerned about their country's distinctive religious foundation.³⁰

As Israel has recently celebrated the 25th year of Independence, she faces the awesome challenges of coping with the internal strains arising from its quick success and of achieving a lasting peace with her Arab neighbors. The response to the latter challenge will have enduring repercussions on the greater part of the Mediterranean society.

³⁰"Israel at 25," Newsweek, pp. 48-49.

ARAB REPUBLIC OF EGYPT

The Arab Republic of Egypt, the most populous country and recognized leader of the Arab world, is in the southeast corner of the Mediterranean Sea. About 97 percent of the land is arid and uninhabited. Virtually all of the country's economic life is concentrated in the three percent which is cultivable, comprising little more than the Nile River Valley and its Delta.³¹

Although an Egyptian nationalist movement developed in the 1870s against British and French domination of the government, the country did not gain its independence until 1922. At this time Egypt became a monarchy. The monarchy was overthrown in July, 1952 by a group of young army officers ("Free Officers"), one of whom was Colonel Gamal Abdel Nasser who was later to emerge as the leader of Egypt. The Free Officers were motivated by a desire to remove elements that traditionally had exploited the country. They sought to raise the standard of living, develop the country's economic and military strength, and unify the Arab world under Egyptian leadership.³² Pursuit of these objectives at times has led

³¹U.S. Department of Commerce, Basic Data on the Economy of the Arab Republic of Egypt, by Richard M. Loughlin, Overseas Business Reports Series (Washington, D.C.: Government Printing Office, 1972), p. 1.

³²U.S. Department of State, Arab Republic of Egypt, Background Notes Series (Washington, D.C.: Government Printing Office, 1972), p. 3.

Egypt into clashes with the West. In October, 1954 Britain and Egypt reached agreement on the Suez Canal when provision was made for the withdrawal of British troops. In 1956 the United States and Britain withdrew offers of a loan for the building of the Aswan High Dam, causing Nasser to nationalize the Suez Canal and announce his intentions to use Canal revenues to build the dam. Nasser also accepted large-scale Soviet aid in the project. Frustrated in their attempts to retain some measure of control over the Canal, Britain and France entered into a secret understanding with Israel involving military action.³³ British, French, and Israeli forces attacked Egypt in October, 1956, and after a brief but intense struggle, both sides accepted a United Nations cease-fire. Nasser succeeded in turning a military defeat into a political victory since the Suez War established Nasser as the recognized leader of the Arab world.

In 1967, after a series of measures against Israel, Egypt blockaded the Gulf of Aqaba, cutting off Israel's outlet to the Red Sea. On June 5 warfare erupted between the Arab states and Israel, and by June 10th the Israelis had again defeated the Arab forces. By this time, all participants had accepted a cease-fire; Israel had opened the Gulf of Aqaba, occupied the Sinai Peninsula and the Gaza Strip, and seized

³³"United Arab Republic," The Middle East and North Africa (16th ed.; London: Europa Publications Limited, 1969), p. 792.

control of the west bank of the Jordan River. Soviet military assistance soon made good the Egyptian losses of the war. However, a permanent solution to the conflict has not as yet been achieved.³⁴ Periodic guerrilla activities in the occupied territories, charges and countercharges, and threats and counterthreats have characterized Egyptian-Israeli relations in the intervening years.

President Nasser died on September 28, 1970 and was succeeded by his vice president, Anwar el Sadat. In September, 1971, Egypt, Libya, and Syria agreed to federate. Despite President Sadat's frequent assertion that a 'decisive' solution of the Arab-Israeli conflict is imminent, the uneasy truce between Egyptian and Israeli forces continues.³⁵

Since 1967 the Egyptian economy has functioned under conditions of war: (1) The Suez Canal remains closed;³⁶ (2) Sinai, with its oil fields, remains under Israeli occupation;³⁷ (3) Israeli reprisal attacks have repeatedly hit major economic targets such as the Suez refinery and the Helwan industrial complex near Cairo; (4) Unemployment remains

³⁴"Egypt," Europa Year Book, 1972, II (16th ed.; London: Europa Publications Limited, 1972), p. 453; L. Carl Brown and Alexander Melamid, "United Arab Republic (Egypt)," Cowles Encyclopedia of Nations, 1968, p. 193.

³⁵Sadat's "No Peace, No War" policy is very unpopular in Egypt.

³⁶Saudi Arabia, Kuwait, and Libya are providing Egypt with aid as a replacement for the lost revenues from the Canal.

³⁷The current loss of the Sinai oil deposits has been largely compensated for by the discovery of important oilfields on the mainland. "Egypt," Europa Year Book, p. 454.

high for both unskilled and professional labor; (5) Inflation persists due to the heavy repayment in agricultural products to the Soviet Union for continuing military aid; (6) Tourism has been drastically reduced; (7) Expenditures for the war itself and the continuing state of military preparedness since have severely strained the economy; and (7) Expenditures on development have declined.³⁸ Emergency measures which first appeared temporary are gradually becoming permanent as Egyptian-Israeli relations remain tense.

Notwithstanding the Arab Republic of Egypt's difficulties, progress has been made in several important areas: (1) An extensive birth control campaign has been started with the aim of slowing the rapid population growth; (2) Comprehensive social welfare schemes are now in effect; (3) A program of socialism has been substantially accomplished; (4) Steps have been taken to redistribute land to the poorer peasants; (5) Internal security restrictions have been liberalized; and (6) The completion of the Aswan High Dam in 1970 has increased the fertile land in Egypt by one-third. Nevertheless, the continuing hostilities with Israel overshadow all facets of Egyptian life. Besides the large-scale waste of resources, the conflict may lead to the development of a new ideology in the entire area.

³⁸"United Arab Republic," Middle East and North Africa, p. 800.

LIBYAN ARAB REPUBLIC

The Libyan Arab Republic stretches along the Mediterranean from Tunisia to Egypt. This vast country is almost entirely desert. Less than two percent of the land is cultivated and less than one percent is forested. Rainfall averages about 14 inches a year along the Mediterranean coast. There is virtually no rainfall in the Sahara desert region.³⁹

Formerly an Italian colony, Libya was conquered in 1942 by French and English troops. A deadlock ensued as to which major power would assume trusteeship for Libya. In 1949 the United Nations General Assembly resolved that Libya should become an independent state. Following Independence, the United Kingdom of Libya enjoyed political stability and good relations with both the Arab world and the West, though oil supplies to the latter were restricted soon after the 1967 Arab-Israeli war. On September 1, 1969 in a bloodless coup d'état, a group of young nationalist army officers under the leadership of Colonel Moammar el Khadafy were brought to power, deposing the aged king, who was convalescing abroad.⁴⁰

³⁹Hibbard V.B. Kline, Jr. and L. Carl Brown, "Libya," Cowles Encyclopedia of Nations, 1968, pp. 121-22.

⁴⁰"Libya," The Europa Year Book, 1972, II (16th ed.; London: Europa Publications Limited, 1972), p. 913.

The new regime declared a motto of "freedom, socialism, and unity" and pledged itself to: remove backwardness; take an active role in the Arab cause in "Palestine"; promote Arab unity; and encourage domestic policies based on social justice, nonexploitation, and an equitable distribution of wealth.⁴¹ Former King Idris al Sanusi had been a stalwart monarch. For the most part, the monarchy's strength was derived from the great personal prestige of the king, whose long resistance to Italian colonialism is legendary in his country.⁴² All power is now centered in the Revolutionary Command Council. There is no national assembly and no political parties are allowed.

As oil revenues began to mount following the first major discovery in 1959, the government moved quickly to modernize the infrastructure and improve social conditions. The First Five-Year Development Plan (1963-1968) was one of the most ambitious schemes ever attempted by an emerging nation, reaching almost £ L 300 million in total expenditures.⁴³ Despite some notable achievements, the rapid injection of so

⁴¹ U.S. Department of State, Libyan Arab Republic, Background Notes Series (Washington, D.C.: Government Printing Office, 1970), p. 3.

⁴² Stanford Research Institute, Area Handbook for Libya (Washington, D.C.: Government Printing Office, 1969), p. 3.

⁴³ Libyan law required that 70 percent of all oil revenues were to be invested in economic development projects.

much wealth in the economy was difficult to absorb, leading to a unique situation described as "growth without development."

The traditional Libyan society has been slow to keep pace with the rapid economic expansion. The swift current of social change put in motion by the rise of the oil industry has only in the last few years outwardly altered the country's social organization, which had remained oriented toward religion, the family, the tribe, and the region.

The dramatic development of the petroleum industry released Libya from economic stagnation. Literacy was almost nonexistent and poverty was extreme as evidenced by a Gross National Product per capita in 1951 of only \$39.⁴⁴ Petroleum revenues remain virtually the sole source of foreign exchange constituting 85 percent of government revenues, and this trend should continue for the foreseeable future.^{45, 46}

Aside from the oil industry, industrial activity is confined chiefly to food processing and handicrafts. Industrial

⁴⁴The estimated 1970 Gross National Product per capita of \$1670 is the highest in Africa. However, we must not place reliance on this figure as an indicator of economic development due to the extreme inequality in Libyan society.

⁴⁵U.S. Department of Commerce, Libya, Foreign Economic Trends and Their Implications for the United States Series (Washington, D.C.: Government Printing Office, 1972), p. 4.

⁴⁶In 1972 oil revenues were \$1.6 billion. U.S. Department of Commerce, Market Profiles for Africa-Libya, Overseas Business Reports Series (Washington, D.C.: Government Printing Office, 1972), p. 22.

development has been slow as a result of the small labor force, an inadequate transportation network, and the absence of major resources, apart from oil. The number of persons in agriculture declines every year as a result of migration from rural areas to coastal cities. Agricultural output has not kept pace with the increased demand for food.⁴⁷

The 1972-75 Development Plan calls for investments exceeding \$3.8 billion over the three-year period. The bulk of these resources will be allocated to agriculture and industry, followed by projects in housing, transportation (especially seaport and airport development), communications, and education.⁴⁸ Budget allocations for defense are very large.

The Libyan economy has recovered from the downturn of 1970 after its initial reaction to the 1969 Revolution and is now entering a stage of growth in all sectors. Petroleum production continues to decline as a result of Libyan conservation policies, price rises for Libyan oil, and market forces in Europe. The near future should produce Libyan demands for participation in the now foreign-controlled petroleum sector⁴⁹ and greater Libyan development of

⁴⁷Stanford Research Institute, Libya, pp. v-vii.

⁴⁸U.S. Department of Commerce, Market Profiles-Libya, p. 22.

⁴⁹In December, 1971 the assets of British Petroleum were nationalized as a result of alleged British failure to prevent Iranian occupation of islands in the Persian Gulf.

production and processing capacities. The near future will also determine the extent to which the government programs are capable of diversifying the economy from its dependence upon petroleum.⁵⁰

There is general unrest in the country due to the prospective unification with Egypt. The Libyan people fear the loss of control of their wealth and national identification with the Egyptians. To counteract the growing opposition to the regime, Khadafy in 1973 has declared a vaguely-defined "cultural revolution" in order to strengthen his leadership position.

⁵⁰U.S. Department of Commerce, Libya, pp. 2-5.

TUNISIA

Tunisia, although the smallest of the three countries that comprise the "Maghreb" of northwest Africa, is more cosmopolitan than either Algeria or Morocco.⁵¹ History and nature have combined to divide the northeastern coastal regions from the southern hinterlands. The coasts, with fertile soil and adequate rainfall for farming, are the historical locus of development in Tunisia. Only under the post-Independence government has a real effort been made to integrate the south into the cultural, social, and economic life of the northern region.⁵²

When Tunisia became an independent state in 1956 the French Protectorate of Tunisia was at an end after years of terrorism by the nationals and counter-terrorism by the European settlers.⁵³ In 1957 the monarchy was abolished and

⁵¹The three states of Tunisia, Algeria, and Morocco constitute the area known to the Arabs as the Maghreb. The word means "The West" in Arabic. In 1969 the Maghreb had a population of 33 million inhabitants who also considered themselves part of the Arab world by language and history. Libya and Mauritania are sometimes included as countries of the Maghreb. "Tunisia," The Middle East and North Africa: 1969-1970 (16th ed.; London: Europa Publications Limited, 1969), p. 703. Each of the Maghreb countries has signed or is in the process of signing trade agreements with the EEC. Tunisia on March 28, 1969, and Morocco on March 31, 1969, signed five-year trade preference agreements with the EEC. Algeria is now in the process of concluding a similar agreement.

⁵²Howard C. Reese, et al., Area Handbook for the Republic of Tunisia (Washington, D.C.: Government Printing Office, 1970), p. 2.

⁵³Ibid., p. 1.

Habib Bourguiba became the first president. A disagreement with France over the continuation of the French naval base at Bizerta led to heavy fighting and the final withdrawal of the French. In May, 1964 Tunisia appropriated all foreign-owned lands as a step towards the socialization of the agrarian sector of the economy and in retaliation France withdrew most of her economic aid, which was resumed in 1966 upon the signing of a cultural agreement. In November, 1969 President Bourguiba was re-elected for a third five-year term.⁵⁴

The main support of the economy is agriculture, which, however, is subject to extreme fluctuation in yields due to varying annual amounts of rainfall. The fluctuation in yields brings about repercussions on standards of living and foreign trade. The necessary specialization of certain regions in a particular crop further adds to the instability in the economy. Industrial production is responsible for only a small part of the national income,⁵⁵ as its development has been hampered by Tunisia's past history as a French colony. Mineral resources are large and there is much opportunity for development of these resources. A major hope for the future is oil, which was first found in commercial quantities in 1964. Encouragement is given to both public and private sectors, though the

⁵⁴"Tunisia," Europa Year Book, 1972, II (16th ed.; London: Europa Publications Limited, 1972), p. 1504.

⁵⁵A favorable factor in the country's industrialization plans is the existence of a well-trained managerial class.

private sector has to work within the framework of the government's development plan.⁵⁶ In 1969 important trade preferences were granted through a partial association agreement signed with the EEC.

At present, the traditional family and social order is crumbling away in favor of a system based on Western values. The government has been the leader in effecting this change. President Bourguiba's rule has tended to be paternalistic with state welfarism being an integral commitment of the administration. In 1968 about one-quarter of the budget was devoted to education.⁵⁷ The program of national development, Destourian (Constitution) Socialism, is a synthesis of policies drawn from Western as well as Eastern experience within the national framework.

Popular resistance to modernization has been slight, reflecting regional differences in education rather than deep-seated hostility to the concept of change. The Tunisian government has sought to maintain cordial relations with all capitals and to incur no political commitments when accepting economic assistance from abroad.⁵⁸ Because of Bourguiba's more neutral position on the Israeli question, for the most part relations with the rest of the Arab world have been strained.⁵⁹

⁵⁶"Tunisia," Middle East and North Africa, p. 710.

⁵⁷"Tunisia," Europa Year Book, p. 1504.

⁵⁸Reese, Tunisia, pp. 2-3.

⁵⁹"Tunisia," Middle East and North Africa, p. 711.

Foreign economic relations have played a key role in the country's economic activity. Tunisia, like many developing countries who must export primary goods in order to purchase equipment for industrial expansion, experiences a constant deficit in the balance of payments. But foreign exchange credits, grants, and other forms of financial assistance, mainly from the West, offset this deficit. President Bourguiba's stable government and his commitment to a realistic overall development program for the nation have inspired confidence, making Tunisia attractive to some types of foreign investment, e.g., tourism.⁶⁰

⁶⁰"Tunisia," p. 710; Reese, Tunisia, p. 4.

ALGERIA

Algeria, an Islamic socialist republic in North Africa, became independent in 1962 after more than a century of French rule. Most of Algeria is part of the vast desert waste of the sparsely populated Sahara.

Agriculture is the mainstay of the economy although there is relatively little good farm land. The bulk of its produce, which consists of wheat and barley and a variety of vegetables and fruits, comes from the region between the Tell Atlas and the Mediterranean, where the bulk of the population lives. The major exports today are petroleum and natural gas from rich fields discovered in the Sahara in the 1950s.

The territory of present-day Algeria was invaded many times and dominated by many peoples before the country won its independence in 1962. France secured control of Algeria in 1847 after struggling first with the Turks in 1830 and finally against native Algerian forces led by Abd-el-Qadir.

Large numbers of French and other Europeans settled in Algeria soon after the defeat of Abd-el-Qadir, and by 1900 Europeans made up 14 percent of Algeria's total population.⁶¹

⁶¹L. Carl Brown and Hibberd V.B. Kline, Jr., "Algeria," Cowles Encyclopedia of Nations, 1968, pp. 3-4.

The European settlers built up the Algerian economy, developing large-scale agricultural and industrial enterprises for the French market.⁶² But the development basically concentrated still more power in the hands of the French Algerians. During the period of French colonization the status of the Moslem Algerians was steadily reduced as European settlers gained the best land and used their political and administrative control to change land tenure systems to their own advantage.⁶³

By the early 1900s, the lack of economic opportunities and political inequalities created growing unrest within the Muslim majority:

In seventy years the Muslim people of Algeria had been reduced from relative prosperity to economic, social, and cultural inferiority. Three million inhabitants had died, tribes had been broken up, and the traditional economy altered during the prolonged /French/ 'civilizing' campaigns. . . . The spread of nationalism throughout the Middle East and the aftermath of the First World War, however, introduced the seeds of an Algerian national consciousness among the Muslim population, and marked the beginning of a reaction to the long period of French rule.⁶⁴

France attempted piecemeal reforms, one of which was the granting of French citizenship and therefore the vote to

⁶²"Algeria," The Middle East and North Africa: 1969-1970 (16th ed.; London: Europa Publications, 1969), p. 140.

⁶³Norman C. Walpole, et al., Area Handbook for Algeria (Washington, D.C.: Government Printing Office, 1965), p. 1.

⁶⁴"Algeria," Middle East and North Africa, p. 140.

all Algerian citizens, including women; but none succeeded in alleviating the growing hostility toward the French.

The Algerian desire for self-government grew following World War II. In 1954 an armed rebellion against the French was begun by the National Liberation Front (FLN). The FLN slowly won the allegiance of most of the non-European Algerian population during a bitter terrorist campaign against the French in the years that followed.

Finally, in 1960, after a military effort that brought 500,000 French troops to Algeria and resulted in a series of French domestic political crises, French President de Gaulle agreed to negotiate with the FLN. Following months of negotiating the French withdrew from Algeria. On July 3, 1962, after 12 years of French rule, Algeria became independent:

The war for independence hastened the breakdown of traditional Moslem society. During the long war more than 2 million Algerians moved or were moved from their rural villages into French-built regroupment centers as a security measure, and their way of life was thoroughly disrupted. In most cases, their poor but stable economy . . . was destroyed. The men were forced to eke out a living through work on public roads or in French-owned enterprises; to depend on government aid; or to flee to the cities or to the FLN rebels. Family life was broken, particularly as a result of the absence of the male household head; social mores and traditional social sanctions were weakened. Increasingly, women escaped the complete domination of their male relatives and husbands for the first time.⁶⁵

The fruits of victory were almost lost in a near civil war that erupted immediately after independence was granted.

⁶⁵Walpole, Algeria, p. 4.

Ahmed Ben Bella, a leader of the FLN who had been imprisoned in France since 1956, made a successful bid for power with the support of the FLN army. By the end of 1962 Ben Bella had been elected premier by a newly formed national assembly, and he appeared to be securely in power. In June, 1965, however, Ben Bella was overthrown in a bloodless coup led by the army. Colonel Houari Boumedienne, a military leader of the independence struggle, emerged as the head of a provisional military regime.

The emigration of 90 percent of Algeria's European population of one million, soon after the country achieved independence, left Algeria stripped of its trained personnel and deepened the economic crisis that followed the years of struggle for independence. During the colonial era and in the early years of independence, the Algerian economy was characterized by very heavy emphasis on agriculture and a relatively static rate of economic growth. The economic picture for the 1970s is much brighter as the economy is experiencing a transformation due in part to expanding oil and gas revenues. The oil and gas deposits are the foundations on which the regime plans to build a modern industrial economy.⁶⁶

The transformation to an industrial society is felt to be the key to the future and the best long-term solution of

⁶⁶Walpole, Algeria, p. 1.

the country's two major problems--reorganization of agriculture, and the utilization of surplus or underemployed labor.^{67, 68}

Most foreign firms have been nationalized; autogestion, a form of management by the workers, has been experimented with in industry but is now being replaced by orthodox state capitalism.⁶⁹

The socialist, one-party government headed by Boumedienne is attempting to modernize the society through education, female emancipation, the development of an industrial urban economy, and the reform of land tenure and agricultural production.⁷⁰ And despite severe population, unemployment, and agricultural problems, Algeria should experience a rapidly expanding economy. The Development Plan (1970-73) was structured towards the strengthening of the industrial infrastructure and towards expansion and diversification of foreign trade, both important factors for sound economic growth.⁷¹

⁶⁷ U.S. Department of Commerce, Basic Data on the Economy of Algeria, by Carolyn K. Klein, Overseas Business Reports Series (Washington, D.C.: Government Printing Office, 1971), pp. 20-24.

⁶⁸ In 1971, agriculture still employed 75 percent of the labor force.

⁶⁹ "Algeria," The Europa Year Book, 1972, II (16th ed.; London: Europa Publications Limited, 1972), p. 512.

⁷⁰ Walpole, Algeria, p. 5.

⁷¹ U.S. Department of Commerce, Algeria, p. 24.

MOROCCO

The kingdom of Morocco, the westernmost nation of the Maghreb, regained its independence on March 3, 1956, after forty-four years of French and Spanish rule. The lasting influence of the Spanish was limited, but that of the French, who ruled most of the country, was of considerable importance. The military, the civil service, the modern sector of the economy, the political parties, and the general structure of the government bureaucracy are patterned after the French models.⁷²

Morocco is endowed with a number of assets. The country has an agreeable climate for tourists, varied soils with good agricultural potential, and important mineral resources. The industrial sector is small but has possibilities for growth due in part to an expanding managerial and industrial labor force. Adding to the expansion of the economy is the fact that the economic infrastructure is at an advanced stage. The beauty of the country and its climate offer opportunities for the growth of tourism, which in 1971 was the second largest earner of foreign currency.⁷³ Despite these assets, the economic performance of Morocco until

⁷²Richard F. Nyrop, Area Handbook for Morocco (Washington, D.C.: Government Printing Office, 1971), p. 1.

⁷³"Morocco," The Middle East and North Africa, 1969-1970 (16th ed.; London: Europa Publications, 1969), p. 520.

recently was disappointing. However, for the period 1967-71, Gross Domestic Product (GDP) increased at better than five percent annually in real terms. Throughout the period the largest contributions to GDP were made by agriculture (twenty-eight percent).⁷⁴

A primary economic goal since the mid-1960s has been to increase the output of the agricultural sector. The 1968-72 Five-Year Plan provided relatively large amounts of money for dams (45 percent of total investment) and irrigation projects. Incentives have been given to the farmers in the traditional sector to use high yield seeds and to purchase fertilizers at a reduced price. Land reform has been undertaken.

The government has continually sought and skillfully used to its advantage foreign economic aid and technical assistance to implement its domestic development efforts.⁷⁵ There is a new Five-Year Development Plan covering the 1973-77 period. Agriculture, tourism, and manpower training are scheduled to receive the highest priority. Special attention will be given to export promotion in view of the opportunities offered by Morocco's limited association (1970) with the EEC.

⁷⁴ Nyrop, Morocco, p. viii.

⁷⁵ Ibid., p. 5.

More attention will be paid to the social aspects of development.⁷⁶

Although only about seven miles from Europe, Morocco did not come under European rule until the 1900s. In 1912 most of Morocco became a French Protectorate. Moroccan nationalism began to develop unity in the late 1920s. In 1927 France placed Muhammad ben Yusuf (Muhammad V) on the throne, confident that he would act favorably to France. But in 1953 France forced Muhammad to abdicate in order to end his nationalistic activities. He went into exile but as a result, nationalist activities intensified. In 1955, France accepted the necessity of negotiating with Muhammad, and he returned to Morocco in triumph. Negotiations quickly led to independence for French Morocco, achieved on March 2, 1956.

Muhammed V died in 1961 and his son, Hassan II, the designated and unchallenged successor, inherited not only the throne but also his father's popularity and the nationalist symbolism associated with him.⁷⁷

⁷⁶ U.S. Department of Commerce, Basic Data on the Economy of Morocco, by Laron L. Jensen and Maureen Smith, Overseas Business Reports Series (Washington, D.C.: Government Printing Office, 1972), p. 28.

⁷⁷ The institution of the monarchy had become popularly identified as the symbol of Moroccan nationalism and of independence from alien, non-Muslim rule. Nyrop, Morocco, ch. 3.

In 1962 with the adoption of its first constitution, Morocco became a constitutional monarchy. However, in 1965 Hassan assumed all executive and legislative powers.⁷⁸ In the Arab-Israeli war in June, 1967, the Moroccan government gave vocal support to the Arab cause but did not commit its troops to the fighting.

Hassan on occasion has experimented with democratic institutions and constitutional procedures, but his rule has been an essentially personal one.⁷⁹ In response to the attempted coup in July, 1971 the King pledged to the people that broad measures would be undertaken to eliminate corruption and improve social conditions for the Moroccan society. A new constitution was adopted in March, 1972 providing for some redistribution of power.

Morocco's most critical social and economic problems are not unlike those of many other developing nations. In mid-1971 the population was estimated to be increasing at an annual rate of between 3.2 and 3.3 percent. Unemployment is a serious problem nationally and a critical one in the growing metropolitan areas where unemployment is in excess of 25 percent. Only 20 percent of the adult population is literate, yet there are a significant number of college graduates who are unemployed.⁸⁰

⁷⁸Hibbard V.B. Kline, Jr. and L. Carl Brown, "Morocco," Cowles Encyclopedia of Nations, 1968, p. 133.

⁷⁹Nyrop, Morocco, pp. v, 2.

⁸⁰Ibid., pp. 3-4.

The prospects for political stability are doubtful. Although the period since the unsuccessful attempt at a coup d'état in July, 1971 has been marked by some labor unrest and student strikes, there has been no collapse in public order and a fairly clear political and economic course has now been charted by the King.⁸¹ But a recent organized attempt on the King's life, led by the Minister of Defense, has been interpreted as an expression of sentiments against the King. In particular, there are deep-seated feelings against Hassan for his alleged pro-Western stance, the continued existence of a large United States military base in the country, and his apparent more neutral position on the Israeli question.

⁸¹U.S. Department of Commerce, Morocco, Foreign Economic Trends and Their Implications for the United States Series (Washington, D.C.: Government Printing Office, 1972), p. 4.

Summary

Throughout the preceding chapter we have seen that within the Middle-East-North Africa there are many unifying factors that have shaped the area's continuing development. The common Islamic heritage of all the countries remains the most influential factor in contemporary society. Even in the most Western and certainly least Muslim nation, Israel, matters of family status are still strongly influenced by Muslim institutions.⁸²

Two factors, which are interrelated, have initiated and accelerated the changes taking place in this part of the world. One is the discovery and rapid increase in output and profits of the petroleum industry; the other is the strong nationalist tide which has caused many of the states to match their political sovereignty with economic power and independence through industrialization and the development of petroleum resources.

Since the end of the nineteenth century all of these countries have been strongly influenced by the West yet few have successfully adapted themselves to Western political and social systems, and today several are moving away from the adherence to Western institutions.

The Arab-Israeli conflict continues to permeate all discussions as to the future of this area. The root cause of the conflict is the Palestine problem, which has convulsed this

⁸²Peretz, The Middle East Today, pp. 451-52.

part of the world and will continue to convulse this area and possibly the whole world, until it receives a solution consistent with right and justice.⁸³

The most hopeful element in the future of this area is the presence of the vast petroleum resources which can be used to finance imaginative development and modernization schemes. But to close on a note of caution, such resources might also be used to prop up decadent and unpopular political regimes as well as to reinforce crumbling traditional institutions.

⁸³ Henry Cattán, "The Palestine Problem: The Palestinian Point of View," in The Middle East: A Handbook, ed. by Michael Adams (New York: Praeger, 1971), p. 158.

CHAPTER V

QUANTITATIVE RELATIONSHIP OF POLITICAL INSTABILITY AND ECONOMIC DEVELOPMENT

Introduction

Social scientists have long been in agreement that economic development implies more than the technical and physical interaction of economic forces alone.¹ Developmental economists, perhaps more than others, are keenly aware that the process of development is dependent upon and is powerfully affected by noneconomic factors encompassing the political, social, and cultural framework of a society. Too often, models and formal discussions of economic development have designated variables and relationships in which the consideration of human factors generally took second place, being mainly limited to the specification, ceteris paribus. The specification of the nature of the human factor effects generally qualifies rather than begins the discussion. The result is a proliferation of economic

¹Economic development is defined in this study as "A process of many interacting forces, both economic and noneconomic in nature, whereby sustained increases in the standard of living occur." Dr. Alexander J. Kondonassis, David Ross Boyd, Professor of Economics, University of Oklahoma.

"models" of society that have neither social nor political antecedents or consequences, and in which "paths" of development are explored that abstract substantially from reality.

The analysis of noneconomic factors has been largely hampered by an absence of empirical data and/or lack of appropriate techniques to ascertain the nature of their interaction with and influence upon economic factors. The current analysis of the influence of political instability on development in the Mediterranean region constitutes a modest attempt towards the solution of an interdisciplinary theory of economic development. Hopefully, the specific contribution will be to hasten the shift in emphasis away from purely economic factors as instigators of change in economic performance to that of economic and noneconomic variables as being the causal agent in the developmental equation.

There are, however, limitations involved in any cross-temporal analysis. Besides the general lack and reliability of data, there is the fundamental problem of the validity of the variables. Do the variables measure the same thing in different countries? The quantitative indicators used in this study are far from perfect. Progress continues to be made in the difficult area of quantifying noneconomic variables as well as in data collection.² Nevertheless, the results of the data analysis

²The United Nations has been an active and leading force in this endeavor. See, for example, D. V. McGranahan, et al., Contents and Measurement of Socioeconomic Development: A Staff Study of the United Nations Research Institute for Social Development (New York: Praeger, 1971).

must be accepted on the basis of the admitted measurement limitations.

The relationship between political instability and economic development is difficult to assess for a number of reasons. In the first place, political instability variables are difficult to obtain data on, or frequently even to conceptualize into operational terms. Notwithstanding these limitations, it is assumed that the instability events which range from protest demonstrations to coups d'état are reflective of basic underlying dysfunctional social problems. The approach taken in this study is to avoid trying to isolate a single meaning of political instability so as to use it exclusively. Rather, seven indicators--some quite distinct, others not so distinct--are used to measure different aspects of political instability (see Appendix A).

The seven political instability indicators seem to cover all aspects of internal conflict which the Feierabends noted in their definition on page 4 of chapter II.

The other major concept of this study is economic development. To capture both the per capita income growth and structural change aspects that are implied by Kondonassis' definition of economic development, a number of different indicators were chosen. The selection of the ten indicators of economic development were taken from Arthur S. Banks' Cross-Polity Time-Series Data and are set forth in Appendix F.

Having defined the two major concepts of political instability and economic development and given their quantitative indicators, the hypotheses of this study may now be discussed.

Hypotheses To Be Tested

Chapter II reviewed the research of numerous authors who were concerned with the problem of the association between economic development and political instability. Many of these authors acknowledge the existence of the association but there are conflicting views as to its effects. Some have stated that economic development is a requirement for political stability, while others maintain that the developmental process is inherently destabilizing. And some believe that political stability is necessary for economic development while others believe it is not. There are also many variations of these basic beliefs. At the same time, only a few researchers have concentrated their efforts in an investigation of the effects of political instability on economic development. As a result, there is no formal theory available that satisfactorily concerns itself with this specific relationship. So the matter has generally rested on observations in a variety of countries where the data bases used for such observations are rather different. This has led to debatable conclusions concerning consistency with respect to the generalization of the relationship. Following from this, the major interest of this research project is to

investigate the effects of political instability on economic development for the nations of the Mediterranean region.

In Chapters III and IV it was noted that there were extended periods of relative political instability for the great majority of the countries in the Mediterranean region. This pattern, coupled with the writer's expectation of the joint occurrence of periods of decline or disruption in the economic development indicators, forms the basis for the first hypothesis. Specifically, this hypothesis is:

Political instability and economic development are negatively correlated for the seventeen countries of the Mediterranean region, 1948-1966, inclusive.

The second and major hypothesis of this study is:

Political instability has retarded economic development for the seventeen countries of the Mediterranean region, 1948-1966, inclusive.

Methodology

The methodological approach taken in this study rests upon the assumption that there is a relationship between the dual phenomenon of political instability and economic development. The writer believes that within this relationship the detrimental effects of political instability on economic development may not achieve their full impact in the same year in which the incident of political instability occurs. For example, a riot in year_t may adversely affect economic development not in year_t but in year_{t+1} and/or year_{t+2}. To examine this idea, each independent variable will be lagged first one

and then two years. Therefore, the focus of this research will be to indicate and compare both the direct and lagged patterns in the relationship between political instability and economic development. To accomplish these ends, the statistical technique of multiple regression analysis will be employed. Only a cursory summary of multiple regression analysis will be given in order to make clear the nature of the generalizations and empirical arguments made from the use of this methodological procedure. This procedure allows one to identify the amount of variance in a variable "explained" by two or more other variables.³ The 'coefficient of multiple determination' (R^2) tells us the explanatory strength of a linear combination of the independent variables. However, R^2 is positively biased and tends to overestimate the true relationship. Hence, use will be made of the 'adjusted coefficient of multiple determination' ($\bar{R}^2$) which reduces the positive bias of R^2 . The closer $\bar{R}^2$ approaches the value 1.0, the greater the independent variables explain the value of the dependent variable. For example, an $\bar{R}^2$ of .80 indicates that we have explained four-fifths of the variance in the dependent

³In the case of multiple regression, whenever independent variables are highly intercorrelated, random measurement errors in some will tend to increase the apparent effects of those variables with which they are most highly intercorrelated. It is expected that high intercorrelation exists among the political instability variables since the concept of political instability may be viewed as unidimensional.

variable Y . Consequently, the size of $\bar{R}^2$ will tell us the closeness of the relationship between the independent variables, $P_1, P_2 \dots P_7$, and each of the ten economic development variables, $E_1, E_2 \dots E_{10}$. In this study, the annual value for each economic variable is regressed against the corresponding set of political instability variables for that year. A meaningful value for $\bar{R}^2$ coupled with negative values for the partial regression coefficients (as explained below) would confirm our hypotheses.

The b 's in our multiple regression equation, $Y_c = a + b_1P_1 + b_2P_2 + b_3P_3 + \dots + b_7P_7$, are called 'partial regression coefficients' and show the average change in the dependent variable when there is a one-unit change in P_i , holding the other P 's constant. The b 's show the slope of the regression plane. The a has the same unit as Y and shows the height (elevation) of the plane. In addition to the $\bar{R}^2$ being quite rich in its policy insights regarding the path of economic development, the sign of the b -coefficients also are of importance. Should the b -coefficient carry a negative sign, political instability will, ceteris paribus, tend to retard economic development, as that term is used here. There would appear, therefore, to be much truth in our major hypothesis concerning the relationship between economic development and political instability.

One general substantive point perhaps should be made about all these regression equations. In all our examples

political instability bears the sole explanatory role. But in every case it is only a partial explanation, which, to produce satisfactory predictions, has to be supplemented by other variables. Neither economic nor noneconomic factors can stand alone in explaining the multifactor phenomenon of economic development.

A definite limitation of this study and similar studies in this area is the unavailability of sufficient data. Missing data can force researchers to exclude relevant variables for lack of an adequate number of cases to analyze. The data concerned directly with political instability are complete in this study. However, many of the indicators describing economic development characteristics of nations are not complete.

Hypotheses Testing and Findings Analyses

The political instability and economic development variables used in this study are given below.

Political Instability Variables

- P₁ -- Protest Demonstrations
- P₂ -- Riots
- P₃ -- Armed Attacks
- P₄ -- Deaths from Domestic Violence
- P₅ -- Governmental Sanctions
- P₆ -- External Interventions
- P₇ -- Irregular Power Transfers

Economic Development Variables

- E₁ -- National Government Revenue per Capita
- E₂ -- National Government Expenditures per Capita
- E₃ -- All Mail per Capita
- E₄ -- Imports per Capita
- E₅ -- Exports per Capita
- E₆ -- Total School Enrollment per Capita
- E₇ -- Gross Domestic Product per Capita
- E₈ -- Gross Domestic Product per Capita Originating in
Industrial Activity
- E₉ -- Energy Consumption in Kilograms per Capita
- E₁₀ -- Physicians per Capita

In Appendices C, D, and E are the summary results of the multiple regression analysis for the countries under study. Specifically, Appendix C gives the results of the regressions without the lag structure while Appendices D and E, respectively, present the regression results from lagging the independent variables first one and then two years. Included in these appendices are listings for each country in the study of: (1) the dependent variables; (2) the independent variables with a significance level greater than .60 as determined by a two-tail t-test; (3) the relationship (positive or negative) between the independent and dependent variables; and (4) the $\bar{R}^2$ value. Algeria, Malta, and Cyprus were excluded from the statistical analysis due to an insufficient number of

observations. The number of dependent variables will vary for each country depending upon the availability of data. Also, the number of independent variables will vary since those variables with two or less non-zero values for the nineteen-year period were excluded.

The t-test is used to determine whether the partial regression coefficients (b_i) are significant as they relate to the dependent economic variable. Generally, a regression analysis is based on a scientific theory (economics, psychology, political science, agriculture, etc.) and if the t-value is deemed not statistically significant, then we have probably contradicted the scientific theory from which we started. A small t is due to a large coefficient variance $\hat{V}ar(b_i)$ or a small b_i .

A small b_i may merely indicate that the relation between Y and X is not as strong as we expected. A large $\hat{V}ar(b_i)$ may be due to a small number of observations (which is true for many of the variables in this study). Another reason for a large $\hat{V}ar(b_i)$ may be due to multicollinearity which is to be expected in this study since the indicators of political instability may be considered as largely unidimensional.

Furthermore, the presence of autocorrelation in the data (as indicated by the Durbin-Watson statistic) can cause us to accept the hypothesis that X is significant in explaining Y, when in fact it is not. Hence we conclude that great care must be exercised in interpreting the regression equations.

The findings of this study as presented in Appendices C, D, and E reveal that there are 42 percent more negative signs than positive signs for the significant partial regression coefficients. In general, therefore, there is partial evidence to support our first hypothesis that there is an inverse relationship between political instability and economic development for the seventeen countries of the Mediterranean Sea.

Although the adjusted coefficients of multiple determination ($\bar{R}^2$) in general are moderate by standards of social research, this is by no means unexpected. The second and major hypothesis was not that political instability was a complete explanation of fluctuations in economic development for the seventeen nations but that political instability has retarded economic development. Therefore, the position is taken that the second hypothesis is also confirmed.

When a comparison is made between the European and non-European nations, we find that the relationship between political instability and economic development, as measured by $\bar{R}^2$, is stronger for the non-European nations. An unconfirmed belief is that this difference would be even greater were more observations available on the development variables for the non-European nations. For during the stormy period of incipient nationalism and pre-independence demonstrations, very little statistical data of an economic nature is available. One can little doubt that such periods of violent unrest did decrease the stability and consistency of the growth in the economic development indices.

When an examination is made to ascertain the pattern of the hypothesized relationships, some interesting commonalities emerge. For the two European Communist countries (Albania and Yugoslavia) we find first for Albania that all but three of the significant regression coefficients are negative. And for Yugoslavia, all are negative with P_5 having a significant negative relationship with every economic variable. The $\bar{R}^2$'s for both countries are generally high, the average $\bar{R}^2$ for Yugoslavia being approximately .50. For Albania, the $\bar{R}^2$'s are highest when the independent variables are lagged one year.

Variables P_2 and P_5 are found in combination and negative in 95 percent of the regression equations for Italy. In addition, there occurs a preponderance of negative relationships between the dependent and independent variables. Further, the $\bar{R}^2$'s average approximately .30.

The variable P_2 was significant and negative in every regression equation for France. However, the $\bar{R}^2$'s were generally low--only one equation having an $\bar{R}^2 > .25$.

Interestingly, the variable P_1 is significant and positive for the first twenty regression equations for Greece but is positive for only two of the last ten equations. Also, P_5 is significant and negative for all thirty equations. As an inference, we might say that when the authorities take action to neutralize, suppress, or eliminate a perceived threat which is believed to be detrimental to the national interest (P_5),

economic development is consequently retarded. In contrast, nonviolent protest by politically discontented groups (P_1) was found to be positively related to economic development. It may be that the protesting groups attach a strong sense of legitimacy to their government and passionately believe that their protests will be heeded by the government. In addition, the $\bar{R}^2$'s obtained by the one-year lag of the independent variables are by far the highest with only one $\bar{R}^2 < .30$.

The results for Turkey may be considered as exhibiting much the same general pattern as Greece. The variable P_1 is significant and positive and the variable P_5 is significant and negative for 60 percent of the equations. However, the $\bar{R}^2$'s are generally low or nonexistent.

It is of consequence to note that for Spain variable P_4 , the most turbulent of the seven political instability indicators, is significant and negative for eighteen of the twenty lagged equations. Furthermore, the $\bar{R}^2$'s are significantly higher for the lagged equations. This would seem to give converging evidence for the hypothesis of the lagged relationship between political instability and economic development.

A review of the findings for the non-European nations reveals a somewhat similar pattern as that for the European nations. For Morocco, the relationship between political instability and economic development exhibits the strongest relationship of all the nations under study. Every regression equation possesses an $\bar{R}^2 \geq .70$. Variables P_3 and P_4 have a

significant negative relationship in 57 and 40 percent of the equations, respectively. The hypothesized lag relationship is manifest in the findings for Morocco since the $\bar{R}^2$'s for the two-year and one-year lag are larger, respectively, than for the non-lag equations.

During the period 1948-1966, Syria had ten irregular power transfers (P_7). In the world, only South Viet Nam had as many. This act of either actual violence or the clear threat of violence reflects itself negatively in twenty-two of the thirty regression equations for Syria. There is a strong relationship between political instability and economic development in this nation for both the non-lag and lag structures as evidenced by the excess of negative relationships and generally high $\bar{R}^2$'s.

Egypt shows a preponderance of negative relationships for the non-lag regressions. The two-year lag regressions command the highest $\bar{R}^2$'s. Notably, of the ten one-year lag equations there are a total of only two significant independent variables and only two meaningful $\bar{R}^2$'s.

Following Independence in 1949, Libya enjoyed political stability throughout the 1949-1966 period. The coup d'état of 1969 that brought the present leader, Moammar el Khadafy to power and the attendant political unrest are not embraced by these data sets. This fact is reflected by the fewness of negative relationships and meaningful $\bar{R}^2$'s. Moreover, political instability has no explanatory power, as measured by $\bar{R}^2$, for any of the ten two-year lag regression equations.

In contrast, Tunisia records a host of moderate to high $\bar{R}^2$'s with the highest set occurring when the independent variables are lagged one year. For this particular set, seven of the regression equations have $\bar{R}^2$'s $> .70$, with three being greater than .90.

For Lebanon, the wealthiest of the non-oil-producing nations of the Middle East, we find that Protest Demonstrations (P_1) and Riots (P_2) occur negatively and in combination in twenty-four of the thirty regression equations. From our knowledge of the structure of the Lebanese economy and its vulnerability to incidents of political unrest, it is understandable why even these two relatively placid political instability variables would have such a uniform retarding effect on economic development.

The findings for Israel exhibit no discernible pattern as to a relationship between political instability and economic development. This is by no means unexpected. The Israelis since the inception of the Jewish state in 1948 have been bound by a homogeneity of purpose and direction that has tended to overshadow all other facets of life, including relations between the government and its citizens. However, the internal strains arising from the nation's rapid economic success, the widening economic and cultural gap between the Western and "Oriental" Jews, and the growing discontent over the government's failure to reach a permanent peace with the Arabs, portend future periods of internal discontent for Israel.

In summary, the findings reported here support the hypothesized relationships that: (1) There is an inverse relationship between political instability and economic development for the seventeen Mediterranean nations; and (2) Political instability has retarded economic development in this region.

An additional finding brought out by the research is the existence of a lagged relationship between political instability and economic development. Specifically, there are twelve percent more negative signs than positive signs for the significant partial regression coefficients without the lag structure. However, when the lag structures are incorporated into the regression model a dramatic change in the relationship occurs. The difference becomes that of forty-two percent more negative than positive signs, almost a fourfold increase.

Conclusion

The purpose of this chapter is to present a statistical analysis of the basic hypotheses linking political instability and economic development and political instability's retardation effect on this relationship. It should be emphasized that the statistical analysis of this relationship is tentative and exploratory. But the advantages of an exploratory approach to the analysis of the relationship outweigh the considerable disadvantages of inadequate data at the present time. It is only by highlighting these inadequacies and underlining the theoretical

importance of as yet inadequately measured variables that progress can be made.

The results discussed in this chapter demonstrate that there is support for our theoretical expectations that political instability and economic development are inversely related and that occurrences of political instability retard economic development. The expectation that this relationship would hold is based on the nonstatistical analysis of the countries involved (presented in Chapters III and IV) and on discussions with persons with first-hand knowledge of political, social, and economic events in the area under study. On the other hand, we need more precise knowledge as to just what are possible nonlinearities or tolerable limits in this relationship. We know only that where political instability is generally increasing, balanced and consistent economic development is significantly hampered. Nevertheless, it is not presumptuous to suggest for these nations that material attention should be given this relationship in developmental planning decisions by the central governments.

CHAPTER VI

SUMMARY AND CONCLUSIONS

The current analysis is a modest attempt to add to the limited base of knowledge about the extent and nature of the relationship between political instability and economic development.

A review of the literature relating to this relationship reveals a number of important findings. Perhaps most noteworthy is the significantly greater number of studies which have investigated the effects of economic development on the political system. Some find that rising standards of living incite heightened aspirations which the political system cannot immediately satisfy. An unstable situation is created, leading to internal conflict behavior. Others note that rising standards of living are a prerequisite for political stability. Further, it is observed that few studies have examined the direct effects of political conditions on economic performance.

The political atmosphere, of course, is not the only factor that can affect the level of economic development. Clearly, resource and factor endowment, technology, the work ethic of the people, institutional factors, etc., also have

an influence on economic performance in any country. After a fashion, the interrelationships of different levels of political, social, cultural, and economic variables in the developmental process are myriad. Therefore, it would be false to assume that political stability is the sole factor in determining the level of development.

A final judgment, if one could ever be made, would have to rest on detailed historical studies of regions and countries at different points in time. These historical studies would need to look not only at the relations over time between political stability/instability and economic development, but also at the complex of detailed political, social, cultural, and economic changes. Such an undertaking would require a covering of all historical periods and countries in which there have been occurrences of political instability and economic stagnation. This study represents an attempt to investigate a portion of that problem. The nature and the extent of the systematic interrelationships between political instability and economic development for the seventeen nations of the Mediterranean Sea for the period 1948-1966 are explored. A multiple regression model is formulated whereby the interpretation is made that a negative regression coefficient means that as political instability increases, the extent of economic development, on the average, decreases. The size of the adjusted coefficients of multiple determination ($\bar{R}^2$) is indicative of the degree of relationship

between political instability and economic development. These two factors--negative regression coefficients and $\bar{R}^2$ --form the basis for the two hypotheses that are tested in Chapter V. The results of the analysis show that a moderate and negative relationship exists between political instability and economic development for this region. Some may take exception to the moderate size of the adjusted coefficients of multiple determination ($\bar{R}^2$) and the lack of an overwhelming number of significant regression coefficients with negative signs. The response to such criticism is twofold. In the first place $\bar{R}^2$'s are expected to be moderate or low, or should be considered with great suspicion when they are not, since it is contrary to reason that economic development can be explained by a single factor.

Secondly, the procedure taken has not been to maximize statistical explanation, but to gain supportive evidence for theoretical explanations. If the size of the $\bar{R}^2$'s is moderate to small and there are fewer negative b_1 coefficients than anticipated, it is nevertheless important to have isolated by converging evidence the form of the relationship between the two concepts under study.

Complex though the relationship may be between political instability and economic development, the writer has attempted to point out both the political and economic factors deemed to be important in this relationship. The degree of inter-relationship between the economic and political instability variables as seen through the panorama of a country's historical

progression tends to support the view held by some developmental economists that economic performance is tempered by the political setting in which economic activity takes place.

The observations concerning the validity of the stated hypotheses are interesting, primarily because they suggest that political instability may be a harbinger of economic conditions. That the evidence indicates political stability is an important aspect of overall economic development confirms expectations. Consequently, it would seem that recent public policies designed to control and harmonize harmful or potentially harmful political discontent in the countries under study are not misconceived, at least on the basis of their intent.

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APPENDIX A

POLITICAL INSTABILITY VARIABLES

P₁ -- Protest Demonstrations

A protest demonstration is a non-violent gathering of people organized for the announced purpose of protesting against a regime, government, or one or more of its leaders; or against its ideology, policy, intended policy, or lack of policy; or against its previous action or intended action. The protest issues involved are perceived as significant at the national level, but within that framework demonstrations directed at all branches and levels of government are included. This category of events includes demonstrations for or against a foreign government, its leaders, or its visiting representatives when such a demonstration is reported to indicate opposition to the demonstrators' own government.

This category excludes election meetings, rallies, and boycotts because such meetings are associated with a particular formal process that is unevenly distributed over the countries and time period covered, and because the variable is intended to encompass peaceful protest outside the formal structures of government. There is inevitably a degree of ambiguity over the criteria of "non-violence" in such demonstrations. Biased reporters may occasionally underplay or exaggerate the extent

of turmoil associated with a particular gathering, just as they can misreport the size of a demonstration; but no particular direction of bias has been observed. The incompleteness of sources makes it impossible to assert that some damage and even occasional serious injury does not accompany some of these demonstrations. But if destruction of property or bloodshed is observed as more than marginal to a demonstration, then the event is judged to have been transformed into a riot and is coded as such; it is not coded as a demonstration, even if it began as one. If there is some indication that a demonstration terminated peacefully, with the crowd dispersing, but that after a period of time a new crowd began rioting in the same place and presumably over the same issue, then two events -- a demonstration and a riot -- would be recorded.

P₂ -- Riots

A riot is a violent demonstration or disturbance involving a large number of people. "Violence" implies the use of physical force and is usually evinced by the destruction of property, the wounding or killing of people by authorities, the use of riot control equipment such as clubs, gas, guns or water cannons, and by the rioters' use of various weapons.

Riots, in comparison with demonstrations and armed attacks, are characterized by spontaneity and by tumultuous group behavior. This is not to assert that riot events are unplanned, but the riot organizers constitute a small, often invisible, portion of

the rioters. Events were classified as riots if it appeared from the report that most of those involved were violently agitated in their behavior, that they formed an excited or confused crowd or mob, that they were engaged in unpredictable acts of disorder, and that the objects of their violence would not seem to be closely related to the objects of their political discontent in the analysis of a dispassionate observer. The data sources rarely reported the number of people involved in a riot, and when they did, there was no way of assessing the accuracy of the estimates. Therefore, it was impossible to assert that a riot involved, say, at least 100 people. In common parlance it is possible to speak of a riot involving as few as three people. It is doubtful that any of the reported riots involved that small a number; to be reported at all it is likely that their participants would have been numbered in the hundreds and thousands, rather than in tens.

Coders were instructed to distinguish between riots and armed attacks on grounds of apparent spontaneity of most of the participants. Violent raids against property and persons were occasionally reported; coders were instructed to exclude such events from the riots variable and to code them as armed attacks if they were directed by opposition to the government, or as governmental sanctions if they were directed by the government against its opposition. Coders were instructed to count as riots events that began as demonstrations but became riots.

Such events were not counted as demonstrations. Riots taking place within parliaments or other ruling bodies were also included.

P₃ -- Armed Attacks

An armed attack is an act of violent political conflict carried out by (or on behalf of) an organized group with the object of weakening or destroying the power exercised by another organized group. It is characterized by bloodshed, physical struggle, or the destruction of property. A wide variety of weapons may be utilized, including guns, explosives, bricks, spears, gasoline bombs, chemicals and knives. The category is intended to encompass all organized political violence in a political system, and it is intended to exclude all non-violent protest and incidents of turmoil (riots), as well as organized violence, such as crime, that is not observed to be directly relevant to cleavages, conflicts and issues in the state's political process.

The target of an armed attack typically is a regime, government, or political leader, or its ideology, policy or actions. The target may also be a religious, ethnic, racial, linguistic, or special interest minority. In cases of general insurgency in which a government may itself resort to organized violence, it may include an insurgent or rebel movement or pretender-government. Armed attacks are organized by political groups that wish to displace an establishment regime or gain for

themselves substantial power or autonomy. Typically, these include liberation movements, revolutionary ideological parties and unintegrated minority communities; in cases of major insurgency, the military and security forces of the state are included. When an insurgency situation reaches such proportions that the government can no longer control it by normal punitive measures (such as those coded as governmental sanctions), the government's actions as well as the insurgents' fall within the definition of armed attacks.

Examples of armed attacks include attacks on government buildings and personnel, public utilities, roads and transport facilities, dwelling places, factories, and markets. Occasionally whole villages are the target of armed attacks. Armed attacks are often reported as acts of sabotage, terrorism or liberation.

Excluded from the category of armed attacks, in addition to acts of non-political violence, are acts of political violence organized and carried out by foreign groups within the country (these acts are classified separately as interventions), except in colonies in which the forces of the metropole engage indigenous forces. Confrontations of the armed forces of two or more countries in a situation of international wars are also excluded, as are the security measures undertaken by governments in conditions short of civil war, such as raids and arrests. Assassinations are also excluded, but they have been coded separately.

P₄ -- Deaths from Political Violence

Unlike the other indicators, the number of deaths from political violence is not an event variable, but a body count. The deaths reported occur mainly in conjunction with armed attacks, but also with riots and to a lesser extent with demonstrations.

The category includes persons of the country who die participating in foreign interventions in the country, but this does not include foreigners. It excludes persons wounded in political violence. It does not include assassination victims - these are indicated in connection with the assassination variable. Nor does it include victims of political execution, deaths in enemy prisons, deaths in formal warfare, or deaths in border incidents with other countries. Victims of ordinary criminal homicide were of course also excluded.

P₅ -- Governmental Sanctions

A governmental sanction is an action taken by the authorities to neutralize, suppress, or eliminate a perceived threat to the security of the government, the regime or the state itself. The category encompasses a diversity of governmental activities, but they share the characteristic of constituting specific responses to a perceived security problem at the national level, even though the sanctions are sometimes carried out by sub-national governmental units, in conformity with the particular constitution of the state. An attempt has been made to exclude sanctions against criminal behavior that has no observed relevance

to the political security of the state; thus there are no reports of crackdowns against organized crime or drives by the police to reduce crime in the streets.

Governmental sanctions may be directed against either perceived internal or external threats or interference. The category includes three types of action: (a) Censorship - an action by the authorities to limit, curb or intimidate the mass media, including newspapers, magazines, books, radio and television. Typical examples of such action are the closing of a newspaper or journal, or the censoring of articles in the domestic press or dispatches sent out of the country. (b) Restrictions on political participation - this type includes general restrictive measures by the authorities, such as the act of declaring martial law, mobilizing troops for domestic security, or instituting a curfew. It also includes action specifically directed against an individual, a party or other political organization. Such specific actions include the removal of a governmental official, reportedly because of his political beliefs or activities, the banning of a political party or acts of harassment against it (like denying it a permit to hold a public meeting), the arrest of opposition politicians on ground of state security, the exiling or deportation of persons for political action or expressing opposition regarded as detrimental to the national interest, and the arrest or detention of persons reportedly involved in political protest actions, including demonstrations, riots, political strikes, armed attacks and

assassination attempts. (c) Espionage - an action by the authorities in which one or more persons (nationals or foreigners) are arrested or detained on charges of spying, sabotage, or prohibited interference in the domestic politics of the state constituting a threat to internal security.

One special characteristic of the governmental sanctions indicator is the variation in the boundary of such an event in time. One usually thinks of the severity of a government's control over political participation as a condition or a state, rather than in terms of a succession of events. A government that promulgates a censorship law, for example, is setting a constant limitation on political activity that may be unchallenged and therefore all the more effective. What is indicated is merely the frequency and concentration of sanction events. It is relatively easy to determine when a sanction event begins but not when it ends. Its beginning is marked by a discrete action, a departure from the normal behavior or inaction of the authorities. For example, a report that "the government began a massive wave of arrests of subversive elements which is expected to last several weeks" would constitute a single sanction event, even though it denotes the beginning of a coherent process of behavior that may deviate considerably from the short time frame, simplicity, and coherence of the typical riot or armed attack event.

A second characteristic is the heterogeneity of the indicators; the variety of governmental behavior it encompasses is wide indeed.

P₆ -- External Interventions

An external intervention is an attempt by an actor, whether another nation-state or a rebel group operating from outside the country, to engage in military activity within the target country with the intent of influencing the authority structure of that country. The data are listed by target, not intervening country and refer only to the initial intervention, not its continuation.

P₇ -- Irregular Power Transfers

An irregular power transfer event is a change in the office of national executive from one leader or ruling group to another. The change is accomplished outside the conventional legal or customary procedures for transferring power in effect at the time of the event. Such events are accompanied either by actual physical violence or with the clear threat of violence. These events thus encompass bloodless depositions of rulers as well as the more spectacular sanguinary variety. In conformity with the general practice, no qualitative assessment is made of the subsequent significance of an irregular power transfer as a criterion for coding. Thus, such an event may precipitate a fundamental change in the political system, or the system may continue substantially unchanged except for the irregularity of the power transfer event itself.

Irregular power transfers are closer conceptually to what are conventionally thought of as coups d'état. The only

criterion for a "successful" irregular power transfer is that there be a report stating the new leadership actually have replaced the old, arrogating to itself the titles and functions of chief executive. No minimum tenure limit could be imposed as a criterion for "success" without being unwisely arbitrary.

Irregular transfers sometimes beget further irregular transfers during political crises. It happens even more frequently that an irregular transfer is closely followed by several other kinds of governmental change as a new regime seeks to consolidate and legitimize its position. After the coup, the coup leaders sometimes install somebody either inside or outside their immediate group as president or premier. Such events are coded as regular executive transfers because in the new power context such delegations or transfers of authority conform to new procedural norms and are not accompanied by threatened or actual coercion.

Irregular power transfers are initiated by groups, cliques, cabals, parties and factions either inside or outside a government and its agencies. Sometimes they are carried out by rebellious elements within population minority groups and sometimes by foreign conspirators.

SOURCE: Charles Taylor and Michael Hudson, World Handbook of Political and Social Indicators (2nd ed.; New Haven: Yale University Press, 1971), pp. 5-17.

APPENDIX B

BACKGROUND INFORMATION ON THE MEDITERRANEAN NATIONS

<u>Country</u>	<u>Date of Independence</u>	<u>Years since Independence</u>
Spain	before 1775	-
France	before 1775	-
Italy	before 1775	-
Yugoslavia	1878	94
Albania	1912	60
Greece	1830	142
Turkey	before 1775	-
Cyprus	1960	12
Syrian Arab Republic	1943	29
Lebanon	1943	29
Israel	1948	24
Arab Republic of Egypt	1922	50
Libyan Arab Republic	1951	21
Malta	1964	8
Tunisia	1956	16
Algeria	1962	10
Morocco	1956	16

APPENDIX B (Continued)

	Population (millions)	Population Density (per sq.km.)	Population Annual Increase (%)
Spain	32.9	65	1.0
France	50.3	92	0.9
Italy	53.2	177	0.8
Yugoslavia	20.4	80	1.1
Albania	2.1	72	2.8
Greece	8.8	67	0.7
Turkey	34.4	44	2.5
Cyprus	0.6	68	1.1
Syrian Arab Republic	5.9	32	2.8
Lebanon	2.6	254	2.5
Israel	2.8	136	2.9
Arab Rep. of Egypt	32.5	32	2.5
Libyan Arab Republic	1.9	1	3.7
Malta	0.3	1022	-0.3
Tunisia	5.0	31	2.7
Algeria	12.9	6	3.0
Morocco	15.0	34	2.9

APPENDIX B (Continued)

	Literacy Rate (%)	Average Life Expectancy at Birth	Gross National Product Per Capita (\$)
Spain	95 ¹	70	820
France	99 ¹	72	2460
Italy	95 ¹	70	1400
Yugoslavia	85 ¹	67	580
Albania	87	66	430
Greece	80	69	840
Turkey	46	54	350
Cyprus	76	66	970
Syrian Arab Republic	39	53	260
Lebanon	86	n.a. but relatively high	580
Israel	84	71	1570
Arab Rep. of Egypt	26	53	160
Libyan Arab Republic	27	52	1510
Malta	n.a.	70	710
Tunisia	30	52	230
Algeria	20	51	260
Morocco	20	51	190

APPENDIX B (Continued)

	Labor Force in Agriculture (%)	Urban Population (%)
Spain	29 ¹	37 ¹
France	14 ¹	68
Italy	20 ¹	52
Yugoslavia	45 ¹	28 ¹
Albania	68	33
Greece	54	49
Turkey	70	35
Cyprus	40	44
Syrian Arab Republic	67	45
Lebanon	55	41
Israel	10	79
Arab Republic of Egypt	57	43
Libyan Arab Republic	36	27
Malta	n.a.	n.a.
Tunisia	44	45
Algeria	60	43
Morocco	54	35

SOURCES: The data, unless otherwise indicated, have been taken from "International Comparisons," Europa Yearbook, 1972, II (16th ed.; London: Europa Publications Limited, 1972), pp. xix-xxi and are circa 1969.

¹Collier's Encyclopedia, 1972.

APPENDIX C

SUMMARY RESULTS OF THE STATISTICAL ANALYSIS:

NON-LAG STRUCTURE

European Nations of the Mediterranean Sea

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	R ²
<u>SPAIN</u>			
E ₁	P ₁	+	.58
	P ₃	-	
	P ₄	+	
E ₂	P ₁	+	.27
	P ₄	-	
E ₃	P ₁	+	.03
	P ₄	-	
	P ₅	+	
E ₄	P ₁	+	.40
	P ₂	+	
	P ₃	-	
	P ₄	+	
	P ₅	-	
E ₅	P ₁	+	.13
	P ₃	+	
	P ₄	-	
E ₆	P ₄	-	.14
E ₇	P ₁	+	.24
	P ₂	+	
	P ₃	-	
	P ₄	+	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	R ²
E ₈	P ₁	+	.25
	P ₃	-	
	P ₄	+	
E ₉	P ₁	+	--
	P ₂	-	
E ₁₀	P ₁	+	.42
<u>FRANCE</u>			
E ₁	P ₂	-	--
	P ₄	-	
E ₂	P ₂	-	--
	P ₄	+	
E ₃	P ₂	-	.14
	P ₃	+	
	P ₄	+	
E ₄	P ₂	-	.06
E ₅	P ₂	-	.03
	P ₄	+	
E ₆	P ₁	-	--
	P ₂	+	
	P ₄	-	
E ₇	P ₂	-	.01
	P ₄	+	
E ₈	P ₂	-	.02
	P ₄	+	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	R ²
E ₉	P ₂	-	--
	P ₄	+	
E ₁₀	P ₁	+	.12
	P ₂	-	
	P ₄	+	
<u>ITALY</u>			
E ₁	P ₂	-	.42
	P ₅	-	
E ₂	P ₂	-	.33
	P ₅	-	
E ₃	P ₂	-	.51
	P ₃	+	
	P ₄	-	
	P ₅	-	
E ₄	P ₂	-	.36
	P ₅	-	
E ₅	P ₁	+	.29
	P ₂	-	
	P ₄	-	
E ₆	P ₁	+	.21
	P ₅	-	
E ₇	P ₁	+	.21
	P ₂	-	
	P ₅	-	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	R ²
E ₈	P ₁	+	.17
	P ₂	-	
	P ₅	-	
E ₉	P ₅	-	.16
E ₁₀	P ₂	-	.31
	P ₃	+	
	P ₅	-	
<u>YUGOSLAVIA</u>			
E ₁	P ₅	-	.59
E ₂	P ₅	-	.50
E ₃	P ₃	-	.49
	P ₅	-	
E ₄	P ₅	-	.29
E ₅	P ₅	-	.23
E ₆	P ₅	-	.45
E ₇	P ₅	-	.25
E ₈	P ₅	-	.33
E ₉	P ₄	-	.46
	P ₅	-	
E ₁₀	P ₄	-	.52
	P ₅	-	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	R ²
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ALBANIA

E ₄	P ₃	+	.53
	P ₅	-	
E ₅	P ₅	-	--
E ₆	P ₅	-	.20
E ₇	P ₅	-	.56
E ₉			.13
E ₁₀	P ₅	-	.14

GREECE

E ₁	P ₁	+	.19
	P ₅	-	
E ₂	P ₁	+	.23
	P ₃	-	
	P ₄	+	
E ₃	P ₁	+	.64
	P ₃	-	
	P ₄	+	
	P ₅	-	
E ₄	P ₁	+	.11
	P ₅	-	
E ₅	P ₁	+	.04
	P ₅	-	
E ₆	P ₁	+	.27
	P ₂	-	
	P ₃	-	
	P ₄	+	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	R ²
E ₇	P ₁	+	.26
	P ₃	-	
	P ₄	+	
	P ₅	-	
E ₈	P ₁	+	.24
	P ₂	-	
	P ₄	+	
	P ₅	-	
	P ₆	+	
E ₉	P ₁	+	.23
	P ₃	-	
	P ₄	+	
	P ₅	-	
E ₁₀	P ₁	+	.20
	P ₂	+	
	P ₃	-	
	P ₄	+	
	P ₅	-	
<u>TURKEY</u>			
E ₁	P ₁	+	.11
	P ₃	+	
	P ₅	-	
E ₂	P ₁	+	.08
	P ₃	+	
	P ₅	-	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	R ²
E ₃	P ₃	+	--
E ₄	P ₁	+	--
	P ₅	-	
E ₅	P ₅	-	--
E ₆	P ₁	+	.01
	P ₃	+	
	P ₄	+	
E ₇	P ₁	+	.44
	P ₂	+	
	P ₄	+	
	P ₅	-	
E ₈	P ₁	+	.03
	P ₃	+	
	P ₅	-	
E ₉	P ₁	+	.16
	P ₃	+	
	P ₅	-	
E ₁₀	P ₁	-	.25
	P ₃	+	
	P ₅	+	

Non-European Nations of the Mediterranean Sea

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
<u>SYRIAN ARAB REPUBLIC</u>			
E ₁	P ₁	-	.82
	P ₂	-	
	P ₄	+	
	P ₅	+	
	P ₇	-	
E ₂	P ₁	+	.67
	P ₂	-	
	P ₃	-	
	P ₄	+	
	P ₅	+	
E ₃	P ₇	-	.71
	P ₂	+	
	P ₄	-	
	P ₅	-	
	P ₇	+	
E ₄	P ₂	-	.55
	P ₃	+	
	P ₄	+	
	P ₅	+	
	P ₇	-	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
E ₅	P ₁	+	.39
	P ₂	-	
	P ₃	+	
	P ₅	+	
	P ₇	-	
E ₆	P ₁	+	.67
	P ₂	-	
	P ₄	+	
	P ₅	+	
	P ₇	-	
E ₇	P ₁	+	.66
	P ₂	-	
	P ₄	+	
	P ₅	+	
	P ₇	-	
E ₈	P ₁	+	.65
	P ₂	-	
	P ₄	+	
	P ₅	+	
	P ₇	-	
E ₉	P ₂	-	.56
	P ₄	+	
	P ₅	+	
E ₁₀	P ₃	+	.30
	P ₄	-	
	P ₅	-	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
<u>LEBANON</u>			
E ₁	P ₁	-	.30
	P ₂	-	
	P ₄	+	
E ₂	P ₁	-	.41
	P ₂	-	
	P ₄	+	
E ₃	P ₁	-	--
	P ₂	-	
	P ₄	+	
	P ₅	-	
E ₄	P ₁	-	.24
	P ₂	-	
	P ₄	+	
	P ₅	-	
E ₅	P ₁	-	.10
	P ₄	+	
	P ₅	-	
E ₆	P ₁	-	.25
	P ₂	-	
	P ₄	+	
E ₇	P ₁	-	.29
	P ₂	-	
	P ₃	+	
	P ₄	+	
	P ₅	-	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
E ₉	P ₁	-	.41
	P ₂	-	
	P ₃	+	
	P ₄	+	
	P ₅	-	
E ₁₀	P ₁	-	.07
	P ₃	-	
	P ₄	+	
<u>ISRAEL</u>			
E ₁	P ₁	+	--
E ₂	P ₁	+	--
E ₃	P ₁	+	--
E ₄	P ₁	+	--
	P ₅	+	
E ₅	P ₁	+	--
	P ₂	-	
E ₆	P ₁	+	.29
E ₇	P ₁	+	--
	P ₂	-	
	P ₅	-	
E ₉	P ₁	+	.35
	P ₂	-	
	P ₄	+	
	P ₅	-	
E ₁₀			.49

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
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ARAB REPUBLIC OF EGYPT

E ₁	P ₁	-	.27
	P ₂	-	
	P ₃	-	
E ₂	P ₁	-	.17
	P ₃	-	
	P ₄	+	
	P ₅	+	
E ₃	P ₃	-	.06
E ₄	P ₄	+	--
E ₅	P ₁	-	.59
E ₆	P ₂	-	.29
	P ₃	-	
E ₇	P ₃	-	--
E ₈			--
E ₉	P ₁	-	.01
	P ₃	-	
E ₁₀	P ₃	-	.40

LIBYAN ARAB REPUBLIC

E ₁	P ₃	+	.07
E ₂	P ₃	+	.03
E ₃	P ₁	-	.12
	P ₂	+	
	P ₃	+	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
E ₄	P ₂	+	--
	P ₃	+	
	P ₄	-	
E ₅	P ₁	+	--
	P ₃	+	
E ₆	P ₁	-	.19
	P ₂	+	
E ₇	P ₃	+	.03
E ₈	P ₃	+	.02
E ₉	P ₂	+	.17
	P ₃	+	
	P ₅	-	
E ₁₀	P ₃	+	--

TUNISIA

E ₁			--
E ₂			--
E ₃	P ₁	+	.83
	P ₂	+	
	P ₃	-	
	P ₄	-	
	P ₅	+	
	P ₆	+	
E ₄	P ₁	-	.44
	P ₂	-	
	P ₃	+	
	P ₄	+	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
E ₄	P ₅	-	.94
	P ₆	-	
E ₅	P ₁	-	
	P ₄	-	
	P ₅	+	
E ₆	P ₁	-	.55
	P ₂	-	
	P ₃	+	
	P ₄	+	
	P ₅	-	
	P ₆	-	
E ₇	P ₁	-	.72
	P ₂	-	
	P ₃	+	
	P ₄	+	
	P ₅	-	
	P ₆	-	
E ₈	P ₄	+	.26
	P ₅	-	
E ₉	P ₁	-	--
	P ₄	+	
	P ₅	-	
	P ₆	-	
E ₁₀	P ₄	-	--

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
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MOROCCO

E ₁	P ₂	+	.67
	P ₃	-	
	P ₄	-	
	P ₆	-	
E ₂	P ₂	+	.67
	P ₃	-	
	P ₄	-	
	P ₆	-	
E ₃	P ₁	+	--
	P ₃	+	
	P ₅	-	
	P ₆	+	
E ₄	P ₂	+	.66
	P ₅	-	
	P ₆	+	
E ₅	P ₂	+	.25
	P ₃	+	
	P ₄	-	
	P ₆	+	
E ₆	P ₃	-	.67
	P ₄	-	
	P ₆	-	
E ₇	P ₂	+	.31
	P ₃	-	
	P ₄	-	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
E ₈	P ₂	+	.80
	P ₃	-	
	P ₄	-	
	P ₅	-	
E ₉	P ₂	+	.32
	P ₄	-	
E ₁₀	P ₂	-	.28
	P ₃	+	
	P ₄	+	

APPENDIX D

SUMMARY RESULTS OF THE STATISTICAL ANALYSIS:

ONE-YEAR LAG STRUCTURE

European Nations of the Mediterranean Sea (Independent Variables Lagged One Year)

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
<u>SPAIN</u>			
E ₁	P ₁	+	.31
	P ₂	-	
	P ₄	-	
E ₂	P ₁	+	.38
	P ₂	-	
	P ₄	-	
E ₃	P ₁	+	.11
	P ₄	-	
E ₄	P ₁	+	.40
	P ₂	-	
	P ₄	-	
	P ₅	-	
E ₅	P ₂	-	.13
	P ₃	+	
	P ₄	-	
E ₆	P ₄	-	.06
	P ₅	+	
E ₇	P ₁	+	.27
	P ₄	-	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
E ₈	P ₁	+	.29
	P ₄	-	
E ₉	P ₃	+	.20
	P ₄	-	
E ₁₀	P ₂	-	.06
	P ₃	+	
	P ₅	+	
<u>FRANCE</u>			
E ₁	P ₁	+	--
	P ₂	-	
	P ₄	+	
E ₂	P ₂	-	--
	P ₄	+	
	P ₅	+	
E ₃	P ₁	+	.22
	P ₂	-	
	P ₄	+	
E ₄	P ₂	-	--
E ₅	P ₂	-	--
	P ₄	+	
E ₆			.16
E ₇	P ₂	-	--
	P ₄	+	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
E ₈	P ₁	+	.03
	P ₂	-	
	P ₄	+	
E ₉			--
E ₁₀	P ₁	+	.17
	P ₂	-	
	P ₄	+	
<u>ITALY</u>			
E ₁	P ₂	-	.50
	P ₅	-	
E ₂	P ₂	-	.39
	P ₅	-	
E ₃	P ₁	-	.37
E ₄	P ₂	-	.34
	P ₅	-	
E ₅	P ₁	+	.38
	P ₂	-	
	P ₅	-	
E ₆	P ₃	+	.18
	P ₅	-	
E ₇	P ₁	+	.27
	P ₂	-	
	P ₅	-	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
E ₈	P ₂	-	.23
	P ₅	-	
E ₉	P ₂	-	.23
	P ₅	-	
E ₁₀	P ₂	-	.23
	P ₃	+	
	P ₅	-	
<u>YUGOSLAVIA</u>			
E ₁	P ₅	-	.49
E ₂	P ₅	-	.44
E ₃	P ₃	-	.77
	P ₄	-	
	P ₅	-	
E ₄	P ₄	-	.51
	P ₅	-	
E ₅	P ₅	-	.47
E ₆	P ₃	-	.61
	P ₅	-	
E ₇	P ₄	-	.54
	P ₅	-	
E ₈	P ₅	-	.59
E ₉	P ₄	-	.69
	P ₅	-	
E ₁₀	P ₄	-	.65
	P ₅	-	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
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ALBANIA

E ₄	P ₅	-	.56
E ₅	P ₄	+	.95
	P ₅	-	
E ₆	P ₅	-	.21
E ₇	P ₅	-	.55
E ₉	P ₃	-	.61
E ₁₀	P ₅	-	.07

GREECE

E ₁	P ₁	+	.34
	P ₅	-	
E ₂	P ₁	+	.31
	P ₅	-	
E ₃	P ₁	+	.30
	P ₅	-	
E ₄	P ₁	+	.33
	P ₅	-	
E ₅	P ₁	+	.40
	P ₅	-	
E ₆	P ₁	+	.12
E ₇	P ₁	+	.41
	P ₅	-	
E ₈	P ₁	+	.41
	P ₅	-	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
E ₉	P ₁	+	.36
	P ₂	+	
	P ₅	-	
E ₁₀	P ₁	+	.40
	P ₅	-	
<u>TURKEY</u>			
E ₁	P ₁	+	--
	P ₄	+	
	P ₅	-	
E ₂	P ₁	+	--
	P ₄	+	
	P ₅	-	
E ₃	P ₅	-	.53
E ₄	P ₁	+	--
	P ₅	-	
E ₅	P ₁	+	.25
	P ₂	-	
	P ₃	-	
	P ₅	-	
E ₆	P ₅	+	--
E ₇	P ₁	+	.25
	P ₄	+	
	P ₅	-	
E ₈	P ₁	+	--
	P ₂	-	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
E ₉	P ₁	+	.11
	P ₅	-	
E ₁₀	P ₁	-	--
	P ₅	+	

Non-European Nations of the Mediterranean Sea
(Independent Variables Lagged One Year)

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
<u>SYRIAN ARAB REPUBLIC</u>			
E ₁	P ₁	-	.84
	P ₇	-	
E ₂	P ₂	+	.78
	P ₅	+	
	P ₇	-	
E ₃	P ₄	-	.66
	P ₅	-	
E ₄	P ₃	-	.60
	P ₇	-	
E ₅	P ₁	+	.53
	P ₂	-	
	P ₃	+	
	P ₅	-	
	P ₇	-	
E ₆	P ₁	+	.60
	P ₂	-	
	P ₄	+	
	P ₇	-	
E ₇	P ₁	+	.73
	P ₂	-	
	P ₄	-	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
E ₇	P ₅	-	
	P ₇	-	
E ₈	P ₁	+	.72
	P ₂	-	
	P ₄	-	
	P ₅	-	
	P ₇	-	
E ₉	P ₁	+	.44
	P ₄	+	
	P ₇	-	
E ₁₀	P ₂	+	.29
	P ₄	-	
	P ₅	-	
<u>LEBANON</u>			
E ₁	P ₁	-	.33
	P ₂	-	
	P ₄	+	
	P ₅	-	
E ₂	P ₁	-	.33
	P ₂	-	
	P ₄	+	
E ₃	P ₁	-	--
	P ₄	+	
E ₄	P ₁	-	.31
	P ₂	-	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
E ₄	P ₄	+	
	P ₅	-	
E ₅	P ₁	-	.07
	P ₂	-	
	P ₅	-	
E ₆	P ₁	-	.18
	P ₂	-	
	P ₄	+	
E ₇	P ₁	-	.23
	P ₂	-	
	P ₃	+	
	P ₄	+	
	P ₅	-	
E ₉	P ₁	-	--
	P ₂	-	
	P ₄	+	
E ₁₀	P ₁	-	--
<u>ISRAEL</u>			
E ₁	P ₁	-	.08
E ₂	P ₁	+	.04
	P ₄	-	
E ₃			--
E ₄	P ₁	+	--
	P ₄	+	
	P ₅	+	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
E ₅	P ₁	-	.03
E ₆	P ₁	+	.08
E ₇			--
E ₉	P ₂	-	.38
	P ₅	-	
E ₁₀			--

ARAB REPUBLIC OF EGYPT

E ₁			--
E ₂	P ₅	-	--
E ₃			.53
E ₄			--
E ₅			.23
E ₆			--
E ₇	P ₅	-	--
E ₈			--
E ₉			--
E ₁₀			--

LIBYAN ARAB REPUBLIC

E ₁	P ₂	+	.35
	P ₃	+	
E ₂	P ₂	+	.27
	P ₃	+	
E ₃	P ₁	-	--
	P ₂	+	
	P ₃	+	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
E ₄	P ₁	-	.25
	P ₂	+	
	P ₃	+	
E ₅	P ₃	+	.29
	P ₅	-	
E ₆	P ₁	-	--
	P ₂	+	
E ₇	P ₂	+	.35
	P ₃	+	
E ₈	P ₂	+	.40
	P ₃	+	
	P ₅	-	
E ₉	P ₂	+	--
	P ₃	+	
E ₁₀	P ₂	+	.13
	P ₃	+	
<u>TUNISIA</u>			
E ₁	P ₃	-	.41
E ₂			.05
E ₃	P ₁	+	.91
	P ₂	+	
	P ₃	-	
	P ₆	+	
E ₄	P ₂	+	.91
	P ₃	-	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
E ₄	P ₄	+	
	P ₅	-	
	P ₆	-	
E ₅	P ₂	-	.77
	P ₃	-	
E ₆	P ₃	-	.71
	P ₄	+	
	P ₆	-	
E ₇	P ₂	+	.97
	P ₃	-	
	P ₄	+	
	P ₅	-	
E ₈	P ₂	+	.88
	P ₃	-	
	P ₄	+	
E ₉	P ₂	+	.79
	P ₃	-	
	P ₄	+	
	P ₅	-	
	P ₆	-	
E ₁₀	P ₁		.68
	P ₂		
	P ₃		
	P ₆		

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
<u>MOROCCO</u>			
E ₁	P ₁	+	.70
	P ₃	-	
	P ₄	-	
E ₂	P ₁	+	.70
	P ₃	-	
	P ₄	-	
E ₃	P ₁	+	.95
	P ₃	-	
	P ₄	+	
	P ₅	-	
E ₄	P ₂	-	.96
	P ₃	-	
	P ₄	+	
E ₅	P ₁	+	.06
	P ₃	-	
E ₆	P ₁	+	.86
	P ₃	-	
	P ₄	-	
E ₇	P ₁	+	.97
	P ₂	+	
	P ₃	-	
	P ₄	-	
E ₈	P ₁	+	.94
	P ₂	+	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
E ₈	P ₃	-	
	P ₄	-	
E ₉	P ₃	-	.77
E ₁₀	P ₁	-	.84
	P ₂	-	
	P ₃	-	
	P ₄	+	

APPENDIX E

SUMMARY RESULTS OF THE STATISTICAL ANALYSIS:

TWO-YEAR LAG STRUCTURE

European Nations of the Mediterranean Sea (Independent Variables Lagged Two Years)

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
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SPAIN

E ₁	P ₁	+	.29
	P ₃	-	
	P ₄	-	
E ₂	P ₁	+	.33
	P ₃	-	
	P ₄	-	
E ₃	P ₁	+	.20
	P ₃	-	
	P ₄	-	
E ₄	P ₁	+	.39
	P ₃	-	
	P ₄	-	
	P ₅	-	
E ₅	P ₁	+	.37
	P ₄	-	
E ₆	P ₂	-	--
	P ₄	-	
	P ₅	+	
E ₇	P ₁	+	.23
	P ₃	-	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
E ₇	P ₄	-	
E ₈	P ₁	+	.28
	P ₃	-	
	P ₄	-	
E ₉	P ₄	-	.70
E ₁₀	P ₂	-	.27
	P ₅	-	
<u>FRANCE</u>			
E ₁	P ₂	-	.11
	P ₄	+	
E ₂	P ₁	+	.13
	P ₂	-	
	P ₄	+	
E ₃	P ₁	+	.23
	P ₂	-	
	P ₃	+	
	P ₄	+	
E ₄	P ₁	+	.17
	P ₂	-	
E ₅	P ₂	-	.07
	P ₄	+	
E ₆	P ₂	+	.95
	P ₄	-	
E ₇	P ₁	+	.07
	P ₂	-	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
E ₇	P ₄	+	
E ₈	P ₁	+	.09
	P ₂	-	
	P ₄	+	
E ₉	P ₁	+	.20
	P ₂	-	
	P ₄	+	
	P ₅	+	
E ₁₀	P ₁	+	.17
	P ₂	-	
	P ₄	+	
<u>ITALY</u>			
E ₁	P ₂	-	.43
	P ₄	-	
E ₂	P ₂	-	.36
	P ₃	+	
	P ₅	-	
E ₃	P ₂	-	.43
	P ₄	-	
	P ₅	+	
E ₄	P ₂	-	.42
	P ₃	+	
	P ₅	-	
E ₅	P ₂	-	.40
	P ₃	+	
	P ₅	-	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
E ₆	P ₃	+	.18
E ₇	P ₂	-	.30
	P ₃	+	
	P ₅	-	
E ₈	P ₂	-	.31
	P ₃	+	
	P ₅	-	
E ₉	P ₂	-	.30
	P ₃	+	
	P ₅	-	
E ₁₀	P ₃	+	.26
	P ₅	-	
<u>YUGOSLAVIA</u>			
E ₁	P ₅	-	.66
E ₂	P ₅	-	.77
E ₃	P ₃	-	.78
	P ₅	-	
E ₄	P ₅	-	.58
E ₅	P ₅	-	.54
E ₆	P ₃	-	.66
	P ₄	-	
	P ₅	-	
E ₇	P ₅	-	.54
E ₈	P ₅	-	.61

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
E ₉	P ₄	-	.66
	P ₅	-	
E ₁₀	P ₄	-	.65
	P ₅	-	
<u>ALBANIA</u>			
E ₄	P ₄	+	.50
	P ₅	-	
E ₅	P ₅	-	--
E ₆	P ₅	-	.20
E ₇	P ₅	-	.53
E ₉	P ₃	-	.54
E ₁₀	P ₅	-	--
<u>GREECE</u>			
E ₁	P ₅	-	.07
E ₂	P ₁	+	--
	P ₅	-	
E ₃	P ₅	-	.07
E ₄	P ₅	-	--
E ₅	P ₅	-	.14
E ₆	P ₁	+	--
	P ₅	-	
E ₇	P ₁	-	.26
	P ₅	-	
E ₈	P ₁	-	.57

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
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E ₈	P ₂	-	
	P ₅	-	
E ₉	P ₅	-	.08
E ₁₀	P ₅	-	.18

TURKEY

E ₁	P ₄	+	--
E ₂	P ₄	+	--
E ₃			--
E ₄	P ₁	+	.08
	P ₄	+	
	P ₅	-	
E ₅	P ₁	+	.32
	P ₂	+	
	P ₅	-	
E ₆	P ₃	+	.16
	P ₄	+	
E ₇	P ₁	+	--
	P ₄	+	
	P ₅	-	
E ₈			--
E ₉	P ₁	+	--
	P ₅	-	
E ₁₀	P ₁	-	.03
	P ₅	+	

Non-European Nations of the Mediterranean Sea
(Independent Variables Lagged Two Years)

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
<u>SYRIAN ARAB REPUBLIC</u>			
E ₁	P ₁	-	.64
	P ₃	+	
	P ₄	-	
	P ₅	-	
	P ₇	-	
E ₂	P ₂	+	.71
	P ₃	+	
	P ₇	-	
E ₃			--
E ₄	P ₃	-	.36
	P ₄	-	
	P ₇	-	
E ₅	P ₃	+	.41
	P ₅	-	
	P ₇	-	
E ₆	P ₁	+	.73
	P ₄	-	
	P ₅	-	
	P ₇	+	
E ₇	P ₁	+	.78
	P ₂	-	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
E ₇	P ₄	-	.77
	P ₅	-	
	P ₇	-	
E ₈	P ₁	+	
	P ₂	-	
	P ₄	-	
	P ₅	-	
	P ₇	-	
E ₉	P ₁	+	.48
	P ₂	-	
	P ₄	-	
	P ₇	-	
E ₁₀	P ₄	-	.18
	P ₅	-	
<u>LEBANON</u>			
E ₁	P ₁	-	.23
	P ₂	-	
	P ₄	+	
E ₂	P ₁	-	.31
	P ₂	-	
	P ₄	+	
E ₃	P ₁	-	.01
	P ₅	-	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
E ₄	P ₁	-	.28
	P ₂	-	
	P ₄	+	
	P ₅	-	
E ₅	P ₁	-	--
	P ₄	+	
E ₆	P ₁	-	.35
	P ₂	-	
	P ₄	+	
E ₇	P ₁	-	.19
	P ₂	-	
	P ₃	+	
	P ₄	+	
	P ₅	-	
E ₉	P ₁	-	.18
	P ₂	-	
	P ₄	+	
E ₁₀	P ₁	-	--
	P ₂	-	
	P ₃	-	
	P ₄	+	
<u>ISRAEL</u>			
E ₁	P ₁	+	--
	P ₂	-	

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
E ₂	P ₁	+	.10
	P ₂	+	
E ₃			--
E ₄	P ₁		--
E ₅	P ₂	-	.14
	P ₅	-	
E ₆	P ₁	+	.11
E ₇	P ₂	-	--
	P ₅	-	
E ₉	P ₂	-	.43
	P ₄	-	
E ₁₀			--

EGYPT

E ₁	P ₁	+	.42
	P ₂	+	
	P ₄	-	
	P ₅	-	
E ₂	P ₁	+	.39
	P ₃	+	
	P ₄	-	
	P ₅	-	
E ₃	P ₅	-	.24
E ₄	P ₄	-	
E ₅			--

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
E ₆	P ₅	-	.16
E ₇	P ₁	+	.20
	P ₅	-	
E ₈	P ₁	+	.20
	P ₃	+	
	P ₅	-	
E ₉	P ₁	+	.27
	P ₃	+	
	P ₅	-	
E ₁₀	P ₅	-	.14

LIBYAN ARAB REPUBLIC

E ₁	P ₂	+	--
E ₂	P ₂	+	--
E ₃	P ₁	-	--
E ₄	P ₂	+	--
E ₅	P ₂	+	--
E ₆	P ₁	-	--
	P ₅	+	
E ₇	P ₂	+	--
E ₈	P ₂	+	--
E ₉	P ₂	+	--
	P ₅	-	
E ₁₀	P ₂	+	--

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
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TUNISIA

E ₁	P ₅	-	--
E ₂			--
E ₃	P ₁	+	.62
	P ₂	-	
	P ₃	+	
	P ₄	-	
	P ₅	-	
	P ₆	+	
E ₄	P ₂	-	.56
	P ₄	+	
	P ₆	-	
E ₅			--
E ₆	P ₃	-	.43
	P ₄	+	
	P ₆	-	
E ₇	P ₃	-	.54
	P ₄	+	
	P ₆	-	
E ₈	P ₅	-	.09
	P ₆	-	
E ₉	P ₂	-	.09
	P ₄	+	
	P ₆	-	
E ₁₀	P ₃	+	--

Dependent Variable	Significant Independent Variables	Relationship: Positive (+), Negative (-)	$\bar{R}^2$
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MOROCCO

E ₁	P ₁	+	.65
	P ₃	-	
E ₂	P ₁	+	.65
	P ₃	-	
E ₃	P ₃	+	.04
	P ₄	+	
	P ₅	-	
E ₄	P ₂	+	.85
	P ₃	+	
	P ₄	-	
E ₅	P ₁	+	.66
	P ₃	+	
	P ₄	+	
	P ₅	-	
E ₆	P ₁	+	.69
	P ₃	-	
E ₇	P ₁	+	.19
E ₈	P ₁	+	.62
	P ₃	-	
E ₉	P ₅	-	--
E ₁₀	P ₁	-	.23
	P ₅	+	

APPENDIX F

ECONOMIC DEVELOPMENT VARIABLES

- E₁ -- National Government Revenue per Capita
- E₂ -- National Government Expenditure per Capita
- E₃ -- All Mail per Capita
- E₄ -- Imports per Capita
- E₅ -- Exports per Capita
- E₆ -- Total School Enrollment per Capita
- E₇ -- Gross Domestic Product per Capita
- E₈ -- Gross Domestic Product per Capita Originating in
Industrial Activity
- E₉ -- Energy Consumption in Kilograms per Capita
- E₁₀-- Physicians per Capita

SOURCE: Arthur S. Banks, Cross-Polity Time-Series Data
(Cambridge, Mass.: The M.I.T. Press, 1971).

