SUMMARIES

From Dominance to Anti-Dominance: Nationalizations of Foreign Enterprises in Developing Countries

by Esko Antola

Recent discussion on international relations as an academic discipline has been characterized by the analysis of the crucial relationship between economics and politics. This is an epistemological problem which seems to remain unexplained by the prevailing paradigms or is at least not very easy to fit into major paradigms in the Western tradition of international relations research. The convergence of economic and processes is, however, so outstanding a phenomenon that major paradigms must have taken it into account: the development of integration as well as dominance research are perhaps one of the best examples of this fact.

Nationalizations are no doubt essential features of the political economy of international relations. They are economic actions with considerable political implications. This has been also stressed by the body of international law related to nationalizations. According to the data collected by the United Nations altogether 875 cases of nationalization took place in 62 developing countries during the period of 1960—74. The number of nationalizations has increased over time, and there has been also a shift from complete takeovers to nationalizations which aim, first of all, at the control of natural resources by using joint ventures in which the nationalizing governments have the majority of shares.

Acts of nationalization are also linked to the strengthening position of various producer leagues; OPEC and CIPEC being perhaps the best-known examples. In addition, there is, however, a growing number of corresponding leagues in the production of other commodities. In the international relations research, the anti-domination school has paid a good deal of attention to this development and has taken the process of 'opecization' as one of its starting points.

The effects of nationalizations of natural resources in developing countries are mainly determined by the strategy adopted by the nationalizer as well as by its policy in regard to the future uses of the resources. The strategy of controlling resources through the majority of shares in the companies engaged in the production is in most cases probably only an apparent step towards the target of anti-domination. In the struggle for permanent sovereignty over natural resources only nationalizations leading to complete takeovers and guided by solid political and social development programs can quarantee the success of the anti-domination struggle.

On the Justice of Parliamentary Elections:
A Coalition Theoretical Approach

by M a r k k u L a a k s o

The purpose of this article is to present a »new» approach in evaluating the methods of proportional representation in parliamentary elections. The »traditional» analysis is based on several assumptions which, however, have not been critically examined to any great degree. First, the traditional approach supposes that the justice of parliamentary elections happens when each voting group gets parliamentary representatives in relation to the size of this voting group. Thus if, e.g., a party gets 10 % of votes in elections this party's share of parliamentary representatives must also be 10 %. Secondly, the »power» of a parliamentary group is assumed to be a linear function of the number of its representatives. It is easy to show, however, that this is not a valid proposition (calculations based on the coalition theory). Thirdly, the »power» of parliamentary groups depends strongly on the decision-rule system of the Parliament. The traditional approach is thus not able to analyze the methods of proportional representation in relation to the potential power of parliamentary groups on different decision-rules.

In order to avoid defects of the traditional approach we must have a measure of potential power of parliamentary parties not equal to the number of their representatives. The voting-power index of Shapley fits into these requirements very well. In order to take the parliamentary decision-rule system into account the potential power of each party is defined to be the mean of the Shapley values in decision-rules used. According to this interpretation the potential power of party A_i in the Finnish Parliament is

$$V_{A_i} = \frac{I}{4} \left(S_{1/3}(A_i) + S_{1/2}(A_i) + S_{2/3}(A_i) + S_{5/6}(A_i) \right)$$

where $S_k(A_i)$ is the Shapley value of the party A_i in the decision-rule k (k = 1/3, 1/2, 2/3, 5/6).

The justice of parliamentary elections happens if for each party $V_{A_i} = X_{A_i}$, where X_{A_i} = the party A_i's share of votes multiplied by two. (Multiplication is necessary because in the Finnish Parliament there are 200 representatives and because Shapley values are also calculated to correspond the number of parliamentary representatives). The justice of parliamentary elections is now measured as follows:

$$0 = \sum_{i=i}^{n} |V_{A_i} - X_{A_i}|$$ where n = the number of parties in elections.

The measure presented above is applied to the Finnish parliamentary elections in 1945—1972. The following methods of proportional representation are compared: d'Hondt (used in Finland), d'Hondt without electoral alliances, Sainte Laguë, modifield Sainte Laguë and Droop's quota system. In his study of proportionality of these methods (the »traditional» approach) Antti Jaakkola got the following results (the most proportionate method mentioned first): 1) Sainte Laguë, 2) mod. Sainte Laguë, 3) Droop, 4) d'Hondt, 5) d'Hondt without electoral alliances.

The results calculated in this article show nearly perfectly the same order. Only mod. Sainte Laguë is »better» than Sainte Laguë. The difference between these methods is, however, minimal. The most differing method is d'Hondt without electoral alliances. Because this method also strongly reduces the number of parties which get parliamentary representatives it could be classified as the »half-proportional» method. A quite surprising result is the good proportionality and justice of the Droop method.