

**INTERNATIONAL POLITICAL ANALYSIS:  
PRINCIPLES AND METHODOLOGY**

**Manuel Escudero, PhD**

Instituto de Empresa  
Dept. Economic Environment  
Management  
C/ María de Molina, 12, 5º  
28006, Madrid – Spain  
manuel.escudero@ie.edu

**Abstract**

The scope of the nascent discipline of International Political Economy needs to be modified in two grounds. Firstly, the nature and dynamics of international institutions and supranacional associations have to be understood as the result of the underlying traits of hegemonic countries within them, so there is a relationship of cause and effect between countries and supranacional institutions. Secondly, the analysis of countries has to consider not only the interaction between their economic and political systems, but also the existence and deep impact of cultural systems of values. The Ecopolitical matrix is presented, as a broader and more comprehensive tool for country analyses.

**Keywords**

International Political Economy, country analysis, clientelism and patronage, corporatism, nationalism, democratic culture, mercantilism, liberalism, keynesianism, socialdemocracy, neoliberalism, structuralism, political process, Ecopolitical matrix.

## Introduction

Public and private employers increasingly seek out individuals who can:

- Think broadly and critically
- Understand complex and dynamic systems
- Appreciate the impact of social conditions and alternative values
- Understand the global context of human activity today<sup>1</sup>

International Political Analysis (IPA) is aimed at training future decision-makers of companies in those capacities.

In the era of globalisation future managers will probably have to deal with unknown conditions in new countries: their understanding of those countries will be crucial. In an open and interconnected world, where market shares are not any more purely national, to be acquainted with international institutions, their working procedures, nature and evolution will be increasingly important, too.

Let us put some examples.

An adviser of a Spanish company in Argentina should know which are the main problems facing that country: are they economic? Certainly, since its main problem now is to overcome the lack of confidence of international financial markets and institutions. But, after an analysis based on the IPA's methodology, one could conclude that the essential problems of that country are political, and more specifically, cultural.

How would a manager of a foreign factory in Indonesia, define ethical standards? To define them in the traditional fashion – i.e. abide to the legal norms and moral values of the country – is not good enough any more. After analysing the situation through IPA, he or she probably would conclude that a set of global standards, applied to the company in all its factories world-wide, are needed in today's world.

If a manager or staff member were to advice on the advantages of two alternative possible locations –i.e. in United States or in the European Union - for the headquarters of a fast-growing technological company, knowledge of anti-trust policies in both regions and an understanding of why the political process in those regions differ, would be a valuable angle of analysis.

If he or she were to advice on the establishment of a new processing plant in Hungary or the Russian Federation, knowledge of their relative position in terms of global integration (and not only in terms of market potential and relative prices of production factors) would be again an important angle of analysis.

The conclusion is clear: political, economic, cultural and international issues: all count to make the right strategic decision.

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<sup>1</sup> Balaam and Veseth, Introduction to IPE, Preface.

## IPA as a Methodology of Analysis

International Political Analysis deals with the diverse nature of countries and with the resulting international relations and institutions. The specific object of study for International Political Analysis is twofold: on the one hand, the interaction between actors and systems in countries and regions as well as the evolution of those interactions, and, on the other hand, their impact on international relations and institutions. It focuses on the analysis of countries or regions, and on the analysis of resulting international relations between countries or regions.

IPA is a methodology that focuses on a multidisciplinary analysis of countries, provides certain models for such analysis, and proceeds to analyse the interaction between countries and the resulting international institutions.

As a methodology, its main steps are now presented. First the most important steps in terms of the analysis of countries will be sketched. Later on, the implications in terms of international relations will be pointed out:

1. Each country, and sometimes, a regional cluster of countries, differ from each other. To gain a real understanding of their nature, partial analyses – i.e. purely economic or political, - are not appropriated. Rather a interdisciplinary approach has to be taken. Only by this comprehensive approach, an explanation of the likely behaviour of relevant economic, social or political agencies will be reached -, as the basis to make solid strategic decisions.
2. These differences between countries can be understood by undertaking an analysis of the three main systems in any given country: the cultural, the economic and the political system. By cultural system we understand the commonly shared set of values and knowledge governing the relations between actors (see below: individuals, social agencies, economic units and political agencies). The cultural system refers to values, culture and knowledge. The economic system refers to the nature of the economy – i.e. planned, mixed economy, free-market economy. The political system includes both the political regime and the security structure, and refers to the nature of the political regime and institutions of the country: from a constitutional democracy to a pre democratic, authoritarian, militaristic regime, etc...
3. There are some general models that may help us to understand the basic nature of the systems. In the case of the cultural system we have to use some theoretical concepts and models borrowed from social anthropology: democratic culture, nationalism, clientelism and corporatism are models to be understood and discussed, all of them having important bearings on the explanation of political systems.
4. Regarding economic models, it is necessary to use macroeconomics and the theories of international trade in order to understand some basic archetypes: planned economies, transition economies, developing economies, mixed-economies or free-market economies, as well as the workings and evolution of international trade. In order to present them, we will seek the help of some historical basic models that include a view of economic systems as well as their underlying political assumptions: mercantilism, liberalism, structuralism...

5. Finally, concerning political systems, we have to draw support for political science and political philosophy, in order to understand the crucial concept of “political process” and derive from it several models: federal vs. centralised, based on a neoliberal or a socialdemocratic view and practice of democracy, defective or mature democratic regimes. All these models will be reviewed later on.
6. The analysis of systems has to be dynamic, that is, it has to consider not only the most current salient features of each system, but also the interaction between them, as well as their historical roots and likely evolution. Out of the three systems, the most fundamental one is the cultural system, since very frequently it helps to explain the specific features of the economic and political system. Indeed, the most important shortcoming of the nascent discipline of International Political Economy is its lack of social anthropological analysis as an input integrated into its multidisciplinary scope.
7. Once these three systems are understood, their interaction with the basic actors in the country has to be undertaken. The most important sets of actors in any given country are four: individuals, social institutions (family, trade unions, communities, the “third sector”), economic institutions (companies or corporate groups) and political institutions (political parties). But, how systems affect actors? and how actors may influence the systems? <sup>2</sup>
8. Systems affect actors since systems are structures with explicit – legal - or implicit – moral – rules and norms, to which actors have to abide. For example, a political system is ruled by legal norms, and to a certain extent, by moral values, but an economic system is mainly ruled by legal norms.
9. The most important feature of a system is that, through legal or moral norms, it regulates power. For instance, a planned economic system confers power to a unique political party and to the political system it creates. But a market economy does not confer power to political parties, but to individuals, families and companies.
10. Moreover, power conferred by any one of the three systems can be relational or structural. Structural power is established power, that has been granted (morally or legally) to certain actors: for instance, in a democratic political system, structural power is given to the party that wins the elections and forms a new government. Relational power is the bargaining, negotiating power that actors may have in any system: for instance, in a market economy system, trade unions may have the possibility of negotiate working conditions, thus putting some specific limits to the free workings of the market.
11. If systems interact with actors through norms and power, alternatively, actors can interact and make systems to evolve. Companies, for instance can have impact in the set of cultural values of a country, through fashion, new products or new services. Individuals affect a democratic political system through individual vote and

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<sup>2</sup> In a business school and for future managers, if all the actors and systems have to be considered, an special emphasis has to be made regarding a particular actor: companies and firms.

referenda. Political parties can affect the values system by introducing new political collective aims, trade unions can affect the economic system through collective bargaining, companies can affect the political system through lobbies...

12. Thus, a crucial step in this methodology consists of analysing, for any given country, both the influence of systems on actors and, conversely, of actors on systems. This will be done later on, with the help of the "Ecopolitical Matrix".

## **Cultural Systems: Some Basic Models**

It is very important to stress that there are not countries which show a pure cultural model, i.e. nationalist, clientelist, corporatist or based on democratic culture. Rather, different countries show different combinations out of these four possible models. And it is those specific combinations what make countries unique. The basic traits of these four models are presented now.

**Nationalism** is a cultural system at whose centre is the idea of a nation to whom individuals belong. Nationalism has two basic traits.

The first one is that the nation exists, and it is defined as a community unique and differentiated from other nations in terms of some symbols: race, ethnicity, common culture, common history, language, folk traditions... These symbols can be historic or can be manufactured, this is not relevant. The relevant fact is that all the members of the community adhere to those symbols, put them into practice and recognise all individuals belonging to that nation through the use of its symbols.

Two important consequences of this first trait are: individuals belonging to the nation define themselves not only through affinity to peers but also, and most fundamentally, through differentiation and exclusion of others. Strong differentiation and exclusion of the others: those were the driving forces behind the Japanese and German attempt at expansion in the Second World War. On the other hand, a militant nationalistic culture entails a strong commitment to the cause of the nation: in the most pure hegelian tradition, individuality (the "ego") is nothing, the nation (the "super ego") is all. From this follows the strong tradition of martyrdom, of sacrifice of individuals fighting for the sake and glory of the nation: Japanese kamikazes, IRA and ETA terrorists (with their legendary hunger striking martyrs, even if they had cold bloodily killed many innocent civilians) or Palestinian suicidal squads, all are cases in point.

The second trait of nationalism is the demand of political rights stemming from the existence of the nation. Nations, nationalists say, have the right to a State, to exercise political sovereignty, and hence the right of secession, of UDI (Unilateral declaration of independence) and of self-determination. When those targets have been achieved through a hard fight, the nationalist identity of a country remains very much alive for long periods of time, as in the case of USA, Norway, China, Ireland, Israel... This, usually, leads to a strong nationalist approach to economic policies, i.e. self-sufficiency vis-à-vis the outside world, and sometimes to a great influence of the State in the economy.

Nationalism has been, and still is, one of the great forces of change in the modern world. Its logic has nothing to do with either conservatism or socialism, with the traditional political divide between right and left. For nationalism the world is divided between those who support one's nation and the rest. From this, the overriding concern about national unity, follows. All individuals belonging to the nation should be united, and class divisions or political divisions are but obstacles and, indeed, anti patriotic strategies. In practical terms, this means that in communities with a very strong nationalist cultural system, either there is not a plurality of political parties, i.e. nationalism "de facto" helps to establish and maintain an authoritarian regime, or else a nationalist party has a considerable hegemony within the party system.

**Islamic fundamentalism**, although it is a different phenomenon, shares many traits with a nationalist cultural system. On the one hand, exclusion of others, one of the main traits of nationalism, has taken in the Islamic world – extending from Africa, the Middle East to Asia – the form of rejection of Western values and politics, as a result of the tradition of colonialism, neo-colonialism and hegemony imposed upon these countries by some Western powers. A second basic trait of nationalism, strong influence of a differentiated culture upon society, finds a similarity in the Muslim world in the form of the lack of separation between Mosque and State, and the ensuing strong hegemony of the Islamic cultural system over social patterns of behaviour and over the political and the economic systems themselves. The consequence has been economic backwardness, underpinned by political authoritarianism, all to the service and maintenance in power of small and powerful elites which, in order to legitimise their pre-eminent position, display strong anti-western discourses. The lack of tolerance in those countries in relation to alternative projects of national organisation – based on individual rights, secularisation of society and political modernisation – has been suffered by hundreds of thousands of citizens who, nevertheless, follow the religious precepts of Islam as their spiritual guidance even in jail or exile.

**Clientelism and patronage** is another most influential cultural system. In a clientelist system there are patrons who have the political power and clients who reap the material benefits of the system – security, public funds, appointments, sinecures... Clients support patrons to climb up to power positions, and patrons reward clients, allocating to them the public goods for their unconditional support. It is, therefore, a system of delayed mutual favours that serves the purpose of discrimination in the allocation of public goods. The system is strictly hierarchical, and based on mutual and unshakeable loyalty. It is easy to see that clientelism differs from nationalism: the first presupposes rigid hierarchies, the second is based on peers. Clientelism, although a pre democratic system, can survive over long periods of time within democratic structures, as long as the separation of political powers and the democratic checks and balances are not properly working. So long as there is no democratic effective control, clientelism can co-exist within a democratic regime.

In fact, one very important inference that can be drawn from the resilience of clientelism to disappear, is the very-long-term inertia of cultural systems. Cultural systems can survive drastic changes of the economic system, and drastic changes of the political system. A case in point is the emergence of the so-called "mafias" in Eastern and Central European transition societies. The Russian society was, in the Ancient Regime (as much as most European societies), a clientelist society. It may seem surprising, but this cultural system survived throughout the long period of "real

socialism”, with the “apparatchik” (the party’s establishment of high-rank officials) as the new patrons. It is not surprising, therefore, that the clientelist system has continued in operation after the fall of that political regime. Another example is the accommodation of clientelism to “defective” democracies: Italian “sotto governo”, and the encroachment of the Mafia in the Italian Christian Democrat and the Socialist Parties, public corruption in Spain and in many Latin American countries...., all these cases share a common feature: they were possible within democratic, but defective political systems, - where the mechanisms of democratic control were weak and ineffective.

Clientelism has close similarities with other forms of discriminate allocation of public resources to privileged groups based not on individuals but on the family unit. In Asia, in Japan, China, Indonesia...individuals are very little without their family. The basic cultural divide is between the in-group, the family, and the rest of society. Family, in this case, refers to a very enlarged concept, bonded by loyalty, structured by hierarchies. All members of the extended family work hard for the encumbrance of the family chief; once this is achieved, material benefits are granted to all members of the extended family. Corruption cases with global consequences, like the mismanagement of Japanese Banks or the Indonesian crisis of 1998, may have in their origin this type of cultural, pre democratic family-based clientelist system.

**Corporatism** is another cultural system worth mentioning. In pre democratic societies crafts and corporations were a constituent part of a capitalist economic and a stratified social system that did not allow upward mobility. Crafts had substantial barriers of entry, strict norms of behaviour and granted privileges. With the advent of capitalism, one of the most important demands for the transition from the Ancient Regime to the modern State was freedom of economic activity and the abolition of this type of corporations and syndicates. Indeed, the great liberal reformers of the age, had two important aims: democratic constitutions to ensure individual political rights, and free enterprise.

Throughout the 20<sup>th</sup> Century, however, a new form of corporativism has emerged in democratic countries. Corporatism, a new word encompasses both its precedents in the Ancient Regime and its new nature, compatible with democratic regimes. Thus, by corporatism we mean a cultural system that is both democratic and, at the same time, gives to collective economic interest groups, notably Trade Unions and Employer Associations, voice within the democratic process, usually in the form of institutions for collective bargaining (i.e. Socio-Economic Councils or permanent structures of centralised collective bargaining). The power of these institutions have varied from country to country. In Northern European Countries (Scandinavia, The Netherlands and Austria) they have acted as an important filter of the democratic process, acting as one of the main actors, along with the government and the Parliament, in the formulation and control of economic policies.

Although with different degrees of intensity and importance, this specific type of corporatism is present in all European countries: in Spain there is a Social and Economic Council, as in many other countries. There is a European Social and Economic Council and a “social dimension” in the building up of political Europe. Indeed, one can say that the pre-eminence of centralised or semi-centralised collective

bargaining systems, and hence of social institutions such the Trade Unions, has much to do with European democratic and social culture.

With the advent of globalisation, the role of this specific type of corporatism has been notably weakened, in the name of less collective and State intervention, more room for the free market and flexibility of markets. We will discuss the implication of this later on. Let us say for the moment that the question of the compatibility between a corporatist system and globalisation has been put into doubt, and with it, an important feature of the “European way of life” has been opened to debate.

The concept of corporatism has to be extended to all those societies where corporate groups influence or alter the democratic process. In India, some strata of the cast system act as corporate groups vis-à-vis state or all-India public decision-making bodies. In Japan, from shop-keepers to farmers, all economic interest groups act in a corporate fashion.

A relevant question is the impact of corporatism on the democratic process and on the economic system. Indeed, the influence of organised groups, i.e. lobbies, is not only compatible with the democratic process but positive, in order to take into account, when formulating economic policies, all stake-holders. Policy formulation improves with participation of the groups affected. But a lobby system, in order to be compatible with the democratic process has to be transparent (in terms of the material support given by the incumbent group to political representatives) and regulated (through a system of hearings to which opposition members have free access). Such a system, rightly influencing the political decision-making, is functional to the democratic process. However, when the system is opaque and under-the-counter, corporatism can profoundly alter the democratic process, and, as in the case of clientelism, can evolve into a discriminatory way of allocating public goods.

**Democratic culture** is, finally, the last model to be considered. Democracy is not only a political regime, but also a set of values, commonly accepted by society. The corner stones of that set of values are the following: compromise as citizen with individual rights and individual duties, law abide ness, answerability when in office, consensus making, tolerance with pluralism and diversity, respect to minorities, and active civic compromise with the community. Those values make a cultural code of civic behaviour, transmitted and improved from generation to generation, reinforced by education. Societies with a young democratic regime do not have a democratic culture, only mature and long-established democracies generate, over time, a democratic culture. This, again, is proof of the very-long-term inertia of cultural systems: they do not vanish overnight, and they do not emerge from one day to the next, either.

### **Economic Systems: Some Basic Models**

It is not possible to enter the sphere of economic models without mixing them with political inputs. This is the reason why the review here will follow the classical categories of International Political Economy, in which models, although they have a fundamental economic component, require the input of some basic ideas from political science.



It is necessary to stress, before hand, that the following models are both historical and influential in today's world. After all, much in the same way as nationalism, they have been main engines of the transformation of our societies during the last 250 years. And, as basic ideas about human nature, both individual and collective, they can be found even today, as the deep layers that surface in the thinking and actions of leading members of our society.

**Mercantilism** was based in four basic notions: the well being of nations originates in wealth, power, national security and strong intervention of the State. It emerged with the rise of the European Nation-State, as a system of ideas needed for the purposes of state-building, implying State intervention in the economy, all for the sake of the security of the Nation-State. Mercantilism tried to create a virtuous circle: power created wealth, wealth increased power, power increased wealth, making the nation secure and prosperous. The means to generate this virtuous circle were to increase military power (to secure and control trade routes, encourage exports by public promotion of export-based activities, and discourage imports through import tariffs).

Mercantilism had a zero-sum view of the world. A State had to control trade, control colonies and do so through military power: what was good for one State was bad for others competitor States. It followed that war was an endemic trait of mercantilism, necessary to build upon the ruins of neighbour countries one's own glory. International relations were non-existent, but in the form of conflict with other States, transient, temporary alliances against third parties and the extension of the power of the State to colonies abroad, from which gold, bullion, raw materials and other resources flowed into the State. The world, therefore, had no order, but, rather, was politically arranged in an anarchical manner, with no international authority universally recognised to govern interstate relations.

**Economic Nationalism** has been, in more recent times, a new form of mercantilism: the basic mottoes of Mercantilism, "Wealth, Power and Security", derived into political independence of the nation, through the national economic independence. Statism, as a basic feature of Mercantilism, remained: markets on their own, said economic nationalism, foster economic dependency. Therefore, the State should create and protect a strong national market. By the end of the XIX century those countries which had had success with this model, shifted from developing national productive power, to securing foreign markets for national goods: that was the moment when imperialism emerged. Paradoxically the influence of Economic Nationalism can be traced to our days in countries that successfully fought imperialism and became independent: those countries, notably India, China and Brazil, have followed during the last part of the 20th. Century a recipe for development based on import substitutions and strong state intervention in building state owned enterprises as the basic premise of economic independence and of development.

**Neomercantilism** is a comparatively recent model, inspired on the basic ideas of mercantilism and economic nationalism. The lessons from the II World War, the process of de-colonisation and the emergence of more and more competing countries implied in the last half of the 20<sup>th</sup>. Century the dominance of a free trade approach in international trade, culminating in the Uruguay Round of the GATT and the creation of the World Trade Organisation. Neomercantilism is nothing but the reaction against this trend, with new policies aimed at self-sufficiency in "strategic resources", as a matter of national

security. This reaction explains the new strategies of exports subsidies, import quotas, voluntary exports restraints or agreements, non tariff barriers, based on health or technical specifications, as well as all kinds of “industrial” policies hiding public subsidies to national sectors. Genuine neomercantilists have kept alive one of the basic aspects of the mercantilism of 300 years ago: the capacity of the nation-state to create wealth is as important as its capacity to maintain military power vis-à-vis the rest of the world.

**Liberalism**: its fundamental value, the basic aim, and the best way of organising society is on the basis of the freedom of the individual, its autonomy and freedom to choose. This principle has two important implications: the need for democracy (political individual rights) and the need for the market (economic freedom and efficiency).

Classical liberalism had a strong anti-state bias. But this bias has to be understood as a historical feature: the State liberalism had to fight against, its prime enemy, was the “ancient regime” State which was pre-democratic, autocratic, anti constitutional, of granted privileges to nobility and rigid corporative structures: unable for the market and opposed to democracy. .

Liberalism had a positive-sum view of the world. In the liberal world disagreement is, of course, unavoidable, but conflicts can be solved through peaceful civil means. The most important recipe for good government is diffused power in the state and diffused powers in the market. For liberalism, international relations are based on international trade. Free trade is mutually advantageous. Free commerce makes nations efficient on the basis of some advantage (be it comparative or competitive). The international structures of mutual interest are production, finance and knowledge. For liberalism, the international structure of security is not so relevant

**Evolution from liberalism to Keynesianism**: With time, liberalism, once the modern, constitutional and democratic State was a reality, softened its strong anti statist position. J.S.Mill proposed that the State should take limited action to supplement the market, correcting for market failures or weaknesses in order to better achieve social progress: with this, the liberal view of the state was qualified.

Keynes went much further: the State has to intervene in order to save capitalism from its own short-sightedness and from its own spontaneity. Keynes powerfully demonstrated that the market, if left to its own mechanisms can remain well bellow the full-employment level. Hence, with State intervention, through monetary and fiscal policies, society can be free from the paradox of thrift, inflation and unemployment. In the 20<sup>th</sup> Century, from the 40’s until the end of the decade of the 70’s, most developed countries embraced the so-called “Keynesian consensus”, based on monetary intervention, demand-side, antitrust and welfare policies.

In the Keynesian tradition, if there was the need for a government with a macroeconomic function within countries, free trade was the principle of international relations. However, this view was qualified with the need of some international institutions. Markets work best when some public goods, i.e. guaranteed free trade, a sound system of international payments, peace and security, are available to all countries. But who would deliver these “international public goods”? Stability can be reached either by multicentricity (all countries collaborate in the setting-up of those international

institutions) or by the hegemony of some leading countries which provide those public goods to all. In reality, the Bretton Woods system of international relations placed the USA as the hegemon of Western international relations, whereas the USSR became the opposing hegemon within the Eastern block.

**Neoliberalism:** the Anglo-Saxon branch of political liberalism (as opposed to the Continental branch, always more oriented to the intervention of the State to guarantee minimum standards of social justice) evolved into economic liberalism as an answer to the productivity crisis of the late 1970's, and as an answer to globalisation. The values of political liberalism were transformed into new values of economic liberalism: its basic traits were to decrease the size of public intervention (the "minimal" State), to privatise the public health and education systems, to bring flexibility into the labour markets, and, in order to achieve this, to weaken the power of Trade Unions, to lower the tax burden, and to put into practice tight monetary policies against inflation: all this was aimed at rendering the individual free from the State in economic terms, that is, giving more room to individual freedom in the market.

Hayek, Von Mises and Milton Friedman were the brains behind neoliberalism, and R. Reagan and Margaret Thatcher the politicians who put it to work. Neoliberalism became a dominant ideology during the 80's and 90's in all the developed world. Its merits were to give an answer to the conditions posed by the productivity crisis of the 70's. A long term pattern of salary and social costs increases, coupled with high increases of oil and raw material prices had made the economic system unable to pay for the cost of productive factors. If demand-side economic policies had enabled the economies to grow up to then, now a new kind of approach, the supply-side approach was needed, in order for aggregate supply to expand and for productivity to grow. In general, all countries followed the same mix of supply-side policies (although, of course with different intensities and even with different means according to their political orientation): priority to technological innovation in order to create a new productive base, income policies or flexibility policies in labour markets, to put control to public deficit, in order to lower interest rates, decrease tax pressure, in order to promote more private investment, policies of defence of competition, deregulation of markets and privatisation of public owned companies and monopolies...

Neoliberalism brought with it a new vision of democracy, too, that can be called a "reductionist" view: where the market worked properly, there was no need for the political process to interfere. Thus, a new trend of giving political power to technical institutions started (for instance, with the absolute separation of Central Banks from governments). Globalisation, from the neoliberal point of view, did not need new global political or representative institutions: the workings of the market should be enough.

**Structuralism:** its main principle asserts that the economic structure determines the distribution of wealth and power. Economic power determines political power and social power. Classic structuralism (Marxism and Leninism) was based on two philosophical pillars: historical materialism and dialectical materialism.

According to historical materialism, the bases of history are the modes of production, which create opposed classes. The development of the mode of production (for example capitalism) brings about progress but also the unavoidable collapse of the mode of

production itself, being substituted by a superior mode. Thus, historical progress is unavoidable: from capitalism, to socialism, to communism.

The second basis of Marxism was dialectical materialism: a philosophical system inherited from Hegel, but placing economic reality and not ideas as the determinant of dialectics: the core of this philosophical system is the notion of contradiction and the inevitability of human progress. The structuralist view of the world is profoundly anti-liberal (in terms of individual rights) since it defends the submission of the individual to the class interest. The interest of the class is, moreover, the revolution, i.e. the overthrow of the state occupied by the dominant class, its substitution by a new State that creates a new mode of production (socialism), based on the collective ownership of the means of production. There is no room for a gradual transformation of the bourgeois State, since such a State is bound to reflect the interests of the dominant class in the mode of production. The only way is the revolutionary struggle of the progressive classes, when the conditions are right (i.e. when the mode of production has reached total development and, hence, total contradiction).

The system of International relations originating in classical structuralism defended that the class struggle was a far more important reality than national struggles. Up to 1848, the aim was a pan-European revolution. From 1918, the interest of the USSR, being the true “working-class state”, had to be defended by all workers, placing that element beyond the defence of their national interests: this idea was at the origin of the creation of a second pole in the bipolar system after the II World War.

This view of the international relations was complemented with Lenin’s anti-imperialism thesis: according to it, rich capitalist nations can delay their final crash by keeping poorer nations under their domination through two structures, production and finances. It is easy to see, then, the logic of the Eastern block during the second half of the 20<sup>th</sup> Century: the USSR forged a world-wide alliance with former colonies, liberated from their metropolis. The classic structuralist view gave fundamentals to the hegemony of the USSR. And, at the same time, the ideal of a socialist society, compounded with Lenin’s anti-imperialism, gave a strong economic nationalism ideology to those former colonies (i.e. from India to Egypt). Only China challenged in the late 60’s the hegemony of the USSR, and formed, from then on, its own model of socialism.

**Socialdemocracy**: already at the beginning of the 20<sup>th</sup> Century, a number of working class movements in Northern Europe (Scandinavian Countries, Germany, Austria, Britain) cut free from classic structuralism towards a democratic approach. Socialdemocracy, then, evolved from Marxism and Leninism considering that the State, if it is democratic, can attend the demands of the working-class. Instead of the revolutionary approach, socialdemocracy defends that representative and parliamentary democracy are the means to gradually change the State, so that it will exercise power in favour of the less favoured classes. Of course, within this view, class organisations such as the Trade Unions were functional and played a positive role in this gradual transformation of the State (this explains why countries with a socialdemocratic tradition have had corporatist cultural systems).

After the 2<sup>nd</sup> World War, the socialdemocratic model converged with the Keynesian brand of liberalism, to the extent that its position vis-à-vis international relations and related issues became, and still is very similar. The SPD in Germany produced a

paradigmatic resolution in 1960 that can symbolise this convergence: “As much market as possible, as much state as necessary”. However, between these two models there continued to be an underlying tension concerning the importance of state intervention and the role of individual rights and interests in society – a tension that has not been solved until after the appearance of neoliberalism, and the emergence of Blair’s Third Way, that can be branded as one of the most conscious efforts of keeping some basic socialdemocratic ideas –such as fairness and egalitarianism – while rescuing some important principles of political liberalism (the autonomy of individuals and the positive role of the initiative of individuals).

Socialdemocracy brought about another concept of democracy, that can be labelled as “delegationist”, and described as a call for the people to delegate in their representatives all public affairs (“you vote every four years, and we will build for you a Welfare State and a fair and socially just society”).

### **Some Basic Notes on the Political System**

After having reviewed basic cultural and economic models, their impact on the political system is apparent. Here, the most important consequences will be pointed out:

Non-democratic regimes are, in the first place the consequence of States built on structuralist premises. That was the case of the USSR and allied central and eastern European countries, where the common model was an only Party structured from the base of society and ruling an State made to its own image and interests. With the fall of the Berlin Wall the majority of those countries have entered a process of transition, based on three salient features: firstly, the appearance and competition of a number of political parties, in many instances with the presence of the former communist party now reconverted to democracy. Secondly, a difficult accommodation of the State to the new situation, coupled with an unclear definition of its new role and, in consequence, a weakening of some of its basic functions (security and law and order, empire of the law, non discriminatory allocation of public goods and social integration of all citizens). And thirdly, a rapid transition to a market economy.

In these societies, pre democratic cultural structures such as clientelism have today a lot of room. The only remaining bastions of the former anti democratic regime can only be found today in North Korea and Cuba. Also, other transition societies in central Asia have a regime that are not easily classified.

Non –democratic regimes today are, in the second place, the consequence of the lack of secularisation of the State and politics in Islamic countries. That is the situation of most Arab countries – Saudi Arabia, Arab Emirates, Libya, Syria, Iraq –, Islamic Asian Countries – Iran, Afghanistan, and of most Islamic African Countries.

Finally, non democratic regimes can be found in former colonies – basically in Africa – where a strong nationalist (anti-colonialist) culture is used to prohibit democratic competition between different parties, and allows “de facto” the dictatorship of some chiefs of dominant ethnic groups or tribes.

In countries with democratic regimes, it is important to evaluate the quality of the democratic political process. By this we mean: the quality of the electoral process (who

vote, who nominate and which system of election – whether a proportional or a majority system is used). The quality of empowerment (from a highly centralised to a federal state with strong local powers). The quality of the mechanisms of representation (terms of mandate, answerability), and the quality of the separation of powers (independence of parliament from the government, check and balances and effective control of the government, transparency of lobbies, independent judiciary, existence of non-party state institutions). Defective democracies are those where any of these traits, necessary for a democratic political process fail. In defective democracies, all forms of pre democratic cultural systems – nationalism, clientelism and corporatism – survive and reproduce themselves.

## The Ecopolitical Matrix

After having presented the most basic models that can define the three systems that interact in a country, we will discuss the ecopolitical matrix, that helps to make a systematic analysis on how systems and actors interact.

	a. Values. Cultural System	b. Market. Economic System	c. State Political System
1. Individuals			
2. Families, trade unions, social institutions			
3. Companies and corporate groups			
4. Political Parties			

The matrix is nothing but a device for a multifaceted analysis of countries, and in that sense it cannot substitute but, at most, help with the analysis. The purpose of the matrix is to guide the analysis of a country from all possible angles, taking into account the interaction between systems and actors.

We said before that systems allocate formal or informally power (structural or relational) to different actors, and, thus, greatly influence them. The influence of systems over actors will show, in the matrix, in the upper triangle of each cell.

For the purposes of illustration, we are going to present now the type of analysis that can be done in order to evaluate the influence of systems on actors. Later on we will proceed with the alternative analysis.

By doing this, we will consider an important aspect: what are the right questions to ask while doing this analysis. In each case, for the purposes of simplification, we can establish a reference answer, and judge the situation in the country in relation to whether or not that answer has a strong or a weak presence and influence.

1. The influence of the cultural system on individuals: The relevant question for analysis here is whether or not the cultural system of a country fundamentally affects individual behaviour. If the country is very traditional, in principle, the cultural system will greatly affect the pattern of behaviour of individuals. Moreover, in countries with a strong *nationalist culture* individuals will be even more uniformed by culture. The same can be said of *Islamic countries* where there is no separation between the law and religion. Equally, in countries built on *structuralist* premises, i.e. socialist countries, the same will apply. Finally, in countries where *clientelism* or family models of clientelism are dominant, strict and hierarchical codes will dictate individual behaviour. However, in countries with a fairly developed democratic culture, where respect of diversity, tolerance and heterogeneity are dominant cultural patterns, individuals are only affected by the basic norms, but they give room for diverse and not uniformed individual behaviour. Here, for the purposes of simplification, we can establish strong or weak *nationalist* culture (or, alternatively, strong or weak *fundamentalist*, or *structuralist* models) as the point of reference.
2. The influence of the cultural system on families and other social institutions: the question to ask is whether or not the cultural system fundamentally affects family structures in the country. The cultural system can affect the families much in the same way as it affects individuals. Therefore, the reference answer will be very similar to the previous one.
3. The influence of the cultural system on companies and corporate groups: the question to ask is whether or not the cultural system gives some specificities to companies in the country. When there is a strong nationalist culture, there is an archetype of companies that influences firm's behaviour and structure. Such is the case of the peculiar structure of companies in Japan. When that is the case, companies are symbols of the country: they remain a very specific national phenomenon to be protected through state intervention and with protectionist policies. The *mercantilist* model (or any of its more contemporaneous equivalents (*Neomercantilism* or *economic nationalism*)) and whether or not they have a strong nature in the country is the reference answer.
4. The influence of the cultural system on political parties: the fundamental question is to ask whether or not the cultural system affects the programs and basic ideology of political parties. In countries with a strong nationalist (or fundamentalist) culture, political parties will be strongly coloured by it. The encroachment of Trade Unions or other type of organised social groups within the party's structure will be, alternatively, a clear sign of a strong corporatist culture. Therefore *nationalist* (and

to a lesser extent *corporatist*) will be the appropriate reference answer, and whether or not such systems have a strong or a weak influence on political parties.

5. The influence of the economic system on individuals: the appropriate question to ask is whether or not the economic system alone provides for the welfare of individuals. In countries with a strong presence of neoliberal policies, individuals exclusively rely on the economic system (i.e. the market) for their well being and their material needs. Therefore, a strong, or weak, existence of *Neoliberalism* will be the correct reference answer. If other influences, apart from the market affect individuals (i.e. fairly strong welfare systems and, therefore, a Keynesian or socialdemocratic model operates in the country the influence of the market will be considered more weak).
6. The influence of the economic system on families: the question to be answered here is very similar to the previous one: do families rely exclusively on the market for their income, wealth and welfare?. If so, *Neoliberalism* is the dominant model in the economic system. And, as in the previous case, if a Keynesian or socialdemocratic model dominates in the country, the influence of Neoliberalism will be considered weaker.
7. The influence of the economic system on companies: the question to ask is whether or not the market is the only influence affecting the activity of companies. Evidently, in societies with a market economy, companies are strongly affected by market conditions, and no other factor influences their performance. Therefore, the reference answer will be the strong or weak influence of the *liberal* economic model (i.e. a market economy, based on free competition). In the cases where the market, although important is coupled by other influences on the companies external to the market (in a mercantilist or economic nationalist model or in a strongly corporatist society, the influence of the market will be more weak).
8. The influence of the market on political parties: there are no relevant questions in this sphere, and this category will not be used.
9. The influence of the political system on individuals: the question to ask here is whether or not the political system dictates individual behaviour. Evidently, in non democratic countries, the political system curtails individual freedom and, therefore the reference answer would be a strong or weak influence of *non democratic* traits of the political regime of the country.
10. The influence of the political system on families: this case is identical to the previous one, and, therefore, the answer should be similar.
11. The influence of the political system on companies : the question to be asked is whether or not the political system influences the normal activities of companies. Clearly, in countries with a strong mercantilist or economic nationalist bias, companies will be affected by decisions taken by the political system. Therefore, the reference answer will be the strong or weak influence of *neomercantilist or economic nationalist* traits in the country.



12. The influence of the political system on parties: the question is here whether or not the political system strongly affects the nature and behaviour of political parties. In democratic regimes that is the case: parties cannot go out of the legal system democratically sanctioned. The reference answer will be, therefore, related to the strong, or more weak dominance of the political system, I.e. the more or less *democratic* character of the political regime.

After having reviewed the influence of systems on actors, now we will proceed by examining the possible influence of actors on systems.

13. The influence of individuals on the cultural system: the question to ask here is whether or not average citizens can influence the cultural system. Evidently, in a *liberal* society, where individual rights are firmly established, individuals can make an impact on the values system, through free public opinion, whereas in other setting where individuality is undervalued (nationalism, fundamentalism or family clientelism), the impact of individuals will be weak (and most of the time socially or politically punished).

14. The influence of families and other social institutions on the cultural system: the question here is whether or not families, trade unions and other social institutions can influence the cultural system. In *corporatist or family clientelist* societies, the impact that the average citizen can have on the culture is transferred to the social institution. Whether or not that is a strong or a weak influence in a given society will be the reference answer.

15. The influence of companies and economic groups in the cultural system: the question is whether or not economic productive activities have an important impact on the cultural system. Evidently in a market economy, characterised by mass production and consumption, companies can greatly affect the codes of values of the country, by fashion, new products, new services. Therefore, the reference answer will consider the strong, or weak (in countries with areas where economic exchanges are not dictated by the market) *development of the markets* in the country.

16. The influence of political parties on the cultural system: the question is the impact of political parties programs and aims on the culture of the country. In countries where there is freedom and democratic competition, parties can have this impact in the system of values. Therefore, the answer will refer to the *democratic* nature of the country.

17. The influence of individuals on the economic system: the question is whether or not individuals fundamentally affect the economic system. In countries where a market economy is firmly established, individuals are the basic actors who exclusively shape the market. Therefore, the answer will refer to the *liberal or market* nature of the economic system.

18. The influence of families, trade unions and other social institutions on the economic system. Here the question is whether or not the economic system is affected by social institutions. In countries with a strong *corporatist* component, social

institutions will affect in fundamental ways the working of the market, and the answer will refer to that strong, or weak influence.

19. The influence of companies on the economic system: the relevant question to ask here is whether or not companies have a dominant role in setting up the rules and, thus affecting, the free working of the economic system. When there are strong lobbies coming from economic sectors, or systematic collusion among companies, then the market does not operate in competition. In this case the reference answer should point to the less liberal (or, alternatively, the corporatist) nature of companies in the country.
20. The influence of political parties on the economic system: the question here is, of course, to what extent political parties interfere with the economic system. Only in non-democratic situations and “defective” democracies, this behaviour can become an established pattern: the reference answer will point to the *pre democratic* character of the country.
21. The influence of individuals on the political system: in the same way as with respect to the economic system, individuals can have a decisive influence on the political system when there is a principle of people’s sovereignty, and individuals have the exclusive role of voting both the rules of the democratic regime and their representatives within it. *Democratic*, then, will be the reference answer.
22. The influence of social institutions on the political system: it will tell us about the existence of social institutions that, in a *corporatist* fashion, affect the political system.
23. The influence of companies on the political system: if that influence exist, it means that the political process is modified by economic influences. With lack of transparency, this will result in a corruption of the democratic process and in a discriminatory allocation of public goods and resources. Therefore, the *non-democratic* nature of the situation will be pointed in the answer.
24. The influence of political parties on the political system: finally, when political parties can affect the rules and norms of the political system, this means that they are not answerable either to the individual voters and also to mechanisms of control (the judiciary). Thereby, the situation if it is stable, will be a *pre democratic* one.

Having reviewed all the possible combinations of the “Ecopolitical Matrix”, its terms of reference for analysis are the following:

<b>systems</b> <b>actors</b>	<b>Cultural</b> <b>(values)</b>	<b>Economic</b> <b>(market)</b>	<b>Political</b> <b>(State)</b>
<b>Individuals</b>	Nationalist structuralist clientelist  Liberal	Neoliberal  Liberal or market economy	Non democratic  Democratic
<b>Families, Trade Unions &amp; social institutions</b>	Nationalist, structuralist, clientelist  Corporatist, or family clientelist	Neoliberal  Corporatist	Non democratic  Corporatist
<b>Companies</b>	Neomercantilist, economic nationalist  Developed market	Liberal  less liberal or corporatist	Neomercantilist, economic nationalist  Non democratic
<b>Political Parties</b>	Nationalist, corporatist  Democratic	Pre-democratic	Democratic  Pre-democratic

### From National to International

After having discussed the most salient features of an IPA country analysis, we will turn to the international implications of such an analysis. This is based on the following principles:

Countries, each one with its different nature, form clusters, defined by common bonds in terms of sharing common systems. Some countries may share the same set of values, the same or identical cultural system. Other times, bonds will have been created by sharing the same economic system (i.e. a common market, such as NAFTA), the same political system (the old USSR) or the same security structure (NATO).

Thus, countries form clusters by commonalities in their power structures or systems: values and knowledge structures (cultural system), production and finance structures (economic system), security and political regime (political system).

Countries sharing the same type of systems may also form looser clusters. Countries with similar cultural systems in America and Europe form this type of clusters, like the Hispano American countries (Latin American countries, Spain and Portugal) or the Anglo-Saxon countries (USA, Canada and Britain)

*Sharing the same systems means participating in the same power structures.* International commonalities are, therefore, based on a distribution of power between

countries, be it structural or relational, enforced legally or morally, steaming from values, economics or politics. In the European Union some countries may be described as central (France and Germany), and their interest mark the dynamics of the whole association. The same can be said in Mercosur (Brazil playing the central role)

That distribution of power means that some countries weight more that others in the setting up of international institutions (be them regional, like the European Union, or global, like the G7 or the World Bank). *An important consideration of our international relations and institutions analysis will be the existence of “hegemons” within regional clusters (like France or Germany in the EU), looser clusters (like Britain in the Commonwealth) and global institutions (like USA in the World Bank or in the anti-terrorist. coalition).*

*Finally, “hegemons” try to bias international institutions according to their own basic domestic traits and interest. We have to see the goals, norms and decisions of international institutions as the result of the interaction of “hegemons”, that try to shape them according to their own internal traits, and other bargaining countries.*

There are some implicit hypotheses here: first, international relations are based on power (cultural or of knowledge, in production or finances, in politics or security), and more precisely are based on balances of power resulting in the shape, rules and evolution of international institutions; and second, in order to understand the nature of international “goods”, i.e. institutions and structures, it is necessary to take primarily into account the relative weight and power of countries participating in them, as well as the nature of those countries as defined by the interaction between their systems and actors.