

**Vol. 6, No. 3
September 2011**

CEU Political Science Journal

**Department of Political Science
Central European University**

CEU Political Science Journal
Department of Political Science
Central European University, Budapest
September 2011

Advisory Board

S.M. Amadae, Ohio State University
Gabriela Borz, University of Aberdeen
Carol Harrington, Victoria University of Wellington
Karen Henderson, University of Leicester
Herbert Kitschelt, Duke University
Levente Littvay, CEU Budapest
Cristian Pirvulescu, SNSPA Bucharest
Phillippe C. Schmitter, EUI Florence
Carsten Q. Schneider, CEU Budapest
Jan Zielonka, University of Oxford

Managing Editors

Sergiu Gherghina, GESIS Cologne
Arpad Todor, European University Institute, Florence

Editorial Board

Dorothee Bohle, CEU Budapest
Andras Bozoki, CEU Budapest
Mihail Chiru, CEU Budapest
Anil Duman, CEU Budapest
Zsolt Enyedi, CEU Budapest
Stela Garaz, CEU Budapest
Dylan Kissane, CEFAM Lyon
Robert Sata, CEU Budapest
Daniela Sirinic, CEU Budapest
Fouad Touzani, CEU Budapest

Editorial Assistants

Jan Smolenski, CEU Budapest

ISSN: 1818-7668

CONTENTS

ARTICLES

Sonila Danaj

They will save us, or shouldn't they? An analysis of the role of the international community in the Albanian print media after the January 21st 2011 demonstrations 324

Austėja Trinkūnaitė

Internet forums in Lithuania: a new stimulus for social capital? 358

Ieva Gruzina

Relationship between history and a sense of belonging – Russian speaking minority integration in Latvia 397

Funda Gencoglu-Onbasi

Democracy, pluralism and the idea of public reason: Rawls and Habermas in comparative perspective 433

Eldar Sarajlic

Distributive justice in crisis 458

BOOK REVIEWS

Rory McVeigh, *The Rise of the Ku Klux Klan - Right-Wing Movements and National Politics* (Minneapolis, University of Minnesota Press, 2009).

Reviewed by: Adriana Marinescu 484

- Peter Gatrell and Nick Baron (eds.), *Warlands. Population Resettlement and State Reconstruction in the Soviet-East European Borderlands, 1945-50* (City: Publishing House, 2009). 487
- Reviewed by:* Ana Dinescu
- David Ekbladh, *The Great American Mission: Modernization and the Construction of an American World Order* (Princeton: Princeton University Press, 2009). 491
- Reviewed by:* Willem Oosterveld
- Perez Zagorin, *Hobbes and the Law of Nature* (Princeton: Princeton University Press, 2009). 494
- Reviewed by:* Ester Bertrand
- Stephen Coleman and Jay G. Blumler, *The Internet and Democratic Citizenship: Theory, Practice and Policy* (New York: Cambridge University Press, 2009). 498
- Reviewed by:* Stithorn Thananithichot
- Mark A. R. Kleiman, *When Brute Force Fails. How to have Less Crime and Less Punishment* (Princeton: Princeton University Press, 2009). 502
- Reviewed by:* Nicoleta Adelina Stanescu
- Emilian Kavalski (ed.), *Stable Outside, Fragile Inside? Post-Soviet Statehood in Central Asia* (Aldershot: Ashgate, 2010). 506
- Reviewed by:* Arolda Elbasani

William J. Hausman, Peter Hertner and Mira Wilkins, *Global Electrification. Multinational Enterprise and International Finance in the History of Light and Power 1878-2007* (Cambridge University Press, New York, 2008).

Reviewed by: Simone Selva 510

Vassilis Nitsiakos, *On the Border. Transborder Mobility, Ethnic Groups and Boundaries along the Albanian-Greek Frontier* (Berlin, Lit Verlag, 2010).

Reviewed by: Oana-Elena Brânda 514

NOTES ON CONTRIBUTORS 518

CfP Vol. 7, No. 1, February 2012 520

but also policy makers interested in the anomalies of Central Asian post-communist statehood.

William J. Hausman, Peter Hertner and Mira Wilkins, *Global Electrification. Multinational Enterprise and International Finance in the History of Light and Power 1878-2007* (New York: Cambridge University Press, 2008).

Simone Selva
Harvard University

Global Electrification pulls together a cohort of leading experts in the fields of industrial and financial history of power and light enterprises to offer a global history of electric utility companies since the early steps in the last quarter of the nineteenth century through the late twentieth century from the vantage point of international business history and transnational financial history. The authors do investigate the early beginnings and evolution of the electric utility industry in the background of both the rise to globalism of multinational corporations and the worldwide spread of international investments to crisscross private-sector activities and government-run initiatives, national and transnational concerns and capital flows. They adopt a two-fold research perspective: foreign portfolio investments and foreign direct investments are brought into focus alongside to pinpoint the changing balance between the level of internationalization and the degree of domestication – to borrow from the book's vocabulary – featuring the history of the electricity industry since the early technological innovations (chapter 1), down into the recent attempts over the last twenty years to revive the role of multinational corporations after half a century trend toward either private-sector or state-owned national control (chapter 7).

According to the authors, this domestication pattern spanned since WWII through the 1970s recession years, following a crucial five-decade period when the light and power industry grew out of rising international flows in capital and industrial investments. The basic argument underlying this broad interpretation of the early decades is that the electric utility industry did require a high

510

level of capital intensive investments to turn the early technological discoveries into the electricity generating service sector. In part 1, after reviewing the early technical discoveries (pp. 6 ff.), Hausman, Hertner and Wilkins link this capital intensity driven internationalization to the birth and ascendancy of the modern city. They insist on the role of urbanization and modern system of communications in driving up consumers' demand for electricity. Both foreign direct investments leading to the setting up of foreign owned enterprises, and the world wide diffusion of foreign portfolio investments carried out by financial intermediaries and private-sector multinationals, did support key capital-intensive investments, mostly, but far from only, in the West European industrializing countries. At the turn of the Twentieth century the British economy had already taken a lead in serving either as a creditor or as a direct investor in foreign countries, followed by the American, Swiss, Dutch and German multinationals. By 1914 the West European, Russian and Mexican electricity companies were extensively foreign owned or controlled (chapter 3).

During the 1920s, this internationalization pattern began to fall apart with significant advance of government-run activities in Russia, and the rising role of the Swiss and German holding companies. Notwithstanding this trend, through the 1929 crisis foreign direct investments and portfolio investments continued to play a role. *Global electrification* figures out the 1930s world economic crisis as the key watershed toward the following domestication pattern. Between 1929 and 1931 the European (Swiss and German) holding companies did much business out of the down fall of the American stock markets and purchased stocks and bonds on the cheap, whereas transatlantic German-American partnership were established. Shortly after 1931 a record-setting series of nationalizations and private sector acquisitions in the new authoritarian European regimes and through the Tennessee Valley Authority in the US (chapter 5) drove up this turn toward domestication. During WWII the war industry-related electricity requirements reinforced the 1930s' new background of trade protectionism and autarchy, whereas

the post WWII era marked a step forward in this direction with scores of government-run initiatives (chapter 6).

Wilkins, Hausman and Hertner provide us with a comprehensive account of what they regard as the rise and fall of multinational corporations and international finance in the electric utility industry. Their argument is tidy and the reconstruction well-crafted in details, but far from being too much a technical one. Therefore, the book is worth reading both by specialists as a reference work for further research, and by a broader public with only basic knowledge of the electrical industry history.

In particular, some eye-opening issues raised are worth noting. The internationalization process of the early period are reconstructed with precision and recounts - through case studies such as the Mexican experience - how on the one side international financial and company ownerships merging across different countries, on the other the early efforts to bring this service industry under national control, strove hard to take the lead by the early twentieth century. Even more convincing are the paragraphs devoted to the turning point of the 1930s: the rise of totalitarian regimes swept away the early attempts to set up a continent wide electricity grid, but the degree of internationalization of multinational corporations operating on the European market was so far ahead by that time that the electricity companies could quit the European markets before any Third Reich takeover.

Besides, the following rise of national controls first in the US and later on all over Europe was the key to redress the balance between a steady rising electricity demand on consumer markets and a supply side restrained by the early 1930s' economic downturn.

Though it is worthwhile, the book includes some missing elements and misleading interpretations due to the definition of utility company assumed. The authors maintain that a steady feature of this service sector be its need to raise money abroad to fund basic high added value investments, but that its involvement

in international trade was rather limited. When they state that during the full-blown period of internationalization to 1929 “only a handful of countries imported or exported more than a small fraction of the electricity produced”, whereas “capital flowed across borders a lot more freely than did electricity” (p. 30), they assume that this industry stretch from electrical generation to service distribution.

This prevents them from offering a balanced interpretation of both the WWII years and the post war decades. As other recent scholarly reconstructions stressed⁴, if we consider this service industry as a transformer of the energy of fuels into a flow of light and power, we find the post WWII era as the time period when its internationalization get momentum, with peaking import-export figures. This would help fill a misleading problem arising out of the post war domestication pattern, that to say why did the already globalised electricity sector withdrew from international business through decades featuring currency convertibility, multilateral trade agreements, rising transnational flows in capital goods and raw material. Similarly, the worldwide rise in national requirements for electricity during WWII was coupled with an unprecedented increase in primary energy imports to feed peaking industrial and service demand and consumption of electricity. This will also help figure out to what extent in the long run did foreign investments relate not only to internal capital investments but also to hard currency requirements to finance basic fuel imports essential to expand electricity production.

Authored by a pool of specialists in international business history, *Global Electrification* offers an original, quite comprehensive and readable account of the interweaving between the internationalization of finance and the struggle to keep the

4 See for example Martin Chick, *Electricity and Energy Policy in Britain, France and the United States since 1945*, Edward Elgar, Cheltenham, 2007; Roger Fouquet, *Heat, Power and Light. Revolutions in energy Services*, Edward Elgar, Cheltenham, 2008. Vaclav Smil, *Energy Transitions. History, Requirements, Prospects*, ABC-CLIO, Santa Barbara (CA) 2010.

electricity sector under national control throughout a over a century long history. Notwithstanding some misleading interpretations it is worthwhile for readers and researchers with interests in either international economic history or the economic role of the nation state worldwide.

Vassilis Nitsiakos, *On the Border. Transborder Mobility, Ethnic Groups and Boundaries along the Albanian-Greek Frontier* (Berlin: Lit Verlag, 2010).

Oana-Elena Brânda
University of Bucharest

Vassilis Nitsiakos' book is part of the Balkan Border Crossings' series, a larger research project concerning the evolution of the Greek and Albanian minorities after the fall of Communism in the 1990's and this volume focuses more on the Albanians living next to the border with Greece.

On the Border is about the frontier populations sharing one common element: the border itself. The nature and character of the Albanian-Greek border is the topic of this book, with Nitsiakos focusing on the "secret" doors of the Albanian identities around that area. It is a travel diary, kept while visiting some border areas between Albania and Greece, a diary marvelously combining narratives of people, places and facts with a soft analysis of the sociological and anthropological issues that characterize the area.

What is Nitsiakos actually doing? He documents one-sided transborder migration from Albania to Greece in the light of the changes occurring after the brutal fall of Communism in Albania. His case studies are numerous, since every stop along the border holds a particular case and every town provides new data and issues to reveal and analyze. The reasons behind the choice of these cases are not explained – the author relies on the continuity argument, as the present book is part of a larger research in the area, and thus he uses his previous local

By William J. Hausman, Peter Hertner, and Mira Wilkins. Cambridge, U.K.: Cambridge University Press, 2008. xxiv + 487 pp. Tables, maps, appendix, bibliography, notes, index. Full text views reflects the number of PDF downloads, PDFs sent to Google Drive, Dropbox and Kindle and HTML full text views. Total number of HTML views: 0. Total number of PDF views: 0 *. Loading metrics