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# MODUS VIVENDI

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## About This Journal

*Modus Vivendi* is Latin for “way of life,” but in international studies parlance, it signifies “a state of affairs in which two opposing parties agree to disagree.” Therefore, we feel that *Modus Vivendi* is an appropriate name for a journal acting as an open forum for an intelligent discussion of global issues.

*Modus Vivendi* is edited by members of the Rhodes College chapter of Sigma Iota Rho, the national honor society for international relations. Its editors select articles which are submitted anonymously by students of Rhodes College. The evaluation process is extensive and each paper is graded according to the highest standards of research and scholarship. In this way, *Modus Vivendi* serves as a vehicle for recognizing outstanding papers pertaining to international affairs. Further, it is one of only a few journals which recognize undergraduate scholarship in this field.

This year’s journal includes three papers tackling current and controversial issues in the international arena. The first concerns devolution in the United Kingdom, and asks why the Scottish Parliament was given more powers than the Welsh Assembly. The second tracks narcocorruption in Mexico, an issue whose ramifications are salient in our own country’s war on drugs. The third and final paper discusses the recent return of the German capital to Berlin after fifty years in Bonn, an action which sparked great debate in Germany and throughout Europe.

Special thanks must be given to our faculty advisor, Dr. Frank Mora, and to Brenda Somes for her continuing support, understanding and patience. Betsy Vega designed this year’s *Modus Vivendi* logo.

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# Devolution: A Case Study of the Scottish Parliament and the Welsh Assembly

John Seale

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## Introduction

The effects of the devolution process in the United Kingdom have yet to be felt with full force. However, there is no question that Tony Blair's promise of granting Northern Ireland, Scotland and Wales legislative bodies separate from that in Westminster will change the political process in the United Kingdom. Is this change only cosmetic, or does it really mean a shifting of power away from the central government? The answer to this question lies in the legislative capabilities or powers given to these bodies. Only then can one ascertain whether or not these new institutions will have the capacity to accomplish anything.

As defined by Vernon Bogdanor in his book *Devolution in the United Kingdom*, devolution involves the transfer of powers from a superior to an inferior political authority. More precisely, devolution may be defined as consisting of three elements: *the transfer to a subordinate elected body, on a geographical basis, of functions at present exercised by ministers and Parliament.*<sup>1</sup> He goes on to say, "these functions may be either legislative, the power to make laws, or executive, the power to make secondary laws—statutory instruments, orders, and the like—within a primary legal framework still determined at Westminster."<sup>2</sup> Bogdanor also is quick to note that devolution is a process by which institutions are created and yet are still subordinate to Parliament. By maintaining this traditional relationship, a separate constitution, which would outline this process, is not necessary. While devolution might conjure visions of a crumbling kingdom, Tony Blair and his Labour party seem to think that the process will serve as a uniting one which will enable citizens to hold their government(s) more accountable.

Devolution is a process that involves Scotland, Wales, and Northern Ireland. However, for our purposes, the focus will be narrowed to the Scottish and Welsh cases. Specifically, it is

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beneficial to examine the differences between the Scottish Parliament and the Welsh Assembly. It would appear that these two distinct bodies, which were formed out of the same devolution process, might be similar in makeup and in function. However, this is not the case. This paper will examine why the Scottish Parliament has been ceded more power than the Welsh Assembly in the devolution process.

It is important to observe these differences for a number of reasons. First, the discrepancies will determine the scope of power that each body holds. And scope of power can be a strong factor in how that body operates within the greater United Kingdom as a whole. To that end, it will be beneficial to observe the areas on which the two bodies can and cannot rule, and the issues—if any—on which they can take legislative initiative. Secondly, the scope of power can be determined by many mitigating factors. For example, to what extent does a sense of nationalism play in the formation of a legislature? Does historical legacy have a strong influence? In looking at questions like these, it will be possible to determine the relative strength of the different domestic factors that shape a process such as this one. In addition, observing the differences in power of the Scottish Parliament and Welsh Assembly (and how those powers were derived) can be useful in studying other areas of the world. The Basques in Spain and the Quebecois in Canada could be seen as parallel examples. If these nations decide to settle for an outcome that is less than full independence, and form institutions similar to the ones mentioned above, then this case could be instructive as to how those institutions might turn out. For the purposes of this paper, though, the cases of the Scottish Parliament and the Welsh Assembly have been chosen. First, they are the most recent examples of this type of action by a government, the Scottish Parliament formally assumed its duties on July 1, 1999 and the Welsh Assembly opened its doors on May 26, 1999. Second, this has been a hotly debated topic within the United Kingdom as well as around the world, and it is my hope that my research may shed some light onto how this came about.

The hypotheses put forth in the next section of the paper, will hopefully go a long way toward answering the question of why the Scottish Parliament has more power than the Welsh Assembly does. Before I go any further, however, it would be beneficial for me to describe what I mean by ‘power.’ Here,

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we will examine each body individually.

First, let us examine what the Scottish Parliament *cannot* do. It cannot legislate on the following matters: the Constitution, foreign affairs, defense, the Civil Service, financial and economic matters, national security, immigration and nationality, misuse of drugs, trade and industry, electricity; coal, oil

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## The Scottish Parliament has the power to legislate most matters other than those of the utmost importance to the U.K.

and gas, nuclear energy, certain aspects of transport (e.g. railways), social security, employment, abortion, genetics, surrogacy, medicines, broadcasting, and equal opportunities. The aforementioned fields are to be reserved by the Parlia-

ment in Westminster. However, the following are considered 'devolved' matters and can be legislated on by the Parliament. They are: health, education, training policy & lifelong learning, local government, social work, housing, planning, economic development, financial assistance to industry, tourism, some aspects of transport (e.g. roads, bus policy), most aspects of criminal and civil law, criminal justice and prosecution system, courts, police and fire services, environment, natural heritage, built heritage, agriculture, food standards, forestry, fisheries, sport, the arts, statistics, public registers, and records. Both of these lists are fairly exhaustive, but it is evident that the Parliament is given power over those things that are not considered national in scope to the United Kingdom. In other words, the Scottish Parliament has the power to legislate on most matters other than the ones that are of the utmost importance to the United Kingdom, such as national security.

The Welsh Assembly, on the other hand, has a relatively narrow scope of legislative capabilities. The powers retained by Westminster are in the following areas: foreign affairs, defense, taxation, macro-economic policy, fiscal and common markets policy, broadcasting policy, the justice system and prisons, police and fire services, national lottery and related matters, social security benefits, competition policy, and labor market policy. The Welsh Assembly is able to consider: economic development, agriculture, forestry, fisheries and food, indus-

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try and training, education, local government, health and personal social services, housing, environment, town and country planning, transportation and roads, arts, culture, the Welsh language, the built heritage, sport and recreation, tourism, and water and flood defense.

At first glance, these two sets of powers might seem to be fairly similar. In practice, though, they are not. The difference lies in two areas. The first area is the *type* of legislation each body can pass, and the second difference lies in the ability to tax. I will focus on these two areas because within them lies the principal difference in power in the two legislative bodies. Furthermore, the ability to tax, no matter how small, represents a significant amount of responsibility for any legislature. Primary legislative capability holds similar importance.

The Scottish Parliament has primary legislative capability. This means that it can pass laws that pertain to the particular areas outlined above in Scotland without consulting the Westminster Parliament. The Welsh Assembly has no such power. Rather, it has what is called 'secondary' legislative power. That is, Westminster still passes the laws that pertain to Wales, but the Assembly can determine how those laws will be carried out to a certain extent under this power. "Primary legislation is effectively the type of law passed currently at Westminster in that it lays down the scope of legislation....Secondary legislation governs the way the laws work in practice."<sup>3</sup> Really, then the Welsh Assembly does not have the power to actually make laws that pertain to Wales. Rather, it can only determine how such laws, passed at Westminster, will be implemented.

The second difference lies in the ability to tax. The Scottish Parliament has the power to "vary upwards or downwards the basic rate of income tax appli-

cable in Scotland by up to 3 pence in the pound, with proceeds adding to, or reducing, the Parliament's spending power."<sup>4</sup> The ability to tax is one of the most important powers that any legislature can have, independent or not. Therefore, it is evident that the mere absence of this power illustrates the rela-

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**The Welsh Assembly does not have the power to actually make laws that pertain to Wales.**

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tive weakness of the Welsh Assembly vis-à-vis the Scottish Parliament.

I plan to observe the impact existing civic and educational institutions have on the formation of legislative institutions. To do this, I will try to observe debates surrounding the devolution process to see what expectations people in Scotland had. I will also examine the actions of the different lobbying groups that influenced the devolution process. I will try to determine whether, for example, more contact with high-ranking officials, resulted in more powers being granted to a legislature. Finally I will try to determine whether electoral politics played a role in the difference in power of these two institutions.

In the next section of the paper, I will develop hypotheses to try to address the question of why the Scottish Parliament is more powerful than the Welsh Assembly. In the third section, evidence will be gathered to support or refute my hypotheses. And in the final section of the paper, conclusions will be drawn based on the evidence gathered.

## ***Hypotheses***

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In this section, I will develop hypotheses in order to try to answer the question posed at the outset of the paper. Hopefully, these hypotheses and the tests thereof will shed some light on the reason(s) that the Scottish Parliament has more power than the Welsh Assembly.

The first hypothesis states that the historical legacy of civic institutions in Scotland as opposed to that of Wales caused the Scottish Parliament to have a broader scope of legislative responsibilities than the Welsh Assembly. When Scotland conceded legislative power to Westminster in 1707, there were certain civic institutions—such as the educational and legal systems—that remained intact. Wales had no such institutions.

This hypothesis is based on the theory that the existence of civic institutions can foster a greater sense of national pride and identity. In the Scottish case, these institutions were salient symbols of national identity and the Scots were not willing to give them up. To this end, they were more inclined to push for autonomy that included these institutions rather than excluded them. In other words, the Scots could point to the existing legal and educational framework that was already in place as tangible bargaining chips for more power in their Par-

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liament. This is reflected in the relatively wide scope of 'de-  
volved' matters in Scotland as compared to Wales.

In order to test this hypothesis, debates surrounding the powers of Parliament will be observed. I will look for certain expectations of Scottish people specifically regarding the inclusion of the educational and legal systems within the powers of the newly formed Parliament. I will also try to observe, through debates, whether or not elites mention these institutions. I will be looking to see if the institutions are specifically used to justify a wider scope of legislative responsibilities for the Scottish Parliament. In other words, are the Scots making direct reference to the legal and educational institutions in hopes of gaining more responsibility for their Parliament? If the institutions are not mentioned in the debates or the scholarly literature, I will assume that they are of minimal importance.

The next hypothesis shifts to the topic of lobbyists, stating that the power of the Scottish lobby was greater than the Welsh lobby and therefore produced a more powerful Parliament. It is generally thought that parties or organizations that have greater power to reward or punish policymakers will have more influence on policy content. In this case, if the Scots had more bargaining power with Blair and Westminster than the Welsh they may have been able to extract more power for their Parliament through their lobbying efforts. In his article *Competition Among Pressure Groups*, Gary Becker expands upon this topic. He states, "political influence is not simply fixed by the political process, but can be expanded by expenditures of time and money on campaign contributions, political advertising, and in other ways that exert political pressure."<sup>5</sup> These are all means of punishing or rewarding policy-makers. So, Becker is suggesting that political influence can be given or taken away in these terms by groups in an attempt to influence policy. Becker also notes that political influence by groups is largely a function of their efficiency relative to other groups. That is to say, more efficient groups are more likely to exert political influence in an effective manner. Likewise, policy-makers stand to lose more in terms of political support, campaign contributions, etc. by not listening to these efficient groups than they do by hearing the concerns of these groups. It will need to be determined what sorts of threats the Scots and Welsh could have made in order to accomplish their goals. For instance,



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was the threat of Scottish secession a valid one? If so, was the purpose of Labour's proposal to appease them and keep the United Kingdom together? On the Welsh side, this same question needs to be examined. Were there possible threats or proposals that the Welsh could have made in order to argue for powers for its Assembly?

To test this hypothesis, I plan to compare the demands of the Scottish National Party and those of the Welsh party Plaid Cymru. Both of these parties demonstrate the strongest national sentiment in their respective countries. Therefore, the most powerful 'demanding' would have been from these two groups. Hopefully, comparing the actions of these two groups will offer some insight as to exactly how powers of each body—the Parliament and the Assembly—were delegated. To support this hypothesis, I will try to find a relationship between meetings, political rhetoric, media campaigns, and other lobbying efforts put forth by the Scots and the Welsh and the resulting powers of their elected legislatures. If the Scots conducted more of these types of activities, for example, then they could be seen as one of the influences which gave their legislature more power. On the other hand, if there was more 'lobbying' from the Welsh side, other explanations will be necessary to explain the discrepancy in the powers of the Parliament and the Assembly.

The third and final hypothesis states that the Labour party believed it could garner more electoral support in Scotland than in Wales and therefore ceded more power to the Scottish Parliament than the Welsh Assembly in hopes of more support in the 1997 election. This goes to the heart of the devolution debate. In effect, this hypothesis observes the campaign promises made by Labour candidate Tony Blair. Did he think that by promising more power to the Scots, that they would be more likely to vote for Labour and put him in to office? And did he have more to gain by promising Scotland more power due to the fact that Wales, traditionally, votes with Labour? These questions will be examined in the evidence section of the paper.

The theory behind my hypothesis is that political parties are more likely to make policy proposals to benefit electorally important constituencies than they are to make policy proposals to help less important constituencies. Furthermore, when parties are creating party platforms, they are more likely to

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make policy proposals where electoral gains will outweigh electoral costs. Therefore, this hypothesis is independent from the second, which is about the Scots and the Welsh going to Labour and telling the party what they could possibly take away if certain demands were not met. This hypothesis is about the Labour party going to the Scots and the Welsh and offering rewards (e.g., existence of institutions, power to tax) for support of its devolution plan.

In order to test this hypothesis, I plan to look at what Prime Minister Blair was promising Scotland. I will also observe public opinion data concerning Scottish and Welsh attitudes. This observation will give further insight as to the climate in Scotland and Wales that Labour felt it could take advantage of. If there is evidence to suggest that Labour proposed more legislative capabilities for the Scottish Parliament in hopes of creating a salient issue that Scottish voters could identify with, then this hypothesis will have some validity. On the other hand, if the evidence suggests that there was no consideration of the Scottish National Party or the issue of separatism, then this hypothesis will have to be re-examined. For it may be that Labour was trying to capitalize on shrinking enthusiasm for separatism by proposing something more moderate and in line with what the people of Scotland wanted. Perhaps the evidence in the next section will offer a resolution to this matter.

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## **Did Blair think that by promising more power to the Scots, that they would be more likely to vote for Labour?**

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### ***Evidence***

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Again, let us consider the first hypothesis put forth in this paper. It states that the historical legacy of civic institutions in Scotland as opposed to Wales caused the Scottish Parliament to have a broader scope of legislative responsibilities than the Welsh Assembly. To test this hypothesis, I looked for the expectations of the Scottish and Welsh peoples as to how much power their respective legislature might have. Next, I tried to find specific statements made by Scottish and Welsh elites that

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might suggest that the existence of such institutions might call for more legislative powers for its legislature. Finally, I attempted to observe what expectations the British people and elites might have regarding the powers of each new legislative body.

With regard to the civic institutions, it is evident that the Scottish people are very proud of them. As a *New York Times* article put it, “The Scots are fiercely attached to their own civil institutions, which include a distinctive legal system and schools and universities with their own curriculums.”<sup>6</sup> While there is no direct correlation between this ‘fierce’ attachment and the power to tax or primary legislative capability, it does indicate the Scottish people are unwilling to give up certain institutions that they have pride in. On the other hand, Wales has no such legacy of institutions of which to speak.

Perhaps one of the strongest suggestions that the civic institutions in Scotland gave it more ‘bargaining power’ in devolution is mentioned by Vernon Bogdanor. He says, “Scotland was in the anomalous if not unique position of having a separate legal system, together with separate arrangements for the handling of executive business, but no separate legislature to which the Scottish executive could be held responsible.”<sup>7</sup> Here, as a matter of practicality, the author is suggesting that certain institutions are already in place, and that a legislature is the next logical step to take over these responsibilities with full accountability.

Bogdanor goes on to draw a contrast between the Scottish and Welsh situations. He notes that Welsh nationalism, “lacking an institutional focus, had to build on less concrete factors—language, religion, and culture.”<sup>8</sup> There is also a contrast in political culture between Scotland and Wales. Bogdanor notes that therefore “the solution to the problems of Wales was to be found in a Labour government, able to plan the economy from the centre, not in a Welsh parliament.”<sup>9</sup> Due to the lack of institutional salience and differences of political culture, the people of Wales were less inclined to want a strong national legislature. There was no historical precedent to build upon, and it appears that they did not want one.

In some of the most convincing evidence I have found, Bogdanor notes, “whereas Scotland already had its own institutions and distinctiveness which the establishment of the Scottish Secretary in 1885 merely recognized, in Wales, by contrast,

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governmental institutions were established by Westminster and Whitehall, not so much to meet national claims as to meet the needs of central government itself.”<sup>10</sup> He also says that “since Wales lacks a separate system of law, which has allowed the Scottish Office to argue for distinctively Scottish legislation, [it] has tended to follow the policies laid down by the London-based departments.”<sup>11</sup> Bogdanor, it would appear, is suggesting that the legacy of law and legal institutions is the reason why Scotland at large, and the Scottish Office in particular, have been able to argue for and receive more legislative powers in their Parliament than the Welsh have in their Assembly.

Ironically enough, the historical legacy of devolution was brought up by Mr. Rhodri Morgan, a Member of Parliament from Cardiff, Wales. He notes, “there has been administrative devolution in Scotland for more than 110 years and in Wales for 33 years.”<sup>12</sup> The sheer mention of this discrepancy suggests that the Welsh acknowledge a longer legacy of regional autonomy in Scotland than in Wales. However, there is no mention of the existing educational or legal institutions in Scotland, which might have some bearing on the ability of the Scottish Parliament to have primary legislative capability where Wales does not. As noted before, though, the recognition of the Scottish legacy of autonomy might be one of the reasons why Wales was willing to accept less power for its Assembly than Scotland was for its Parliament.

Evidence has not been found in which Scottish elites are directly demanding a broader scope of legislative capability for their Parliament due to the existence of legal and educational institutions. However, the mention of them in the scholarly literature and in Parliamentary debates suggests that they were a factor in the devolution process. On the other hand, since explicit evidence for this hypothesis has not been found, it must be rejected.

Moving on to the second hypothesis, let us review what it states: the Scottish lobby was more powerful than the Welsh lobby and therefore produced a more powerful Parliament. In order to test this hypothesis, the capability of the Scots and

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**“The Scots are fiercely attached to their own civil institutions.”**

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the Welsh to reward or punish the Labour party will be examined. The rhetoric of the Scottish Nationalist Party (SNP) and the Welsh party of Plaid Cymru will be examined to determine whether each one had the capability to make tangible threats to Labour in order to receive a desired result from devolution.

There is a historical legacy for demanding increased devolution in Scotland. Tom Johnston, a socialist member of the Labour party and Secretary of State for Scotland during the Second World War, “managed to justify increased administrative devolution to Scotland, using the argument of ‘a Sinn Fein movement coming up’ to get concessions from Churchill.”<sup>13</sup> By drawing this parallel to the Irish nationalist movement, Johnston appeared to be using the threat of separation in order to get further administrative devolution from Churchill. Perhaps this is an example that came to be emulated by the SNP.

Some further background evidence of the Scottish and Welsh cases suggests that “the Scottish Nationalists are dedicated to creating Scotland as a separate nation, and the Welsh nationalists, Plaid Cymru, though far less committed to full independence, reflect feelings that their culture is under-represented while Wales remains tightly yoked to England.”<sup>14</sup> This points to the inherent difference in the demands of the two groups. The Scottish Nationalists want independence whereas the Welsh want more accountability.

Alex Salmond, leader of the SNP, made a point about nationalism in Parliamentary debates on July 31, 1997. He said, “If I could bring everyone in Scotland down for the day and sit them in the Gallery of the House of Commons, I could turn everyone in the country into ardent proponents of at least self-government for Scotland, and probably independence.”<sup>15</sup> This open disgust with the proceedings of Westminster could be construed as a veiled threat coming from Salmond. In other words, he could be saying that if powers are not devolved to the Scots, then he and members of his party will exploit the inefficiencies of Westminster. This action could lead to a call for independence if the Scottish Parliament is not created.

Salmond, later in the same speech, noted that he has “looked at the polls for the past five years, and the average support for Scottish independence is 33 per cent”<sup>16</sup>. While Mr. Salmond is the leader of the Scottish Nationalist Party and one

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of its representatives at Westminster, it cannot be overlooked that public sentiment in Scotland leans toward some form of autonomy. From the discussion of independence, it can be inferred that this is something with which the SNP was threatening Labour throughout the devolution process. If the SNP could make a credible threat to Labour that the nationalist movement in Scotland would return, then it would be in the Labour party's best interest to keep the United Kingdom intact rather than deal with the consequences of Scottish secession.

Political commentator Iain Martin suggests that in 2003, after the first term of the Scottish Parliament is complete, Alex Salmond will look to take over Donald Dewar's position as First Minister in the Scottish Executive office. By doing this, he "hopes that he will then inherit the 'father of Scotland' mantle as a statesman capable of leading the devo-generation to full-blown independence."<sup>17</sup> Therefore, even after the Scottish Parliament has been in place, there is still a threat of Scottish separatism. This is something that Labour probably did not account for. In fact Martin goes on to say that people such as Donald Dewar "thought that devolution would kill nationalism in Scotland dead. It has not."<sup>18</sup> This is fairly convincing evidence to suggest that the threat of an independence movement was enough of a threat to push Labour to support devolution. In fact, Alex Salmond seems to think that he can still rally a sufficient base in the future to push further for independence.

On the Welsh side, there is anecdotal evidence that suggests that Wales was taking its cues from Scotland. After the Scots approved the devolution plan, Dafydd Wigley, the president of Plaid Cymru, said, "the people of Scotland have shown Wales the way."<sup>19</sup> This would suggest that Plaid Cymru is making demands in the devolution process as well, though not as strong as those in Scotland.

Further evidence suggests that Wales is not looking for far-reaching independence. "Plaid Cymru has been deliberately downplaying its goals of independence, preferring instead to talk of a 'self-governing nation.'"<sup>20</sup> While the call for greater accountability is not as daunting as the threat of independence, Wales does have a legitimate claim in wanting stronger representation.

Mr. Rhodri Morgan (MP-Cardiff, Wales) speaking in a Par-

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liamentary debate, cites the differences in the devolution process. He says, "in Wales there has been no devolution of the Lord Chancellor's functions, Home Office functions or most transport functions."<sup>21</sup> This was said in the context of a proposal of a bill that

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## Even after the Scottish Parliament is in place, there is still a threat of Scottish separatism.

would allow the people of Wales to veto certain proposals if they did not like them. Therefore, a threat that the Welsh could have made to Labour was that it

would bog down Westminster with countless bills that dealt with Welsh matters if they were not granted an Assembly.

It is clear that the Scots had more power to punish Labour with a threat of independence in relation to Wales. The nationalist movement in Wales is not nearly as strong as it is in Scotland. Still, demands for a more accountable system were relatively easy to provide, so Labour went along. However, this hypothesis cannot be accepted completely due to a discrepancy in public support for devolution to begin with. Thus, the differences in the powers of the Scottish Parliament and Welsh Assembly cannot be accounted for by lobbying efforts alone. Divisions in the Labour party in Wales over devolution might have caused low levels of public support, leading to less of a lobbying effort and framing the issue as a possible punishment for Labour.

I have been able to find support for my third hypothesis to some degree as well. Recall that the hypothesis states that the Labour Party gave the Scottish Parliament more power in hopes of garnering more support in the 1997 general election. In order to test this hypothesis, I will examine the British Labour party platform to see if it mentions devolution as one of its main goals. Also, public opinion polls and Parliamentary debates will be examined to determine Scottish and Welsh sentiment and expectations regarding devolution. This will help us to understand the political context in which Labour was operating. Finally, I will try to frame the situation in a cost-benefit manner. For example, was the Labour party willing to incur a possible loss of electoral support in Britain in order to gain electoral support in Scotland by promising devolution? We will see what the evidence suggests with respect to ques-

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tions such as these.

First, looking at Labour's so-called 'manifesto' sheds significant light on devolution plans for the party. It says, "a sovereign Westminster Parliament will devolve power to Scotland and Wales. The Union will be strengthened and the threat of separatism removed."<sup>22</sup> It goes on to say, "For Scotland we propose the creation of a parliament with law-making powers...including defined and limited financial powers to vary revenue."<sup>23</sup> With respect to Wales, the manifesto says the Assembly will "have secondary legislative powers and will be specifically empowered to reform and democratise the quango state."<sup>24</sup> Devolution being included in the Labour manifesto speaks to the importance of this process to the party. The description of powers in the manifesto is more lengthy and detailed for Scotland than it is for Wales, perhaps suggesting more relative electoral importance of Scottish devolution than Welsh devolution.

Indeed, there is mention of the Welsh political system being traditionally liberal. Vernon Bogdanor notes, "the politics of Wales in modern times has been characterized by its consistent and powerful support for the Left, first for the Liberals and then for Labour."<sup>25</sup> This suggests that Labour had come to depend on the voters of Wales more than they had on the voters of Scotland. Perhaps this is one of the reasons the Labour manifesto outlined in more detail the devolution process in Scotland than in Wales.

Moving on to expectations in both countries, some public opinion data will be observed. The Scottish people voted "74.3% in favour, with just 25.7% against the Parliament. Tax-varying powers for the Parliament were approved by 63.5% with 36.5% against."<sup>26</sup> This would seem to indicate that the Scots were happy with the proposed plan put forth by Labour. This seems to suggest that, after proposing these powers for the Scottish Parliament, the Labour party had secured the approval of the Scottish voters.

Another poll was taken which gives further insight as to Scottish and Welsh expectations. *The Economist* conducted a survey of people in the United Kingdom and asked them which body would have the most influence over them and their children's lives in twenty years time. It found that "only 8% of the Scots in our survey thought Westminster would have most power, compared with 46% who chose the new Scottish Par-



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liament and 31% who chose the EU.”<sup>27</sup> On the other hand, 26% of Welsh people polled thought their new Assembly would have the most impact on them in the next twenty years, 25% felt it would be the Westminster Parliament, and 37% thought it would be the EU. While a feeling of influence is not as strong in Wales as it was in Scotland, it is still higher for the newly created institution than the Westminster Parliament. This poll was taken after the plan for devolution was implemented and reflects a certain degree of satisfaction with the creation of these new institutions. While the numbers are different for Scotland and Wales, it is clear that, in both cases, neither a majority of the Scots nor Welsh think that Westminster will have a large impact on their lives in the next twenty years.

National identity was also measured in the survey, and it was found that 72% of people in Scotland and 82% of people in Wales identified with their own nation, while only 18% and 27% in Scotland and Wales respectively identified with Britain as a whole. This survey suggests that the people of Scotland and Wales not only feel a closer connection to their own countries than to Britain, but also feel that the new legislative institutions created by devolution will play a larger role in their lives in the years to come. This would seem to give them good cause to expect more from these bodies in the future.

In examining Welsh expectations of devolution, Parliamentary debates again shed a great deal of light on the matter. Ann Clwyd, speaking to the Welsh position discusses the benefits devolution might bring. She notes specifically that she was on the Welsh hospital board from 1970 to 1974. In this capacity, she says, the people of Wales were able to contact her directly and voice concerns about the health system. However, since that time, “Welsh Members [of Parliament] have not been able properly to call to account the people who made those decisions.”<sup>28</sup> She goes on to say that the Assembly “wants to consider what sort of standing orders and working procedures it has in order to enable Members of the Assembly to assess official information and hold the Executive to account.” Here, it would appear that the main expectation of the Welsh people regarding their new Assembly is to hold policymakers more accountable. Finally, she notes, “devolution is not about separatism; it is about doing a better job of work.” Within this context, specific powers of the Assembly are not addressed, and there does not seem to be a strong stance for expanded

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power. It just seems that the Welsh people want some accountability. Again, this does not look at the Scottish legal and educational legacy, but it does give some insight as to what the Welsh people wanted out of their Assembly.

Ron Davies, the Secretary of State for Wales also discusses Welsh sentiment in Parliamentary debates on May 22, 1997. Speaking to members of the Conservative party, he says, “the Conservative party still has not realised how much resentment there is in Wales at the imposition of divisive and disruptive policies such as grant-maintained schools and nursery vouchers.”<sup>29</sup> He appears to be suggesting that, since Conservative members of Parliament are not familiar with public sentiment in Wales, the Welsh people would much rather be able to implement their own policies than have them dictated to them by disconnected members in Westminster. He goes on to say, “the purpose of devolution of power is surely to allow diversity to flourish; to allow policies to be implemented that reflect local circumstances, traditions and needs.” He appears to be arguing that this diversity can only be appropriately displayed if Scotland, Northern Ireland and Wales, in particular, have their own regional government.

Tony Blair, as quoted in the *Washington Post* in October 1997, expressed his gratitude. He said, “Well done Scotland...I am absolutely delighted that the Scottish people have backed our plans. The people have had the courage and the confidence to trust themselves.”<sup>30</sup> The newly elected Blair is obviously happy that the Scots have agreed to go along with Labor’s devolution plans. It is important to mention also, that, Blair and his party could not have come in to power without the help of the Scottish vote.

The article goes on to say that the vote for an independent Parliament “was the first of a series of changes planned by Blair to reshape the constitution of Britain. The resounding ‘yes’ by three-fourths of the voters strengthens the Labour government in its pursuit of a radical overhaul of the way the United Kingdom is governed.”<sup>31</sup> As the article concludes, “the goal of Labour is to create regional government in the UK.” This is obviously a huge step and a dramatic change from the centralized power of the Westminster Parliament, which has been the primary legislative body in the UK for hundreds of years.

This begs the question, why? Why would a newly elected

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Prime Minister, as one of his first policy proposals, suggest that power be taken away from the body of which he is the head? One can assume that the answer lies in party politics. Blair's Labour party promised devolution of powers to Scotland, Wales, and Northern Ireland in hopes of gaining electoral support in the general election. Obviously, this reform program would not have been implemented without Labor coming to power. Therefore, there was a switch of sorts. If voters in Scotland, Wales and Northern Ireland would lend their support to Labour, then they would receive a certain degree of regional autonomy in return.

Another Parliamentary debate in Westminster lends credence to the idea that devolution was not proposed solely to "modernize" Britain constitutionally. A member of Parliament by the name of Mr. Mackinlay notes that a book written by one of his colleagues in Parliament says, "devolution became a policy of the Labour party not because it was considered a wonderful idea, but partly by political accident and partly as a matter of expediency; rather than as a matter of good governance." This evidence suggests that devolution was a matter of more than just ceding power to regional authorities. While it does not mention electoral support in the 1997 election specifically, the fact that Labour stood to gain from this policy suggests that might have been one of the major factors influencing devolution.

There was also a decline in the Conservative Party in Scotland during the late 1960s and early 1970s. This paved the way for Labour and the Scottish National Party (SNP) to emerge as the two major parties in Scotland. Conservatives continued to isolate themselves from mainstream Scottish sentiment until they did not gain a single seat at Westminster in the 1997 election. This left Labour and the SNP to vie for seats. However, during the years of conservative government, the rhetoric of the SNP became more and more severe, calling for separatism and status as a fully independent, sovereign nation.

Looking to frame this issue in a cost-benefit manner, consider the following: Labour would have incurred a large cost (the resurgence of the Scottish nationalist movement) if it did *not* propose a large scope of legislative capabilities for the Scottish Parliament. On the other hand, by proposing a more expansive devolution in Scotland, Labour stood to gain at the

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polls. In the Welsh case, Labour was not incurring a great cost with the formation of the Assembly. The mood of the Welsh seemed to be one of indifference more than anything else. The benefit Labour gained from this action was that it could claim it had succeeded in meeting Welsh demands for a more accountable form of government.

The evidence noted above gives the strongest amount of support for the hypotheses presented in this paper. It is clear that Scottish expecta-

tions were higher for their newly formed Parliament than Welsh expectations for their Assembly. Therefore, by proposing a broader scope of legislative ca-

pabilities for the Scottish Parliament, Labour sought to appease the Scots and their demands. And, it can be inferred, that the Labour party thought this would lead to electoral gains in Scotland. In this, it was successful. But the devolution plan also sought to quell Scottish nationalist sentiment, and here, as Alex Salmond notes, the jury is still out.

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**“Devolution is not about separatism, it is about doing a better job of work.”**

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## **Conclusion**

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### *Summary of Findings*

The research question being observed in this paper is the following: why has the Scottish Parliament been ceded more power than the Welsh Assembly in the devolution process? It has not been clearly shown that the existence of legal and educational institutions in Scotland influenced the outcome of the Scottish Parliament getting primary legislative powers and the power to vary the tax rate. There has been mention of this difference between Scotland and Wales in the scholarly literature, but evidence has not been found where Scottish elites argue for more legislative capabilities of the Parliament *specifically* because these institutions are in place. The existence of the civic institutions in Scotland is an oft cited difference with that of Wales, but it cannot be concluded with certainty that this is the primary reason that the Scottish Parliament has more power than the Welsh Assembly.

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Initial observation of the second hypothesis about the lobbying efforts of the Scots and Welsh would suggest that the efforts of the Scots were more effective than those of the Welsh. The Scottish lobby was more powerful than the Welsh lobby insofar as it had more of a capability to punish Labour with the threat of secession. However, as mentioned before, low public support for independence and even for devolution might have led the Welsh not to have an interest in framing devolution as an opportunity to possibly reward or punish the Labour party. If one takes into account simply the ability to reward or punish Labour, then this hypothesis can be accepted. This is because the Scots clearly had more capability to threaten Labour than the Welsh did. However, the low level of public support in Wales should be noted as a mitigating factor.

My third hypothesis has offered some insight as to why the Scottish Parliament received more powers than the Welsh Assembly did. As mentioned before, it would appear that Labour was simply trying to secure the Scottish vote in proposing devolution. While there is no explicit evidence to support this, observing the Labour manifesto goes a long way in explaining the intentions of the Labour policy. In observing Parliamentary debates in Westminster, the issue of devolution was a widely discussed topic. However, as one Member pointed out, devolution did not just come about for altruistic reasons. One can suggest that Labour only incorporated it into its platform when it became a beneficial proposition. While

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**The mood of the Welsh seems to be one of indifference more than anything else.**

Labour could count on support from Wales, it sought to capitalize on the changing political climate and public sentiment in Scotland. While the appeal of the SNP and its separatist

slant was dwindling, Labour was politically savvy enough to propose a more expanded devolution in Scotland. First, it would create a legislature that dealt strictly with Scottish matters. And secondly, it gave Scotland more autonomy without the drastic measure of declaring independence from the United Kingdom.

Finally, evidence would suggest Tony Blair and Labour were not going to incur any great cost in Britain by proposing

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devolution for Scotland, Wales and Northern Ireland. Other sources and the scholarly literature mention, numerous times, the rhetoric of Alex Salmond and the SNP. This would lead us to believe that Labour would have incurred a large cost in Scotland if it had not proposed devolution the way it did. On the other hand, the Welsh nationalist movement was not as strong. Therefore, Labour's costs, given Wales' traditional support of the party, were minimal. The Welsh were not asking for much, and Blair gave it to them. This hypothesis, coupled with my second, seems to give the largest amount of support for why the Scottish Parliament has more legislative capabilities than the Welsh Assembly.

*Implications for Theory*

The theory for my first hypothesis seems to be on target. While not explicitly mentioned as a means for more legislative capability, the existence of civic institutions is mentioned in the debates surrounding devolution and in the scholarly literature. And, as the evidence suggests, scholars see those institutions as bargaining chips, which can be used to argue for more legislative capability. While it is unclear if this particular theory gives us absolute certainty about causation, it seems to account for at least some of the explanation as to why Scotland has a more powerful Parliament relative to that of Wales. Perhaps one way to change this theory is to examine the expectations citizens have of their representatives, and how that might affect their expectations for legislative bodies.

The theory for my second hypothesis also seems to be on target. As the evidence suggests, the ability to reward or punish policy makers is an effective tool in achieving goals. Given the wide range of views on how strong the SNP and its independence movement are, the threat of independence, no matter how strong, seemed to be one of the main factors in influencing Labour's decisions regarding devolution.

Lastly, the theory behind my third hypothesis perhaps could be changed slightly as well. My initial theoretical support was that parties are more likely to make policy proposals to benefit electorally important constituencies than they are to make policy proposals to less important electoral constituencies. This could be changed to modify the use of the word "important." In no situation is any electoral constituency *not* important to a political elite if it is voting for his party. In some

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way, I would like to incorporate the notion that policy proposals might bow to constituencies in which the largest amount of change is possible.

*Problems with Research*

So far, I have found that the methods I have employed to test my hypotheses are sufficient. However, there have been some minor problems along the way. For example, Parliamentary debates seem to be a good place to look for expectations about new legislative bodies, but the existence of civic institutions in Scotland just has not come up. While the body of scholarly work and periodicals mention these institutions, I have not found them to be mentioned by members of Parliament or Scottish elites.

As mentioned before, when framed as the ability to reward or punish policy makers, the lobbying efforts of the SNP and Alex Salmond proved to be effective. Again Wales did not feel it necessary to make such threats, probably due to public opinion that supported the status quo (or only a slight change in it).

I also might have looked further than Parliamentary debates to try and test my third hypothesis. Voting records should be observed in both Scotland and Wales to determine the voting behavior of these two groups of people. This will help determine whether or not Labour stood to gain in Scotland or not.

Data collection has been a rather laborious process. Since these developments are relatively recent, most of the information comes in the form of periodicals or transcript, which have not been converted into hard copies yet. Despite these minor setbacks, I have only really had two major problems. The first is finding evidence about specific lobbying efforts by the Scots or the Welsh. It has been difficult to find concrete examples of Scottish or Welsh officials meeting with Labour representatives in trying to clarify the details of devolution. Furthermore, if such evidence does exist, extracting what went on during those meetings will probably be equally hard to find. I think it falls under the category of 'closed-door' negotiations, in which the participants are reticent about discussing the contents of the meetings. The second problem I have had is in navigating my way around the debates surrounding devolution. There was no clear way to determine the subject of Parliamentary debate

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without reading through at least a large portion of the transcript.

*What More Needs to Be Done?*

I have not been able to find much on Tony Blair's campaign to become Prime Minister. Further investigation in this area would give more insight as to his rhetoric regarding devolution and, perhaps, what he was trying to accomplish by proposing this course of action.

Also, as mentioned before, I think it would be beneficial if there was more of a discussion of the negotiations which led up to the results of

devolution. This would give valuable insight as to the specifics of the bargaining process. I also think that the voters in the United King-

dom could benefit from this information. It would give them a chance to evaluate their leaders and the tactics they employed in order to achieve an end result. However, the rhetoric of SNP and Plaid Cymru leaders has been very helpful in determining the demands of these two groups.

I also think that an investigation of public support for devolution over time, in Scotland and in Wales, would be beneficial. Further research into this matter could provide valuable insights as to reasons why devolution has either been accepted or rejected.

*Further Research Questions*

One area in which a further research question could be posed is the role of the Standing Committees in the Westminster Parliament *after* the devolution process is settled. In observing the debates surrounding this matter, there is some resentment from British Members with these committees. The idea being that Scottish and Welsh Members of the Westminster Parliament will have a say about what happens in Britain, but British Members would not have the same capability regarding Scotland or Wales. This is the so-called 'West Lothian' question. Furthermore, there are certain committees that, under the old system, dealt strictly with matters pertaining to



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Scotland, Wales and Northern Ireland. The future of these committees, and their usefulness is a subject of strong debate in Westminster currently.

The theoretical framework might be changed to address this question, in contrast to the one used to answer my original research question. The hypotheses and theory would probably have to look at the history of committee structures in legislative bodies and draw conclusions from that.

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## Notes

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- <sup>1</sup> Vernon Bogdanor, *Devolution in the United Kingdom* (London: Oxford University Press, 1999), pp. 2-3.
- <sup>2</sup> *Ibid.*
- <sup>3</sup> [http://news.bbc.co.uk/1/hi/english/events/wales\\_99/the\\_welsh\\_assembly/newsid\\_309000/309033.stm](http://news.bbc.co.uk/1/hi/english/events/wales_99/the_welsh_assembly/newsid_309000/309033.stm)
- <sup>4</sup> Quick Guide to The Scotland Act.  
[http://www.scottish.parliament.uk/whats\\_happening](http://www.scottish.parliament.uk/whats_happening)
- <sup>5</sup> Becker, Gary S., "A Theory of Competition Among Pressure Groups for Political Influence," *Quarterly Journal of Economics* XCVIII (1983), pp. 371-400.
- <sup>6</sup> "Britain's Quiet Revolution," *The New York Times*, 8 May 1999.
- <sup>7</sup> Bogdanor, *Devolution in the United Kingdom*, p. 117.
- <sup>8</sup> *Ibid.*, p. 144.
- <sup>9</sup> *Ibid.*
- <sup>10</sup> *Ibid.*, p. 157.
- <sup>11</sup> *Ibid.*, p. 160.
- <sup>12</sup> Morgan 1997.
- <sup>13</sup> Christopher Harvie, "Ballads of a Nation," *History Today*, September 1999.
- <sup>14</sup> *The New York Times*, 9 May 1999.
- <sup>15</sup> House of Commons Hansard Debates, 31 July 1997.  
<http://www.publications.parliament.uk>
- <sup>16</sup> House of Commons Hansard Debates, 31 July 1997.
- <sup>17</sup> *The Spectator*, 5 December 1998.
- <sup>18</sup> *Ibid.*
- <sup>19</sup> "U.K.: Scotland Votes in Favor of Parliament," 12 September 1997.
- <sup>20</sup> *The Economist*, 1 May 1999.
- <sup>21</sup> House of Commons Hansard Debates, 21 May 1997.
- <sup>22</sup> Labour Party manifesto: 1997.

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<sup>23</sup> **Ibid.**

<sup>24</sup> **Ibid.**

<sup>25</sup> **Bogdanor, p. 145.**

<sup>26</sup> **“Scotland in Favor of Parliament,”** *Daily Report*,  
**12 September, 1997.**

<sup>27</sup> *The Economist*, **6 November 1999.**

<sup>28</sup> **Clwyd 1997.**

<sup>29</sup> **Davies 1997.**

<sup>30</sup> **David Lennon,** *Scotland to form its own Parliament*,  
**October 1997.**

<sup>31</sup> **Ibid.**

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# An Analysis of Factors Contributing to the Phenomenon of Narcocorruption in Mexico

*Steele Means*

## ***Introduction***

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The territory of the country of Mexico has long served as a major platform for the smuggling of all manner of contraband into the United States. It has always been easy for smugglers to take advantage of the physical and human geography between the two countries; the U.S.-Mexican border is approximately two thousand kilometers long, and much of it stretches across lightly populated and guarded territory. Also, despite the positive economic benefits thereof, the fact that there is such a massive volume of legitimate trade and traffic which flows across the border, particularly boosted by the inception of the North American Free Trade Agreement (NAFTA), makes it that much easier for the smuggler to hide his or her products. These include, or have included in previous periods of time: alcohol, prostitutes, counterfeit money, and so forth. <sup>1</sup> Clearly, smuggling is a significant problem for both Mexico and the United States; it represents, at the very least, lost tax revenues to both the Mexican and United States governments. However, the trafficking of one particular kind of contraband has been a major bone of contention between the two countries and has come to be regarded as a threat to national security. I am referring here, of course, to the narcotics trade. <sup>2</sup>

While Mexican territory has been used for the transit of illegal drugs throughout the 20<sup>th</sup> century, the 1980s saw both the magnifying of the importance of Mexico as a transit state for Colombian cocaine and the growth of the Mexican mafia. Ironically, this was primarily due to an initiative of the United States government in the middle part of the decade, which sought to halt the cocaine traffic in the Caribbean. Up until this time, the Caribbean had been the primary route used by Colombians to ship their product to the United States. This endeavor was successful, and as a result, it became increasingly necessary for Columbian drug traffickers to ship their cocaine through Mexican smugglers, even though the former

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continued to process it.<sup>3</sup> Besides the simple necessity of finding a new transshipment route, Mexico was also an attractive transit site for the Colombians due to the aforementioned geographic and economic reasons (economic ties between Colombia and Mexico and Mexico and the United States were increasing in the 1980s). It should also be mentioned that economic hardship in Mexico in the 1980s led many to seek employment with drug traffickers. This served to both increase the traffic of drugs between Mexico and the United States and the power of the Mexican traffickers concurrently.<sup>4</sup>

From the point of view of the latter, this arrangement has been an unqualified success. According to State Department estimates, the percentage of cocaine shipped to the United States through Mexico was negligible in the mid-1980s, but had increased to as much as 70 percent by 1995. It was estimated by the prosecutor general's office in Mexico that Mexican drug traffickers had accumulated assets of approximately thirty billion dollars by the middle of the 1990s.<sup>5</sup> Also, the United States State Department reports that Mexico is a major source of the marijuana, heroin, and methamphetamines entering the United States.<sup>6</sup>

Another significant point to be made is that the migration of the drug trade to Mexico has exacerbated the problem of political corruption in Mexico. By the very nature of their trade, drug traffickers, presuming that they are not conducting their business in a completely failed state, with no functioning government whatsoever, must employ certain techniques to subvert the legal system in the countries where they operate. Some, as exemplified by the Medellin cartel in Colombia, resort to large-scale violence and terror tactics to cow the state and society into submission. Others, such as the Cali cartel in Colombia, while they may certainly employ these tactics to a certain extent, prefer to simply buy the non-enforcement of the law where they are concerned from certain government officials. Mexican traffickers are certainly guilty of perpetuating patterns of violence, but, for the purposes of this paper, only their corrupting influence will be examined. Indeed, the highest levels of the Mexican government have been penetrated by drug money, as exemplified by the fact that top officials, such as General Jesus Gutierrez Rebollo, the one-time drug czar, and ex-President Carlos Salinas and his brother Raul, have been accused of being on the payroll of the drug traffickers.<sup>7</sup> Com-

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menting further on the pervasiveness of drug corruption in Mexico, Peter Reuter and David Ronfeldt write:

Policemen and soldiers have been paid to ensure that a particular section of a highway or airport is clear for an hour or so, permitting a plane to land and unload. Pilots have been paid to avoid spraying particular areas that are under marijuana cultivation. Local police and military officers have provided warnings of impending raids, they have also been found guarding fields and cargoes for the traffickers. Prison officials have been bribed to allow jailed traffickers to enjoy unusual amenities, including the ability to conduct business over the telephone from their cells.<sup>8</sup>

The preceding paragraphs explain the causes behind the growth of the narcotics industry in Mexico and make the assertion that the Mexican drug barons have become a powerful force within the country today, one which threatens the foundation of the Mexican state. The task remains to provide an in-depth explanation of this phenomenon. Drug trafficking is clearly a very lucrative business in every part of the globe, and considering the geographic advantages of Mexico for the shipment of drugs into the United States, the economic links between the two countries, and widespread poverty in Mexico, which encourages people to enter the drug industry, it is easy to see that the Mexican drug barons have had, and continue to have, an extraordinary business opportunity. In turn, they are able to use part of their huge revenue to buy off government officials charged with enforcing drug laws, which ensures their continued freedom of operation.

However, these factors do not fully explain the source of the success and overwhelming power of the Mexican drug traffickers. Those who operate within the United States, for example, can be said to be “successful” and they certainly have a degree of influence, but they in no way threaten the very security of the American state, as is the case in Mexico. A more complete understanding of this situation will come with the explication and examination of a number of economic and political changes and structurally internal factors, which, when combined, reveal a particular susceptibility of the Mexican state to the corruption tactics of the drug industry. What is especially interesting about the case of Mexico is that corruption

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has always been an integral part of the system. However, while it served as a stabilizing force for the state in the past, changes in certain internal dynamics caused by a process of economic and political liberalization have in turn allowed the traffickers to increasingly take advantage of the loss of power of the Mexican state to penetrate and corrupt it. The result has been a serious erosion of political institutions and stability.

### ***A Conceptual Overview of Political Corruption***

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It will be necessary to give a brief theoretical synopsis of political corruption in and of itself before moving on to an account of the phenomenon in Mexico's specific context. Corruption is often thought of as synonymous with simple bribery. However, it is more useful to view it in a more general manner, as the manifestation of the "intentional misperformance or neglect of a recognized duty, or the unwarranted exercise of power, with the motive of gaining some advantage more or less directly personal."<sup>9</sup> Bribery may be defined as the provision of a gift for the purpose of influencing the behavior or conduct of the recipient, but a "corrupt" person may not necessarily directly accept bribes.<sup>10</sup> For example, he or she might misuse his or her authority with the expectation of receiving a payoff from a certain party, or he or she may be guilty of nepotism or embezzlement.

As is the case in Mexico itself, corruption has been conceptualized as resulting in both beneficial and harmful effects, even though the standard belief is that its byproducts are strictly negative. Corruption may actually contribute to political stability by giving people, who are excluded from power and therefore potentially disaffected, a stake in the system. Another particular form of corruption, nepotism in the granting of civil service jobs, may also result in increased support for the government. This practice provides employment for the potentially unemployed and thereby ensures their dependence on the system. Finally, kickbacks or bribery payments may even aid the process of economic development, if the funds are used to invest in productive enterprises. The assumption here is, however, that the payment to the corrupted is coming from funds for projects, which contribute little to overall capital investment in the country in question.<sup>11</sup>

Of course, corruption can only be considered beneficial in

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a sub-optimal state scenario, one in which, for example, the marginalization of certain persons would be expected or the unemployment rate would be so high as to warrant the expansion of the civil service to meet the employment needs of the people. Even when it is believed that the situation in the country in question is dire enough to possibly justify some measure of corruption, one must keep in mind that negative consequences will inevitably follow as well. For instance, to the extent that the objectives which a government establishes for itself are beneficial, political corruption represents a subversion of these goals and progressively renders the government in question more ineffective as time goes on. David Bayley discusses one such scenario:

For example, if the objective in hiring government employees is the obtaining of efficiency and ability in carrying out official tasks, then corruption in appointments produces inefficiency and waste. If the issuing of permits for domestic enterprises is designed to ensure that scarce resources go to projects enjoying the highest priority in terms of facilitating long-run economic development, then corruption exacts a cost by inhibiting over-all economic development.<sup>12</sup>

It must also be said that corruption, if unchecked, typically breeds further corruption. If one government official, for example, misuses his or her authority for gain with impunity, it is likely that others, lured by the prospect of “lining one’s pocket,” will follow. Finally, the likely result here, especially in a period of economic downturn, is the weakening of public respect for state authority (unless the state is very adept at spreading its resources to all corners of society). If the people perceive that government officials and their cronies are enriching themselves while they languish in economic deprivation, it is natural that overall public support for the government will rapidly decline, thereby contributing to political instability.<sup>13</sup>

### ***Historical and Structural Basis of Corruption***

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Drug traffickers in Mexico today have the advantage of operating within a country that has a historical tradition of anemic civil institutions and corruption. However, as stated

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beforehand, these factors served to foster political stability up until the 1980s, when the old order began to unravel. The point is that the current patterns of corruption, exemplified by the traffickers' success at penetrating the state, have their roots in the original structure of the Mexican political system. The regime that has governed Mexico through most of the twentieth century was created by President Elias Calles in the 1920s. The base of this government was a political scheme designed to ensure the loyalty of the various political and military elites to the central government and to keep the peace among them. In the years immediately after the Mexican revolution, a series of "strongmen" and "political bosses" emerged, leading to a concentration of political power. Calles' scheme consisted of the construction and institutionalization of a single political entity, which would draw in all of the relevant political groups in Mexico at that time and make it profitable for them to remain within the fold. While the system was originally a pact between elites, it later expanded by integrating other societal organizations such as labor unions, peasant organizations, and civil servants.<sup>14</sup> The original name of this political entity was the National Revolutionary Party (PNR), which became the Party of the Mexican Revolution (PRM), and was eventually transformed into what we know today as the Institutional Revolutionary Party (PRI), Mexico's ruling political party.<sup>15</sup>

However, as will be discussed in the following paragraphs, the PRI is not, and has never been, a political party in the North American or Western European sense of the term. It is a non-ideological party and, traditionally, has been referred to as a "machine." A political machine as conceptualized has two primary purposes, according to James C. Scott: to secure and hold office for its leaders and to distribute income to those who run it and work for it. He was referring to the history of machine politics in the United States when he wrote the following, but it can be applied to the PRI as well. "Patronage, spoils, and corruption are inevitably associated with the urban machine. . . . As these terms indicate, the machine dealt almost exclusively in particularistic, material rewards to maintain and extend its control over its personnel."<sup>16</sup> Of course, the PRI was intended to fulfill other, particular, purposes as well, but it is useful to abstract it to its essential characteristics.

As this system evolved, three primary traits came to characterize it. The first was that the president held political pri-



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macy and was the undisputed “boss of bosses” and the main guarantor of order in Mexican society. However, the president could, and can, only hold office for one term. There were several justifications for this particular rule. The first is that, in the 1920s, Mexico had an unruly and violent political process, and a strong executive was therefore needed to ensure order and stability. Second, denying the president the chance for reelection was intended to generate trust among the other political and military elites, to place him above partisan politics in a sense and to guard against the possibility of dictatorship.<sup>17</sup> The president would have undisputed authority during his term, but this privilege would be limited to this period only. Luis Rubio points out that, “The periodic change in coalitions served as a kind of oxygen for the system as a whole, ensuring that it remained representative and legitimate in the eyes of most societal groups.”<sup>18</sup> It should be pointed out, however, that despite the fact that there were regular presidential “elections,” another very important part of the system was the rule that the president appoints his successor. Elections were essentially stage-managed and any potential opposition group marginalized.<sup>19</sup>

Another justification for the prohibition of presidential reelection was connected to the second trait of this system, which was that it has long had an extraordinary ability to re-

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**Since all roads to advancement were channeled through the PRI, there was an incentive to abide by its rules, even if it meant engaging in illegal acts.**

tain the loyalty of the elites and society as a whole. As Roberto Blum points out, the key to ensuring the loyalty of the various societal groups to the system was the implicit promise that everyone would have access to power and wealth at some point or another.<sup>20</sup> The intention

behind the creation of such a powerful state, with the Presidency at its apex, was not only to maximize rote coercive capacity, but also to maximize its ability to co-opt the elements of Mexican society and ensure the loyalty of the rank-and-file of the PRI. In other words, since all roads to advancement were

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channeled through the PRI, there was an incentive to abide by its rules, even if it meant complying with, and engaging in what were technically illegal acts. The tradeoff, as stated above, consisted of the promise by the state that, if one showed loyalty to the dictates of the party and president, that person would have access to wealth and power, or at least a certain amount of favors. The connection between this trait and the prohibition on presidential reelection is that, by ensuring a consistent turnover of leadership, the road to ultimate power in the Mexican political system was left open. The aim was to allow as many politicians as possible to share in the spoils available to the president, whether by filling the office at some point or another or as a friend thereof. According to John Bailey and Arturo Valenzuela:

New presidents entered office with their own cadres of top officials; low-level officials moved up to new posts depending on the success of their immediate patrons in tying their fortunes to prominent leaders at the top. When a president left office—after designating his own successor—his political influence waned, although the resources accumulated in office were enough to allow him and his lieutenants to live in comfort.<sup>21</sup>

Finally, this system emphasized the importance of the unwritten rules of the game. Mexico has plenty of written laws, statutes, and regulations, but the paramount rule was to show loyalty to the state, which in effect meant demonstrating loyalty to the dictates of the PRI and the president. If a person disregarded one of these dictates, even if by doing so he or she was complying with a formal law, one could be sure that he or she would be punished in some form or fashion. On the other hand, those who were allegiant could break certain formal rules with impunity.

To conclude this section, the PRI, during the years and decades following its creation, did succeed in stabilizing the Mexican political scene through the cultivation of a system with a seemingly unlimited ability to coerce and co-opt Mexican society and political elites. As a side-note, in doing so, it also made it possible for Mexico to experience several decades of rapid economic growth. However, these tactics ultimately only served to provide a short-term solution to the problem of po-

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litical instability. The system as it stands today is proving itself ineffective to handle certain major challenges, not least among them the problem of drug trafficking. As will be discussed in the following sections, certain changes in Mexico beginning in the 1980s, which were the by-products of economic and political liberalization, caused the regime to progressively lose its grip on power, thereby allowing outside criminal elements to subvert the system for personal gain. However, before moving on to this discussion, it is important to understand how the characteristics of the original system “set the stage” for this latter occurrence.

First, the early political leaders of the PRI and their successors, desiring to concentrate all political power and involvement in and under its auspices, co-opted every institution that might check its power. It is crucial to reiterate that the Mexican political system was not created to conform to formal laws and the will of society (though this has been changing since the 1980s). Historically, it has been essentially a pacted arrangement with all of the elements of political and social life in Mexico, which stipulated that, if the latter were to show utter loyalty to the PRI, they would in turn receive some material rewards and nominal political influence within the government. The result, however, is that every government or civil institution that could aid in the fight against drug trafficking is virtually powerless to do so. As Sam Quinones writes in the *Washington Post*:

After years of unaccountable single-party rule, the list of arthritic Mexican institutions includes the judiciary, prosecutors, the Congress, state legislatures, the media, charities, grass-root groups, unions, and the Catholic Church. . . . Each could be a dike against the tide of drug smuggling, but isn't.<sup>22</sup>

Therefore, only the central government has the necessary resources to fight the drug traffickers, but the fact that corruption has always been allowed to flourish within its confines has independently hampered its ability to do so (though this must be considered in the light of the byproducts of political and economic liberalization). The lack of external checks on the power of those in the government, regard for formal rules, and the emphasis which is placed upon the granting of material and political “spoils” means that government officials are

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free to use their office for personal gain. This “culture of corruption” has facilitated the penetration of the drug traffickers into the Mexican political system. The record shows that an abundance of political officials, both high- and low-level, including law enforcement and military personnel, have been bought off by the traffickers.<sup>23</sup> For example, according to Stephen Morris, the Mexican Attorney General estimates that as much as eighty percent of the nation’s police force could be considered corrupt, receiving around eight hundred million dollars annually in bribes from drug traffickers.<sup>24</sup>

Finally, the Mexican people themselves could have also been effective allies in the fight against drug trafficking, but they have traditionally been forced to rely on the government to generate the solutions to Mexico’s problems, since, up until recently, it has been the only entity with the capacity to exercise political power.<sup>25</sup> At the same time, the Mexican people neither trust nor respect the government. The bureaucracy has long penetrated many aspects of social life in Mexico, and the people have traditionally been afforded little protection from its corrupt practices and expectations. In other words, people in Mexico are frequently forced to go through the bureaucracy, for necessary permits for example, and are in turn regularly expected to pay bribes to the individual bureaucrats for their services.<sup>26</sup> The disillusionment with the political system that this breeds cripples any expectation on the part of individuals that they can affect, or help to affect, change.

### ***The Contribution of Economic and Political Liberalization to the PRI’s Loss of Control***

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At this point I will initiate an analysis of these two interdependent factors, the byproducts of which have been the primary catalysts of the erosion of the power base of the PRI, which has resulted in the increasing ability of the drug traffickers to penetrate the state. It should be noted at this point, however, that I am certainly not suggesting that economic and political liberalization is a bad thing for Mexico. However, in the short-term, there will naturally be many shocks to, and disruptions in, the system. The tasks that lie before the country are to consolidate and strengthen the elements of civil society, democracy and accountability in government, and continue to press forward with economic reforms. If these can be

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accomplished, in the long run, one will surely see a strong and prosperous Mexico.

The first of these factors is the economic liberalization measures, which the state initiated in the early 1980s. Up until this time, four components guided Mexican economic policy: a high degree of state participation in the economy, protection

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**Mexico experienced rapid economic growth in the decades after the inception of its current political system, despite its inefficiency.**

of domestic industry by tariff and non-tariff barriers to international trade and investment, an attempt to provide a high degree of social security to Mexican citizens, and the effort to keep prices, interest rates, and the exchange rate

under control. As previously stated, Mexico did in fact experience rapid economic growth in the decades after the inception of its current political system, despite its inefficiency.

However, during the tenure of President Miguel De la Madrid in the early 1980s, Mexico began a process of privatization and deregulation of the economy, enacting policies of fiscal austerity, elimination of barriers to international trade and investment, and downsizing of the social security system.<sup>27</sup> The impetus behind these reforms was the fact that, by the early 1980s, Mexico no longer had access to the foreign loans, which had been sustaining its economic system.<sup>28</sup> The economic reforms continued under President Carlos Salinas, who came to power in 1988. Salinas is credited with helping to reduce Mexico's foreign debt and inflation rate, accelerating the process of privatization, and signing the North American Free Trade Agreement (NAFTA) with the United States.<sup>29</sup>

Economic liberalization in Mexico has indeed been relatively successful, but there have been some significant setbacks as well, most notably the 1994 economic crisis. Following is Mauricio A. Gonzalez Gomez's concise account of the causes thereof:

The interruption of foreign capital inflows during several months of 1994 meant a depletion of previously accumulated foreign exchange reserves with no sign of correction in the current account imbalance. Against

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this backdrop, the economic crisis was mishandled. An initial “managed” devaluation of about fifteen percent on December 20, 1994, was insufficient relative to market expectations and lacked foreign financial support. The aftermath of these mistakes was an overshooting of the peso-dollar parity and an interest rate surge that in turn raised severe doubts about the effectiveness and endurance of the economic strategy.<sup>30</sup>

However, the government has maintained that the crisis had nothing to do with its liberalization measures, but was rather the result of policy errors, as Gomez indicates above. Also, in the wake of the crisis, exports, the GDP, and foreign investments are again growing fast, while inflation and financial deficits are under control. Before the onset of the crisis, inflation had fallen continuously since 1988 and foreign investments had reached 30 billion dollars in 1993. On the other hand, these policies have had socially disruptive effects. For one, while the Mexican people have been encouraged by the prospect of economic growth, for many such expectations, from the perspective of the short-run, have been and will be dashed due to the immediate economic hardship that structural reforms can engender. Wages have declined, for example, and there has been lackluster employment growth, while the economically active population has increased.<sup>31</sup> The slashing of social security benefits, which is called for by economic liberalization, is another potentially explosive policy.<sup>32</sup>

As previously noted, the economic liberalization measures in Mexico were closely linked to the parallel process of political liberalization in the country. Hence, the following discussion of the effects of the former on the regime will lead up into one concerning those of the latter and will also provide some background on the chain of causation of the latter. The structural reform of the Mexican economy has contributed to the erosion of the power base of the PRI in several ways. First, these policies provoked growing ideological division within the political elite, which ultimately helped to inspire political pluralism and multiparty tendencies. Some members of the elite thought that the economic reforms undermined the revolutionary heritage of the PRI, and decided to leave it to form the left-leaning Party of the Democratic Revolution (PRD). This split weakened the cohesion of the Mexican state and its power to respond to the problem of drug trafficking. Second, those

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in favor of the reforms faced hostility from vested interests, such as the bureaucracy and regional political machines, which feared a loss of their special privileges. As M. Delal Baer points out, "Fiscal austerity and privatization were not compatible with the demand for patronage and special favors from hungry politicians and bureaucrats. . . . The introduction of market forces and privatization interfered with the lucrative manipulation of the Mexican economy for political and personal ends."<sup>33</sup> Taking these sentiments into consideration, it is easy to see that many of these vested interests, in lieu of the material rewards and political "spoils" that they had become accustomed to receiving from the PRI, accepted bribes and payments from the drug traffickers. In this manner, drug traffickers have succeeded in capturing and subverting more and more state agencies.<sup>34</sup>

As a side-note, it should also be mentioned that the growing divisions among the elite have not only led to simple defections from the PRI, but also a wave of political violence and back-stabbing among former allies and colleagues. Much of the recent accusations concerning corruption within the government have stemmed from conflicts among the elite. State governors have been accused of having ties with the drug traffickers, for example, and much of the information concerning the case of Raul Salinas has been leaked by former allies of the government. Even the Supreme Court has accused the Attorney General's office of involvement with the drug traffickers, while the latter has in turn accused the former of being influenced by the political and economic power of those accused of corruption. Concerning the rash of violence, a number of high-profile people have been murdered in this past decade alone, including the PRI's presidential candidate Luis Donaldo Colosio in 1994, Federal District Judge Pablo Uscanga in 1995, and the ex-attorney general of Jalisco in 1995. These patterns provide yet further proof that the loyalty of the political elite to the PRI has steadily diminished since the onset of the economic reforms.<sup>35</sup>

The crisis in elite unity was accompanied by growing public opposition to the PRI. The shock of the economic liberalization measures diluted public support for the PRI, and led many in the 1980s and thereafter to give their support to the newly created PRD and the center-right National Action Party (PAN). The PAN has garnered the support of business elites, the

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church, and public sector employees, while the PRD has drawn most of its support from labor, peasantry, and lower-income families, who were disaffected by the slashing of subsidies of consumer items and the reduction of social assistance.

The significance here is that these patterns of defection from the PRI signify the breakdown of the old corporatist order, the center of which was the PRI, which was in turn connected to its “spokes,” the various elements of Mexican political and social life, such as labor unions and businesses. Baer describes this in detail:

The evolution of a vigorous civil society was curtailed by dependence on economic favors distributed by the state. This dependence on the state and the petitionary culture of favoritism touched virtually every sector of society. It included the elite business owner who once charged monopolistic prices under a shield of protectionism or gained special access to financing intermediary goods in exchange for political loyalty to the PRI. It included the lowliest bureaucrat whose job was a reward of for delivering the votes of his block. It included the union leader whose participation in state-owned businesses and contracts required acts of political gratitude.<sup>36</sup>

The fact is that the state, as a result of fiscal austerity policies, no longer has the resources to co-opt civil society. For example, the number of state enterprises has decreased from nearly 1,200 in 1982 to around 200 in 1995, meaning that the number of PRI appointments have likewise decreased, as have the number of economic decisions that are in the hands of the state.<sup>37</sup> However, the institutions of civil society still have little experience and have yet to fully consolidate, meaning that, with the erosion of the power of the PRI, there are few strong institutions in Mexico which can effectively address the problem of drug trafficking. Nevertheless, civil society has grown significantly stronger and more autonomous over the past two decades, as shown by the vast proliferation of grassroots organizations and independent pressure groups. In addition, Mexican society itself has grown more sophisticated and urban over the decades, and consequently less tolerant of the traditional authoritarian patterns of governance by the PRI. Connected to both of these factors has been the growing independence of



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the media, which now plays a more important role in investigating scandals within the government and acting as a source of political pressure.<sup>38</sup>

Shifting now to a more specific discussion of political liberalization in Mexico, one of the most evident examples is the increasing relevance of elections. With the appearance of the PAN and PRD, Mexico has seen the creation and growth of a credible multiparty system. The central government has gradually allowed free and fair elections, in which non-PRI candidates actually have the chance to triumph, to take place. Commenting on the effects of this change, John Bailey and Arturo Valenzuela write, "The advent of credible elections at the bottom. . . has broken a key mechanism of authoritarian control and left the political class adrift."<sup>39</sup> For example, from the early 1980s until 1994, the PRI's vote at the congressional level fell from 69 percent to 50 percent. The PAN won gubernatorial races in the states of Baja California, Chihuahua, Guanajuato, and Jalisco, and has also taken control of many municipal governments.<sup>40</sup>

The PRI has done what it can to adapt in the wake of such monumental change in order to survive in a more open electoral climate. It has accepted the fact that it must actually win the voters' support, and the actions of President Carlos Salinas exemplify this to a certain extent. On the other hand, it should be noted that, despite sanctioning some political reforms, electoral fraud was still tolerated to a certain extent during the Salinas Administration. This demonstrated that the government still had a long way to go in terms of fully democratizing the system.<sup>41</sup>

The PRI had suffered major losses in certain urban areas, including Mexico City, in the 1988 elections. To improve the party's performance and image for the 1991 midterm elections, Salinas enacted a number of popular measures. For example, a number of electoral reforms, including the creation of election oversight committees, were implemented.<sup>42</sup> Furthermore, while Salinas remained committed to the economic reform process, he realized that some economic pressure on the general public would have to be reduced in order to revive support for the PRI. Therefore, Salinas committed to keeping inflation low and the peso stable. The results were that inflation dropped from one hundred and sixty percent in 1987 to eighteen percent in 1991, and the public sector deficit went from fourteen

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percent of GDP in 1982 to a surplus in 1992. In addition, his effort to conclude the NAFTA agreement with the United States brought in increased investment. Salinas also courted the urban and rural poor with the creation of Pronasol. As M. Delal Baer writes, "Pronasol,

a three billion dollar social spending program, brings basic services to and formalizes property rights for millions of urban and rural poor. This injection

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**From the early 1980s until 1994, the PRI's Congressional vote fell from 69% to 50%.**

of new resources has been a key to the PRI's political revival."<sup>43</sup> Indeed, the PRI won sixty-one percent of the vote in the 1991 elections, as opposed to a little over fifty percent in 1988.<sup>44</sup> However, this does not change the fact that the PRI found itself losing more and more of its traditional power and influence throughout the course of the Salinas administration. The relatively poor showing of the PRI during the 1988 elections and Salinas' consequent efforts to win back the support of the populace would seem like normal party politics in North America or Western Europe. However, in Mexico's context, it represents a sharp diversion from the days when the PRI held tight control over the entire Mexican political and social arena.

Further electoral reforms were agreed to by the PRI for the 1994 presidential election, which, according to Susan Kaufman Purcell, provided for an external audit of the voter registration list, a government guarantee of equal access to the media for all candidates, and changes in the composition of the federal election commission to diminish the influence of the government and political parties in general.<sup>45</sup> The result of what was considered a relatively clean election, was the victory of the PRI candidate, Ernesto Zedillo.<sup>46</sup>

Zedillo is credited with further democratizing the Mexican political system, reducing the overarching power of the PRI, and presiding over the further transformation of the electoral scene. Concerning the latter, it should be noted that the 1997 congressional election was especially significant, in that, for the first time, the PRI lost its grip on the lower house of Congress.<sup>47</sup> Upon entering office, Zedillo announced that he intended to broker several sweeping changes, two of which are particularly significant for this paper. First, he insisted that

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the rule of law should guide Mexican politics, rather than unwritten rules. He also renounced the right to name his successor. Zedillo has indeed lived up to his latter promise; the PRI recently held an open, legitimate primary to select its candidate for the 2000 presidential election. It was predicted at the time this paper was written that the winner of the primary, Francisco Labastida, would go on to capture the presidency for the PRI in 2000.<sup>48</sup>

With the succession process such a significant part of what is still a rather centralized political system, Zedillo's decision has seriously weakened the power of the presidency. The significance of this change is that, while it will help to consolidate democracy in the long-term, it is yet another example of the loss of control of the PRI. The "old guard" PRI politicians, recognizing the fact that this would serve to further open up the political sphere to other actors, have consequently been the strongest critics of this decision, and Zedillo's other liberalization measures.<sup>49</sup> Commenting on this situation, Luis Rubio writes:

Once it became clear that the president intended to relinquish sweeping powers, the system began to unravel. . . .By relinquishing control of the party, Zedillo unleashed forces within the PRI that ultimately came to demand more power and control for themselves. This may not mean too much in a political system in which the PRI is ever less in charge, but it does alter the underpinning factors of control and stability in the system.<sup>50</sup>

With the abdication of such traditional political processes, establishment of the rule of law has become even more critical. Zedillo's promise to do just this is encouraging, but the fact remains that it will not and can not happen overnight. The problem is that strong and legitimate political institutions have yet to fill the space, which is increasingly being vacated by the party, which was once literally the entirety of the state.

### ***Conclusion***

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Despite the pessimistic picture painted by this paper concerning drug corruption in Mexico, there is certainly much room for hope. For instance, institutions of civil society are

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proliferating in number and growing in strength. Another important government institution that President Zedillo has tried to strengthen is the judiciary. If Mexico wants to be successful in fighting the war against the drug traffickers, its judiciary must be cleaned up and allowed to act independently and uphold the formal, written laws of the country. Historically, the Mexican judiciary was essentially an appendage of the PRI, and its decisions and processes were consequently heavily politicized and influenced thereby. The result, of course, has been that the “culture of corruption” has flourished within the judiciary, as in the other parts of the government. On the other hand, the recent efforts to strengthen its autonomy and power will hopefully, eventually, yield the result that drug traffickers and those politically powerful persons connected with them will lose the power to penetrate and subvert the courts in their favor.<sup>51</sup>

Also, the processes of economic liberalization and democratization in Mexico, even though they are currently causing much disruption, should eventually result in the increased power of the state to fight drug trafficking. This is due to the fact that they should yield enhanced accountability on the part of political actors in Mexico, and consequently prevent them from misusing their office and/or power for personal enrichment.<sup>52</sup> The question of course, is whether the state will in fact survive the process long enough to consolidate democratic, truly accountable, government.

Finally, the government has publicly acknowledged that the corrupting power of the drug traffickers is a dire problem, and has prioritized the fight against this. Some, such as the United States Department of State, assert that the Mexican government has recognized the threat drug trafficking represents to Mexico’s institutions and is committed to taking the appropriate measures to root it out.<sup>53</sup> Peter Reuter and David Ronfeldt, on the other hand, take a more cynical view:

Payoffs for protection, profits for distribution, and isolated episodes of violence may not be of much concern to high government officials in Mexico, but it is a different matter when producers and traffickers become political gangsters and begin to wield greater local and regional power than the government and its PRI; when they try to impose appointees and nomi-

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nees who are not preferred in Mexico City; when they make officials do what they want and not what the president wants. . . .<sup>54</sup>

The government has, in one way or another, increased its efforts to punish corrupt government officials and law enforcement personnel. For example, in the past, law enforcement officers, who were fired for corruption, were able to win reinstatement under Mexico's strong labor laws. The labor laws have since been changed to allow for the dismissal of corrupt officers without the possibility of reinstatement. The government has also begun to screen police officers for past and present criminal offenses.<sup>55</sup> Commendable as these initiatives are, however, the Mexican state and society, in the fight against corruption, still have a large and formidable task ahead of them.

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### Notes

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<sup>2</sup> Tom Barry, Harry Browne, and Beth Sims, *The Great Divide* (New York: Grove Press, 1994), p. 50.

<sup>3</sup> "Poison Across the Rio Grande," *The Economist*, 15 November 1997.

<sup>4</sup> Barry et al, p. 54.

<sup>5</sup> Peter Andreas, "U.S.-Mexico: Open Markets, Closed Border," *Foreign Policy*, Summer 1996.

<sup>6</sup> 1998 *International Narcotics Control Strategy Report*.

<sup>7</sup> "Caught Red Faced," *The Economist*, 22 February 1997.

<sup>8</sup> Peter Reuter and David Ronfeldt, "Quest for Integrity: The Mexican-US Drug Issue in the 1980's," *Journal of Interamerican Studies and World Affairs*, Fall 1992, p. 98.

<sup>9</sup> Robert C. Brooks, "The Nature of Political Corruption," in *Political Corruption*, Arnold J. Heidenheimer, ed. (Holt, Rinehart, and Winston, 1970), p. 58.

<sup>10</sup> Brooks, p. 57.

<sup>11</sup> David H. Bayley, "The Effects of Corruption in a Developing Nation," in *Political Corruption*, pp. 529-530.

<sup>12</sup> Bayley, p. 526.

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- <sup>13</sup> Bayley, pp. 526-527.
- <sup>14</sup> Roberto E. Blum, "The Weight of the Past," *Journal of Democracy*, Oct. 1997.
- <sup>15</sup> Luis Rubio, "Coping with Political Change," in *Mexico under Zedillo*, Susan Kaufman Purcell and Luis Rubio, eds. (Boulder: Lynne Rienner Publishers, 1998), pp. 10-11.
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- <sup>18</sup> Rubio, in *Mexico under Zedillo*, p. 11.
- <sup>19</sup> John Bailey and Arturo Valenzuela, "The Shape of the Future," *Journal of Democracy*, October 1997.
- <sup>20</sup> Blum.
- <sup>21</sup> Bailey and Valenzuela.
- <sup>22</sup> Sam Quinones, "A Look at. . . Drug Certification;. . . And it Doesn't change Mexico's Corruption," *Washington Post*, 21 March 1999.
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- <sup>24</sup> Stephen D. Morris, "Corruption and the Mexican Political System: Continuity and Change," *Third World Quarterly*, June 1999.
- <sup>25</sup> Quinones.
- <sup>26</sup> Morris.
- <sup>27</sup> David Barkin, Irene Ortiz, and Fred Rosen, "Globalization and Resistance: The Remaking of Mexico," *NACLA Report on the Americas*, January/February 1997.
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- <sup>29</sup> Purcell.
- <sup>30</sup> Mauricio A. Gonzalez Gomez, "Crisis and Economic Change in Mexico," in *Mexico under Zedillo*, p. 47.
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<sup>34</sup> Morris.

<sup>35</sup> Morris.

<sup>36</sup> Baer, pp. 55-56.

<sup>37</sup> Daniel Franklin, "The End is Nigh," *The Economist*,  
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<sup>38</sup> Morris.

<sup>39</sup> Bailey and Valenzuela.

<sup>40</sup> Morris.

<sup>41</sup> Rubio, in *Mexico under Zedillo*, p. 22.

<sup>42</sup> Purcell.

<sup>43</sup> Baer, pp. 57-58.

<sup>44</sup> Purcell.

<sup>45</sup> Purcell.

<sup>46</sup> Franklin.

<sup>47</sup> "Mexico Enters the Era of Politics," *The Economist*, July 12,  
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<sup>48</sup> Mary Beth Sheridan, "Mexico's Ruling Party Favored to  
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<sup>49</sup> Rubio, in *Mexico under Zedillo*, pp.16-18.

<sup>50</sup> Rubio, in *Mexico under Zedillo*, p.21.

<sup>51</sup> Rubio in *Mexico under Zedillo*, p.23.

<sup>52</sup> Kurt Weyland, "The Politics of Corruption in Latin  
America," *Journal of Democracy*, April 1998.

<sup>53</sup> 1998 *International Narcotics Control Strategy Report*.

<sup>54</sup> Reuter and Ronfeldt, p. 100.

<sup>55</sup> 1998 *International Narcotics Control Strategy Report*.

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# The German Capital: Bonn or Berlin?

*Emily Parkinson*

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## ***Introduction***

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The seat of the German government was not questioned in November 1949 when the German Bundestag decided, “The supreme organs of the Federation shall move their seat to the capital of Germany, Berlin, as soon as general, free, equal, secret and direct elections have been held in the whole of Berlin and in the Soviet zone of occupation.”<sup>1</sup> Even in the Unification Treaty in 1990, it appeared that the German government would be moved from the forty year location in Bonn to Berlin. While Germany had seemingly committed to the movement of the capital, this decision still had to be approved by the united Germany’s Bundestag. Despite the earlier promises, when the issue was brought up for debate on June 20, 1991, the expectation was that the Bundestag would vote in favor of leaving the capital in Bonn.<sup>2</sup> I will examine why the elites in Germany decided instead to vote in favor of moving the capital from Bonn to Berlin.

Initially, in the Unification Treaty, Berlin was named as the capital and the home of the German President, a largely ceremonial position. However, the final location of the Bundestag and the rest of the government lay unresolved. Throughout 1990, the question of the location of the capital turned into a passionate debate as those involved saw it not only as a debate about the cities but the future of the nation. Each city and its advocates were determined to prove that theirs was better. The debate spread into the mainstream population with posters, billboards, bumper stickers, talk shows, etc.<sup>3</sup> The issue was brought to the forefront of elite attention in early 1991 by former President Richard von Weizsacker. The former West Berlin mayor proclaimed that he refused to be the sole representative of the government in the official capital. As a result of Weizsacker’s prodding, German political elites began calculating the costs of moving the capital as well as pondering the



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intricate and even mutual effects this move would have for Germany domestically and its neighbors and allies.<sup>4</sup> The pro-Bonn lobby pointed to the cost of the move as a major reason to remain in Bonn. The estimated cost differed depending on who one talked to but a medium estimate was twenty billion Deutschmarks, approximately thirteen billion dollars.

Despite these concerns, the measure did pass the Bundestag and Berlin was set to become the center of “the main government functions” specifically including the Bundestag itself. As a concession, Bonn remained the “administration center of the Federal Republic.”<sup>5</sup>

Because the members of the Bundestag gave the final vote on whether or not to move the capital from Bonn to Berlin, it is their motivations and opinions which should be scrutinized in order to determine why the capital was shifted. However, it is also important to see whether elites’ opinions and decision to move the capital correspond with public opinion. Therefore, my first hypothesis tests whether or not elites based their decision to move the capital on public opinion.

During the Bundestag and general public debates over the location of the capital, the pro-Berlin lobby pointed to Berlin as the rightful capital of Germany. Berlin has existed as the German capital as far back as the Prussians. This idea of Berlin as the legitimate capital reflects not only the historical factors but also the international prestige of the city. In this aspect, Berlin is unmatched by any other German city. Having the capital in a more prestigious location would bring it to the same level as other leading international powers and thus give Germany a more equal level of diplomatic legitimacy as Great Britain and France. My second hypothesis tests whether the elites decided to move the capital to Berlin in order to placate the German public who held the opinion that this city is the rightful and historic German capital.

Remarkably, the division over the capital issue within the Bundestag was not driven by the parties. Another place to look for a split over this issue is along geographic lines to see whether the move reflected a cleavage between east and west, particularly on unification issues. Although the East Germans had been allocated seats in the Bundestag by the creation of one hundred and thirty-eight new seats as well as incorporation into other institutions of the German federal system, they still believed that they were being perceived as second rate

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German citizens whose needs were not receiving the deserved attention of the unified German state.<sup>6</sup> My third hypothesis examines whether the elites shifted the capital from Bonn to Berlin to smooth reunification.

Another unification issue entered the debate on the movement of the capital, but this one was of a more European nature. Many Europeans feared that the reunification of the German state would result in the return of a swing state. By remaining a part of the North Atlantic Treaty Organization (NATO), Germany calmed this panic. However, the East Europeans were alarmed that they might be cut off economically or politically from a powerful partner and neighbor. The East Europeans also had security concerns in being isolated by Germany and left to face the prospect of a return of Russian imperialism alone. My fourth hypothesis tests whether the German capital was switched to Berlin in order to maintain and strengthen economic, political, and security ties with Eastern Europe.

In the following sections, the question of the elites' motivations in moving the German capital will be explored. First, the motivation behind my hypotheses will be clarified. Then, evidence will be developed that will either nullify or support these hypotheses. In order to reach the conclusion of whether these hypotheses are significant, I will examine evidence related to each hypothesis. I will focus on the historical record of Berlin as the rightful capital and determine what the city has to offer the government that Bonn lacked. To see whether the move was made to placate the East Germans, I will look at what issues the city of Berlin will present to government officials firsthand that were not as apparent in Bonn. Public opinion will be used to ascertain whether a cleavage existed between East and West on whether the capital should be moved. To determine whether closer ties with Eastern Europe was a reason for moving the capital, I will look at whether it was thought that the geopolitical position of the two cities will alter what countries the Germans deal with. I will examine existing economic, political, and security ties to the East and determine whether it looks likely they will be strengthened by this move. This will be determined by examining elites' speeches and comments on the topic. In conclusion, it will be shown which, if any, of these three issues played a substantial role in the elites' decision to move the capital. After testing

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each of my hypotheses, I will establish whether any of my hypotheses significantly explain why the German capital has been moved from Bonn to Berlin. If any do, I will explore which best explains this question and will present problems with my research and possible future research questions.

### ***Hypotheses***

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Because Germany is a representative republic, the elites' decisions should be based on the opinion of the public. Thus, it is important to determine whether the elites' decision to move the capital was legitimized by public opinion. Many Germans have expressed the fact that they do not understand why so much money is being spent to move the capital to Berlin when a perfectly good institutional set-up already exists in Bonn. Thus, it must be examined whether the people merely disagree with the cost of moving the capital while they agree with the principle that the capital should be moved or whether their opinions differ from the elites' decision altogether. If it is the latter, this decision could have important implications for not only the success of Berlin as a capital but with the functioning of the German government as a whole. Even though the capital is the seat of the government and thus its members should have a significant voice in where it is placed, the people should also have their interests represented, as the capital is an embodiment of the nation as a whole. I will test whether there existed public support for the movement of the capital by looking at the data gathered by the German Election Studies in both East and West for 1990 and 1991. These data sets are taken from the Politbarometer surveys, which questions citizens on topics such as the economic situation in East or West Germany, the citizen's opinion on the competence of certain leaders in each party, involvement level in the Gulf war, and even in what country they most recently went on vacation. While some questions were asked each month, others were only asked one month or a few months. The population of each of these surveys was citizens of either east Germany or west Germany who were over eighteen and living in private households with telephones. The sampling method was stratified multistage random sampling. It is important to look at each of these years because they measure support for the movement of the capital at various stages in the development of the issue. In 1990, it

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had been technically decided by the reunification agreement but the issue had not yet been debated by the Bundestag. In 1991, the vote was taken in the Bundestag for the movement of the capital. Another source of public opinion that I will examine is the *Allensbacher Jahrbuch der Demoskopie*. The data in this source is a collection of surveys with a range of topics and depths. Included in these surveys are questions of public opinion regarding the move of the capital. Each question was taken at a different time and with a distinct sample. They address more detailed questions than the Politbarometer does and encompass the years 1990-92.<sup>7</sup> It is significant to know public opinion at each of these times to see whether public support preceded the government debate, to determine whether public opinion was in agreement with elite preferences when the decision was made, and to whether or not the public agreed with the decision made subsequently. Also significant is whether there existed a split between the East and West on this issue. If support in the West was not as great as the East, the movement of the capital could lead to further disparities in the recently reunified country. My first hypothesis tests whether public opinion affected and coincided with the elite decision to move the German capital from Bonn to Berlin.

The recent movement of the German capital was the third time this century that the question was posed whether it was appropriate or not to house the German government in Berlin. The idea of Berlin as the historical capital is more than the fact that this was where the Prussians first united the Germans or that this was the site of the Weimar republic or that Hitler consolidated his regime here. Berlin has also served as a more recent positive force within the German Republic. For example, the city was a sign of strength and resistance to the communist forces during the Berlin Blockade and Airlift. Also, Berlin was where the end of a divided Germany began with the fall of the Berlin Wall. These historical reasons themselves were enough to convince some that Berlin is the rightful capital but these same facts left many with significant doubt concerning the move. By examining its role in German history, I will determine whether the position of Berlin in comparison to that of Bonn resulted in the elites' decision to move the capital.

However, a historical legacy is not the only justification that has been given to the idea of Berlin as the rightful capital of Germany. Putting history aside, Berlin is also the only Ger-

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man city that has the international prestige of other major European powers. While the more provincial Bonn served the Federal Republic well, Berlin stands on the same level as London and Paris. Its prestige and geopolitical position put the city in a better position to be a more prominent diplomatic leader than Bonn has been. The resources that Berlin can offer the government also make up a part of this. Many supporters of the move have pointed to the fact that Berlin is a bustling metropolis as a great asset to the German government. The city is also more representative of Germany as a whole than Bonn is. Having been divided as the country was and also being home to the largest foreigner population of any major German city make Berlin symbolic of two huge issues and effects of them within the country.

Whether the role of Berlin is seen positively as a historical capital of Germany has import on how it is perceived as the seat of government today. Another important aspect is how current political elites view Berlin's history as an influential factor on the government and the perception of the government today. These earlier events are important but what is crucial in determining Berlin's role as a unifying force today is the more recent GDR legacy. It is much more significant in determining whether the capital was moved to provide a fusion of eastern and western political culture. Not only is integration of political culture a part of appealing to the eastern Germans, but also addressing issues that they see as significant to them and the possibility of a new approach or view of issues with the capital of Berlin could have been part of a motivation to move the capital to appease the eastern Germans. Elites' statements on such a role for Berlin indicate whether the capital was moved for this reason. Thus, by examining elite statements, I will test whether the capital was moved to appease east Germans.

It is not only Berlin's position in terms of prominence that matters in the argument to make it the capital but also its geopolitical position that matters. Lying in eastern Germany, making Berlin the capital could create a new centralism that would draw the country together as a more consolidated nation than Germany has been since unification. Claims that East Germans are treated as second-class citizens are frequent and pronounced. These citizens complain that the economic union has left them much worse off than the westerners. Addition-

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ally, they feel that the government does not give the deserved attention to issues they feel are important. By placing the capital in Berlin, officials will witness the problems not only of East Germans but of the cleavages between the East and West firsthand. However, it has been debated that over time these problems would have been taken care of from Bonn as well. I will consider whether the East German opinion of their second-class status is a majority outlook or minority with a loud voice and opinions of whether the move to Berlin will affect what issues are addressed. Thus, I will determine whether the concerns of the East Germans and of the entire country regarding the lack of a consolidated national identity were a driving force in the elites' decision to move the capital.

Another way to judge whether the capital was moved to appease the East Germans is to look at the public opinion regarding this move. By examining the separate opinions of East and West Germans, one can see whether a cleavage exists on this issue that would signify that the capital was moved based more on Eastern opinion than Western. To test this, I will look again at both the Politbarometer and the Allensbach statistics mentioned earlier.

Not only is the geopolitical position of Berlin important to the Germans but also to the rest of Europe. Because Germany is a major European power and has the legacy of being a swing state between East and West, other European states notice and react to any significant changes made. The movement of the capital from Bonn to Berlin is seen by many as a shift eastward of German interests. Although Germany is protected by NATO for its security, the country still wishes to have stable neighbors. This was a primary reason for German support for the expansion of NATO eastward. With the acceptance of Poland, Hungary, and the Czech Republic, Germany will be once again surrounded by allies and will be located at the center of NATO in Europe. This could set Germany up to be a leader in the organization. Not only being a leader in NATO but also trade ties both to the East and West put Germany at

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**The movement of the capital from Bonn to Berlin is seen by many as a shift eastward of German interests.**

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the center of Europe. The symbolic movement of the capital eastward could promote further trade ties with Poland especially as well as other eastern nations. These economic and security ties could lead to political influence over the east as well. The question remains whether the capital was moved to bolster these relations with Eastern and Central Europe. My fourth hypothesis is that the capital was moved from Bonn to Berlin in order to bolster existing relations and create more ties with Eastern and Central Europe. In order to test this, I will first look at elite remarks and scholars' analysis to determine if they considered the future ties with East and Central Europe a reason to move the capital to Berlin. As a part of this, I will also look at historical security and economic ties to the region as well as recent German foreign policies to determine if it is conceivable that these ties will increase with the move of the capital to Berlin. After examining the evidence that relates to each of my hypotheses, I will determine which, if any, are significant to my research question. I will also decide which hypothesis best explains my research question.

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## ***Evidence***

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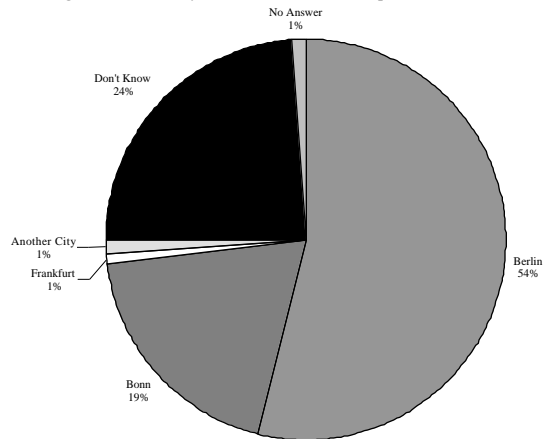
### ***Popular Support***

Because of the representative nature of German politics, the Bundestag Ministers should have based their decision to move the capital to Berlin on public opinion. I will test whether they did so by looking at public opinion data from the Allensbacher Jahrbuch and Politbarometer data sets. By examining this public opinion, I will be able to tell whether the public supported the idea of the move before it actually occurred. If they did, it would seem that the Bundestag members took this into consideration in their decision, and thus, the representative democracy functioned as it should. If public opinion does not point to Berlin as the public's choice for the capital, I will try to determine whether the Bundestag members were catering to a specific group's opinion instead to that of the entire nation. Figure 1 comes from the *Allensbacher Jahrbuch*. The poll was taken in March 1990 before the question of moving the capital was brought to the Bundestag. The year insignificant because it means that the Ministers could have looked at data from the same time when they were considering their vote. Each person wrote in his/her own answer.

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The sample was one thousand people over the age of sixteen that were citizens of the Federal Republic at the time of the survey, March 1990. Thus, only the opinions of West Germans are represented.

Figure 1: Which City Should be the German Capital After Reunification?

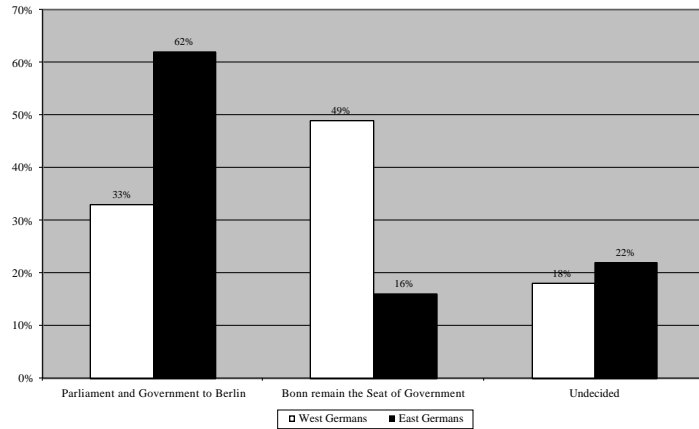


A majority of 54% answered Berlin while only 19% answered Bonn. Considering this data, there seems to have been a clear preponderance in favor of Berlin compared to Bonn. The 3% that had no answer or voted for Frankfurt or another city do not have any significant effect. However, the 24% who were undecided could affect the decision made. Bundestag Ministers could interpret this segment this way or any other way they wanted. For example, if all of these were added to the Bonn supporters, Bonn would have 43% in favor of leaving the capital there. Another drawback to this data is that it only includes West German opinions. For an aggregate and more precise view of public opinion, more data must be examined.

Figure 2 is also data taken from the *Allensbacher Jahrbuch*. This question was also asked in 1990 but it included both East and West German opinions with a sample of one thousand people from the old Länder and one thousand people from the new. It began with the statement that the reunification agreement cited Berlin as the German capital, which included only the seat of the President at that time. The survey then asked what the participants' opinion was: Should the Parliament and the government be moved to Berlin as well in the



Figure 2: Future Seat of German Government (1990)



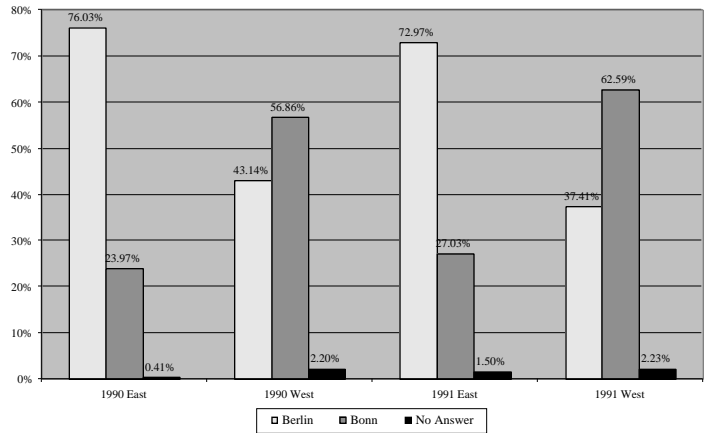
foreseeable future or should Bonn remain the seat of the government? This data is displayed in Figure 2 as it was in the *Allensbacher Jahrbuch*, separated between East and West. It is clear from the graph that there is a division between East and West over where the capital should be located. If the values are averaged, 47.5% of participants in the survey support moving the government to Berlin while 32.5% favor the government remaining in Bonn. However, averaging the East and West's opinions is not an accurate way to get an overall opinion because the population in the East is only about one-fifth of the total German population.<sup>8</sup> Unlike

**It is clear that there is a division between East and West over where the capital should be located.**

Figure 1, Figure 2 does show that the aggregate opinion of whether to move the capital or not was quite divided in 1990.

Figure 3 is data taken from the Politbarometer studies that asked where the seat of the German federal government should be. Like the data in Figure 2, it shows a clear split between East and West. Additionally, looking at 1990, one can see that total opinions were mixed on whether or not to move the capital. In the East, the people strongly favored moving the capital to Berlin while in the West, Bonn was favored by a huge

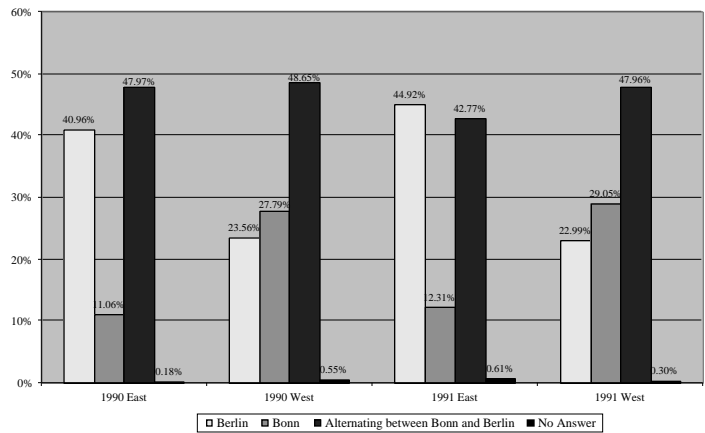
Figure 3: Where Should the Seat of the German Federal Government Be?



margin. In 1991, the cleavage in opinions of East and West was even starker. The West's support for keeping the capital in Bonn was 62.59%; this is only a little more than 10% less than the East's voice for moving it to Berlin. This contrast in opinions will be explored further in the third hypothesis.

The question with Figure 3 is not clear as to what is included in the "German federal government." It leaves interpretation of this phrase up to the respondent. Particularly in 1990 but also in 1991, it was not even clear to political elites what would be included in the potential move. However, Figure 4 examines the opinions over the movement of a specific

Figure 4: Where Should the German Bundestag Be Located?



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institution in the German government: the Bundestag.

It is important to look at this more explicit question because it was the Bundestag that was moved. Also significant is that this question also included an option other than just Bonn or Berlin. One could also choose to have the capital alternate between Bonn and Berlin. The only time this option was not the most popular was in the East in 1991. Even then, it was almost equal with Berlin. In 1990 in the East, alternating was 7% more popular than Berlin. In the West, alternating was chosen much more often than Bonn or Berlin. Bonn was only a little ahead of Berlin in the West in these cases. These results indicate that both the Eastern and Western publics realized that a compromise between Bonn and Berlin would satisfy the largest number of people.

Like in previous data, Berlin was far more popular than Bonn in the East while Bonn was just slightly ahead of Berlin in the West. While alternating the Bundestag between the two cities seems like a good compromise, the cost as well as the loss of efficacy because of constant traveling between the two reveals the option to not be the best.

None of the above data gives a clear consensus on aggregate public opinion of the question about the location of the German capital. Figure 1 shows that a majority of people supported Berlin as the capital. Given the possibility of error in data collection, the 54% majority is not enough to draw a conclusive answer from. Adding to this ambiguity is the large number of people undecided. Political elites could not have had an accurate reading of public opinion from this data. Likewise, Figures 2, 3, and 4 do not leave one with an apparent resolution of where the total German public felt the capital should be located. Thus, the first hypothesis that German political elites based their decision to move the capital to Berlin on aggregate opinion cannot be accepted. If there was no clear consensus on this question, the Bundestag members could not have based their decision on this. It is possible that this ambiguous public opinion did contribute to the mixed opinions and close vote in the Bundestag.

### ***Berlin as the Rightful German Capital***

One of the arguments used in favor of moving the capital from Bonn to Berlin was that the eastern Germans deserved just as influential a presence in the government as the

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westerners. However, it is obvious the government will face new difficulties in Berlin, such as more blatant remnants and reminders of the recent GDR system as well as more distant historical factors.<sup>9</sup> In determining whether Berlin will be a unifying force between East and West, it is important to first examine the role of Berlin in German history and how it has acted as a political force.

*Historical legacy*

Berlin's history as a leader of the German state began even before the German state was officially formed. The development of the city can be attributed to the Hohenzollern dynasty. Frederick the Great used the power of the Prussian state to unite the German people from this city. As a result of this and economic advancement, by 1830, Berlin was well on the way to being known as both the capital and an international city. Berlin became the official capital of Germany with the consolidation of the German state in 1871. Even then, not all opinions on the city were unanimous on the choice of Berlin as the capital. While many non-Berliners were fascinated by the city's cultural, scientific, educational and other opportunities, many remained skeptical citing the Berlin as "a hotbed of cosmopolitanism and vice."<sup>10</sup>

Upon the fall of the empire and beginning of the Weimar republic, Berlin was once again questioned as a proper location for the German capital. Many people argued that setting the capital in Weimar, home of Goethe and Schiller, would provide Germany with a fresh start for its first republic. Conversely, Weimar lacked the image that Berlin bore as the symbol of a united Germany. The decision to keep Berlin as the capital placed even more significance on the importance of the city. Control of it took on the equivalence of definitive power over the entire country. During the 1920s, Berlin became the cultural and political center of Germany with a population of intellectuals, artists, and writers full of political fervor.<sup>11</sup>

When Hitler came to power in Germany, Berlin still played an important role as the political center of Germany. Hitler himself realized the importance of this city after the failure of his attempted coup in Munich. With the help of Goebbels, Hitler became chancellor in Berlin with a sensational show that ran down Unter den Linden. The mood this parade set proved to be a warning of the stifling of political fervor that had been

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created by earlier activists in Berlin as well as the rest of the country.<sup>12</sup>

After taking over the city, Hitler imagined Berlin as the appropriate place from which to rule his empire. He wanted to make the city greater and more beautiful than any other European city. These plans to rebuild the city were shattered by the Allied bombing of the city. Before this occurred, the Nazi regime did rule from Berlin. However, the government did not meet in the Reichstag building; even the Enabling Act was not passed here. Therefore, the building itself cannot be identified with the Nazi government, although these events did transpire in Berlin—in a church in Potsdam and the Kroll Opera House respectively. Even so and despite Hitler's vision for this city, it was in Berlin that one of the few small oppositions to the Nazis existed. The openness that had been identified with Berlin came to an end during this Nazi reign during which the small opposition there either abandoned the country or was murdered.<sup>13</sup>

#### *The Division*

The horrors of Hitler's Nazi regime led to the decision to divide the country into occupation zones by the Allied powers as early as 1944 at the London Conference. At this conference, it was also decided that Berlin would be left out of the division and used as a base for ruling the country. The city would be ruled by the Allied Kommandatura. At Yalta, France was given an occupation zone, and the decision to divide Berlin into similar occupation zones was made as well. In March 1948, the hope of ruling Germany and Berlin jointly through the Kommandatura collapsed when the Soviets abandoned the Kommandatura due to differences in ideology and other issues.<sup>14</sup>

On May 23, 1949, the Parliamentary Council of the British, American, and French occupation zones created the Federal Republic of Germany (FRG). They had begun meeting in Bonn in September 1949 and came up with a constitution called the Basic Law, containing Article 23 that made this constitution applicable to all parts of Germany. This meant that the Soviet zone was technically included in the Basic Law although it would be separated until reunification in 1990.<sup>15</sup>

However, not all parts of the Federal Republic were treated equally. Berlin was given a special status within the Republic

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because the military governors of the Allied occupation zones did not think it was appropriate to include Berlin as a part of the republic. Thus, the city was not officially part of the Federal Republic, and its representatives in the Bundestag and Bundesrat were given no vote. However, Berlin continued to be viewed by Germans themselves as a part of the Republic as is evident by the Constitutional Court's stance that Berlin was a Land within the Republic. This lack of a legitimate status within the Federal Republic did have repercussions for Berlin. All Federal Republic laws that were passed also had to be passed by the Land government in Berlin. Also, Berlin was not allowed to be the capital of the FRG.<sup>16</sup>

The decision of where the Federal Republic's capital would lie was a divisive dispute. Stuttgart, Kassel, Bonn, and Frankfurt am Main all expressed their interest, but Bonn and Frankfurt am Main were the two that were voted on. Much like the decision to move the capital back to Berlin, this vote on the selection of a capital was close. Bonn won only by two votes to become the capital that would serve the Federal Republic for four decades. Bonn was often described as a "provisional capital." The fact that a government district was not created until 1975 supported this view. With the passage of time, Bonn became identified with post-war Germany and Germany's ties with the west.<sup>17</sup>

#### *Divided Berlin*

Although the Federal Republic named a new capital that represented the new post-war Germany well, Berlin did not stray far from the minds of Germans during this time. The first Bundestag members still felt that Berlin should remain the rightful capital of Germany. This is evident in two declarations that they made in 1949. In September, they declared Berlin to be a "constituent part and capital of the Federal Republic." Then in November, they said that the government would return to Berlin "as soon as general, free, democratic and direct elections by secret ballot are held in all of Berlin and the Soviet occupied zone." Neither of these measures was ever rescinded. The idea of Berlin as the rightful German capital was again endorsed by Bonn's Lord Mayor Hans Daniels in June 1989 when he said "we in Bonn are aware that our city is discharging the duties of the capital on behalf of Berlin only until Germany's reunification in peace and freedom is pos-

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sible.”<sup>18</sup> Likewise, Chancellor Schroeder captured the nature of both cities’ roles when he said “Bonn ultimately stands for the west of the Republic, Berlin symbolizes united Germany.”<sup>19</sup>

Not only did Germany maintain the view of Berlin as the rightful capital throughout the Cold War, but the separated Berlin took on a new role as the center of division and hope for reunification. West Germans saw West Berlin as a place where the existence of the GDR was protested and where freedom had to be defended. This can be seen in the “blockade of 1948/49, the uprising of 17 June 1953, the Khrushchev ultimatum in 1958, the building of the Wall on 13 August 1961, the Soviet Union and GDR’s ongoing attacks against West Berlin’s links with the Federal Republic.”<sup>20</sup> However, these continual crises combined with the economic aid necessary to keep the city functioning and the physical separation of Berlin from the Federal Republic cause the Federal Republic to become annoyed with Berlin. Likewise, West Berlin felt that the Federal Republic had no understanding of issues and problems within the city especially the apparent abandonment from the push for unification when Ostpolitik began. However, Berlin was not only a place where political issues were addressed but also a home to West Germans who might identify it more as the site of “a football final cup, or a rock concert.”<sup>21</sup>

On the other hand, East Berlin was viewed by East Germans as the “capital of the GDR—a place of special privilege and of the arrogance of power towards what was referred to as ‘the republic.’”<sup>22</sup> Although East Berlin was given a similar status in East Germany as West Berlin was in West Germany with its representatives appointed to the People’s Chamber and given no vote there, the Soviet zone of the city was the center of power within the GDR. The limitations on the city were eventually abolished, but from the beginning the “GDR Council of Ministers, nearly all GDR ministries, the State Planning Commission, . . . the SED Central Committee and Politburo and the offices of the Soviet governor” were all located within East Berlin.<sup>23</sup>

However, East Berlin was also where the fall of the GDR was initiated and thus where reunification began. In October 1989, Gorbachev’s visit to Berlin for the fortieth anniversary of the German Democratic Republic was supposed to celebrate and strengthen the position of the GDR against the mounting economic and political problems. Instead, he was met with a

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protest of over 100,000 people marching followed by tanks and guns. In response, Gorbachev seemed to sanction the East German people to continue protesting the SED regime and begin reforms when he stated that “those who refuse to change will be swept into the dustpan of history.” This prompted demonstrations demanding an end to the SED government.<sup>24</sup>

This same month there was a demonstration of one million people on Alexanderplatz in Berlin that signaled an end of the SED’s legitimacy. Honeker wanted to respond to these demonstrations by having the Stasi sent out to combat the demonstrators, but there was a fear that this would lead to a violent civil war. Honeker was soon replaced by the Politburo with Krenz. However, Krenz was ridiculed and gained no support from the East German public. His goal had been to appease them, try to stop the demonstrations, and prepare for reform. Finally, on October 31, he approached Gorbachev about issuing perestroika type reforms, but he had waited too long. The largest demonstration throughout East Germany occurred on November 4. Over five hundred thousand people joined together in Berlin to call for free elections. That day, it was announced that East Germans could leave for West Germany through Czechoslovakia. Over the next few days, many people fled East Germany, others continued protesting, and the East German government collapsed piece by piece. On November 9, Günther Schabowski, a Politburo member, announced at the end of his normal press conference that the borders between East and West would be opened. Not only did the East Germans hasten to figure out what was meant by this and when it would occur, but the Western press and governments pushed for immediate action. On this day, the Berlin Wall came down and SED regime collapsed along with it. The fall of the Wall prompted an even greater increase in emigrants than had left through Hungary; almost 300,000 people left per day, the majority of which were Berliners. Because Berlin was the center of the GDR, the country itself stopped functioning. By December 1989, the SED had shifted and disassociated itself from Marxism-Leninism and proclaimed that they supported a multi-party system. After months of constant demonstrations in the GDR, in January 1990 a de facto decision to unite had been reached by both East and West German governments.<sup>25</sup>

When one looks at the role Berlin has played from being the first German capital under Frederick the Great to the role



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it played in the reunification of Germany, it is evident that no other German city has played such a significant part of the country's history so consistently over time. Frederick the Great chose it as his capital to unite the German people, the Weimar Republic was declared a democracy there, Hitler realized that he could not dominate the nation without it, the SED established the eastern part as the central part of the GDR, the FRG used the western part as a place of protest against the East, and it played a central role in the reunification of the nation. Without Berlin, Germany would be a very different state today. Thus, it seems impossible to rule out the fact that Berlin is the historical capital of Germany as being a reason the capital was moved back there from Bonn. Therefore, the hypothesis that German elites decided to move the capital to Berlin based on its historical legacy and important role in German reunification can not be rejected.

### ***Unifying Force***

Integral parts of a successful reunification of the GDR and the Federal Republic are those that tie these two sections together after four decades of separate experiences. In October 1997, Helmut Kohl said that "Berlin is associated with both the division and unification of Germany." It is where the wall stood that symbolized the division of the country but it is also where the wall fell and the countries were physically reunited. Kohl also suggested that Berlin be viewed as a "microcosm of the progress which is being made by internal German unity." It was the first place where East and West confronted one another and were faced with their differences. It continues to be the only city which has had to merge two distinctive societies into one.<sup>26</sup>

Although Berlin was separated for four decades, both parts retained the historical reputation for political activity and openness. This continued in the East because of the proximity it had to the West. Thus, people were attracted to the city. The West became a "magnet for young people and dissidents." An environment of such openness could bring a new insight to the government that would not have occurred in Bonn, which was dominated by government workers and the press. However, this openness has also been associated with protests. The legacy of protests in Berlin go all the way back to 1848 and continuing through Weimar, Hitler's regime, the 1953 upris-

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ing, demonstrations against the Vietnam War, and even the 1989 revolution. Some pro-Bonn people view this legacy of protest as a very strong reason not to move the capital. They believe that the government belongs in a more stable environment than this reputation suggests. However, more recently Berlin has sufficiently contained any violence associated with demonstrations, and security in the city has also been increased. Additionally, instead of violent protest, Berlin has hosted “endless public debate over everything from whether and how to build a Holocaust Memorial to what items to cut from the budget.” This shows not only the city’s concern for current political topics but also its candidness regarding potentially sensitive topics. Both are qualities that will contribute to how Berlin acts as a capital.<sup>27</sup>

In addition to this new openness that Berlin could bring to German politics, it also brings a new approach for politicians and possibilities for conflicts to be addressed. Bundestag President Wolfgang Thierse described the political culture of Berlin as one that “offers an opportunity for a new relationship for dialogue, dispute, and tension between political cultures.” He also mentioned that many Bundestag members were expressing the desire to live in the center of Berlin in order to be exposed to the city and confronted with issues in a new way. Chancellor Schroeder commented similarly that while Bonn was quite a homogeneous gathering of politicians, media, and interest groups, Berlin is the “construction site of the future, more than elsewhere one is confronted with the social reality.”<sup>28</sup>

Much of this social reality that political elites refer to are issues that are confronting not only Berlin but Germany as a whole and East Germany particularly. It is thought that if politicians see them firsthand more than they did in Bonn, there could be a more concrete contribution to unifying the political culture of Germany. One such issue is foreign workers. This is a nationwide issue since one-eighth of Berlin’s population is foreign. Unemployment is another ill that is ubiquitous in Berlin: 16.6% of the city is unemployed. Total German unemployment was 9.9% in 1994 while it was 16% in the East. However, numbers in the East are actually higher because underemployment is not included in this. Berlin represents the East well when it comes to unemployment. In addition to unemployment, the unequal pay scale between East and West has

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caused some friction between the two.<sup>29</sup>

The fact that Berlin is a “big bustling, bewildering, historic city” is one reason why the above issues are present there. These issues and the diversity of Berlin are its greatest strength as a capital. The friction created between Easterners and Westerners, guest workers and Germans, the historical legacy of the city and its future promise, and any other tensions there all make Berlin the city it is. With Berlin as Germany’s capital, these juxtaposed issues can stay closer to the forefront of politicians’ minds as policy is made. As Schroeder has stated, the Bonn Republic is not being left behind but being taken to Berlin. Thus, old issues and ideas will not be forgotten but new ones added and brought to the forefront. Thus, the stability of the Federal Republic can be perpetuated in Berlin but the issues that affect the former East Germans must also be ingrained in the government, because as Schroeder said “It is important, not only for the eastern Germans that the Government and Parliament are no longer far away on the Rhine, but relatively close here on the Spree.” Thus, for the stability of the government to continue, the needs in the East must be addressed. This is more likely to occur in a city that embodies both the former division of Germany and its struggles with reunification. It is necessary to create an “inner unity” and eliminate the “walls in people’s minds.”<sup>30</sup>

The main cause of this wall between East and West that still exists in the united Germany is the fact that they lived under different governments and developed as separate societies for so long. While they maintained the feeling that they should be one nation, little things such as the way they communicate, interpret different behaviors, and view different issues have been shaped differently. The Easterners face the greatest challenge in this reunification of the nation because they also have to adapt to a new form of government and institutions while the West Germans do have consistency in this area. The change of institutions is complex and extensive for the East Germans. It includes changes in their education system, adjusting to having their economy affected by world markets, transforming from a stagnant to an ever-changing society, and much more. All of these factors will result in repercussions on this society psychologically. These changes have resulted in different feelings and attitudes among Easterners. Some have responded with feelings of inadequacy and

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even a “tugging sense of personal defeat” while others blame the West Germans for their troubles. They feel that the West brought about reunification in a way that would benefit the west the most, but this method hurt the East Germans. Such negative and disparaging are also heard in the West where people feel that Easterners are not grateful enough for the help that they have received. It has even been said that while the Westerners used to be quite sentimental about the Easterners and the division between the two, some have been quoted as joking that Eric Honeker should be a celebrated figure to West Germans because he kept the East Germans separated from the West. The East Germans react to such comments with the fact that they continue to “have lower average income, suffer more unemployment, and lack the inherited capital available to West Germans for private investments in government subsidized economic development projects in East Germany.” As can be seen from these statements, as the celebratory excitement of reunification has abated, a new wall seems to have been erected between East and West based on economic and social problems that seems unlikely to be broken down without active work by both the people and the government.<sup>31</sup>

These general opinions show how the Germans are still separated on a general level. In order to see if this spreads into the capital issue, it is necessary to look at public opinion data that measured the difference in opinions in East and West on this issue. This can be seen by studying the Politbarometer and Allensbach survey results shown earlier. The surveys asked several different questions regarding the location of the capital and what exactly was included when discussing “the capital.”

Figure 3 shows the results to the question “Where should the seat of the German federal government be?” As can be seen in the figure, the opinions of the East and West Germans were quite different. Also, the opinions in the West remained fairly constant between 1990-91. In 1990, West German opinions were nearly equal in support or opposition on the placement of the capital. In 1991, the majority were still in favor of keeping the capital in Bonn, but this group had grown in numbers. The opinion of East Germans on the placement of the German capital’s seat was overwhelmingly in favor of Berlin in both 1990 and 1991. They consistently favored Berlin over Bonn by over 70% compared to 23% and 27% in 1990 and 1991

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respectively. These figures suggest that there was a degree of division in the West over the placement of the federal government but the East was united and strongly in favor of Berlin.<sup>32</sup>

In Figure 4, the response to the question "Where should the Bundestag be located?" that was asked in the Politbarometer study is shown. This question implies that the entire German government would not be placed in the respondent's choice. As President Weizsacker noted, the President was the representative of the federal government that was in Berlin at the time of the survey. This question merely asks about the placement of the Bundestag. Technically, Berlin was already the capital. A significant difference between this question and the previous one is the inclusion of an option of alternating between Bonn and Berlin as the seat of the Bundestag. This was the option overwhelmingly chosen by West Germans in both 1990 and 1991. The response indicates that the West Germans wished to reach out to the East but also maintain semblance of the Bonn republic. The next choice of West Germans was Bonn but this was only slightly more popular than Berlin: just over 4% in 1990 and just over 6% in 1991. Here there was also a slight increase in the popularity of Bonn as a choice but it drew more from the alternating choice than from the Berlin choice. In the East, Berlin and the alternating Bundestag options were about the same in both 1990 and 1991. However, the idea of alternating lost some support in between these two years to result in Berlin being the more popular choice in 1991. This indicates a mixture of opinions between cooperating with the West on this issue and firmly standing by the belief that Berlin should be the only location of the government. Both Figure 3 and Figure 4 are taken from the Politbarometer and indicate a notable difference in the opinions of East and West Germans on the question of the capital's location.

All of this evidence shown depicts a discrepancy in opinions in the East and West. Not only do they feel some animosity to one another on general issues, but they also disagree on political issues. The public opinion data from the Politbarometer and Allensbach show a definite cleavage in opinions regarding the placement of the capital. Given this data, the perception of East Germany as a part of the united Germany, and attributes that Berlin could offer that were not present in Bonn it seems likely that political elites saw the de-

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cision to move the capital as a way to appease the East Germans and provide a mechanism for creating a more unified state. Therefore, my third hypothesis that the German political elites decided to move the capital in an attempt to appease the East German public and create a more unified political atmosphere in the country is accepted.

#### ***Closer Ties with the East***

The movement of the capital from Bonn to Berlin moves it three hundred and fifty miles east and closer to the Polish capital of Warsaw than it is to the French capital of Paris. It has also been said that Berlin is the “capital of Central Europe” not only to itself but also by Poland, Hungary, and others. Many of Germany’s western allies have had concerns that this geographical shift of power would be accompanied by a similar shift of policy. Despite the geographical position of Berlin, German elites maintain that Germany is a western state and will not shirk from its role in western institutions. Indeed, the push it has made to include East and Central European nations in both the security organization of NATO and the economic institution of the European Union support both its continued participation in western institutions and a broadening of its interests eastward. The city of Berlin itself is distinctive in Europe as the only city with decisive ties to both the east and the west. Even before the decision to move the capital, Berlin acted as an unofficial “mediator and link between Western and Eastern Europe.”<sup>33</sup>

#### *Elite Opinions*

The origin of Germany’s role between East and West lies in its history and its geographic position. During the cold war, Berlin remained a symbol of the division between East and West. Willy Brandt expressed this by saying that “the division of the world has been formed in stone” in this city. This means that today Berlin must work harder than any other place to build up unity between these two regions. Earlier this year, Chancellor Schroeder noted that although the physical wall has disappeared, the forty years of separation is still felt. In his words, “the painful wound of the cold war has healed, but the scar can still be felt.”<sup>34</sup>

In the same speech, Schroeder went on to say that without its western allies, German unification could not have occurred,

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and without its eastern neighbors, unification would not have been successful. He stressed that the Germans could not forget the role that the EU and NATO played in reunification, but also important were the German neighbors Hungary, the Czech Republic, and Poland. Moving the capital closer to Germany's eastern neighbors would make Berlin act as a "hub connecting East and West." He described it as a move to the "heart of Europe" not as a return to German domination of Central Europe.<sup>35</sup>

The move of the capital is an adjustment in the geostrategic location of the unified Germany in the new European political context. It is a continuation of the policy specified by Brandt in 1972 when he said, "We want to be good neighbors, internally as well as externally."<sup>36</sup> One German historian anticipates that the move of the capital will provide "a new continental equilibrium" by acting as a bridge for the new Eastern democracies to the west. It is an effort by Germany to connect these countries to the West and thus sustain a more stable atmosphere in Central Europe. He says that by looking at its geographic position in Central Europe, it is clear that this is an evident role that Berlin should play in the evolving situation in this region. According to him, moving the German capital to Berlin is "a healthy move not a worrisome one."<sup>37</sup>

Several others have agreed with this view of Berlin as a link between East and West. After the vote to move the capital to Berlin, Kohl's Interior Minister Wolfgang Schäuble asserted that the future of Germany and Europe lay in the reunification of both the country and the region and "What better place to work this out than in Berlin, where West and East come together?" Soon after the vote, there was an informal poll at a street celebration in Berlin in which almost all people who took part listed a reason to move the capital to Berlin as the fact that the city could bind East and West together.<sup>38</sup> Former President Richard von Weizsacker also supported this perspective. He stated that Berlin will become the "crossroads of the new Europe: 'It will become the human melting pot of the continent, with Poles, Czechs and other Easterners blending their ideas and energy with [those of] western Europeans. Berlin can become the showcase of how we should build a common future."<sup>39</sup>

However, not all people view recent German foreign policy as being so altruistic. Instead, some believe that Germany is

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specifying its interests more like other nation-states. One scholar claims that Germany's designation of East European stability as a foreign policy goal as an example of this. He also argues that Germany's role in the Yugoslavian conflict shows this. In the beginning Germany had an aggressive stance as its NATO allies. However, because Germany abandoned this assertiveness, European diplomacy failed.<sup>40</sup> It is views such as this one that claims an increase in German independence and ambition that result in concerns over the move of the capital further east on the part of the western allies, particularly the French. Chancellor Schroeder noted the irony that the German participation in the Yugoslav situation coincided with the move of the capital; he defended German participation in this conflict by saying that Germany's stance against Slobodan Milosevic further supported German democracy. He viewed the conflict as "a critical moral test for 'a land that had two dictatorships in this century, as a land that brought genocide and aggression over our continent.'"<sup>41</sup> However, the French still are still apprehensive about the exhibition of German power along with the shift of the capital eastward and away from Paris. France fears a decline in their influence not only in Germany but in Eastern Europe as well as it sees German political and economic interests shifting eastward.<sup>42</sup> Former Chancellor Helmut Schmidt dismisses this French view saying that it is exaggerated based on historical factors. He went so far as to ask who would replace the French as Germany's partner and stated that there was no country that could do so today, as the Russians have nothing to offer. He claims that the only reason the Germans would abandon the French would be if the French withdrew from European integration because then "Germany would have no choice but to look east."<sup>43</sup>

This view along with that expressed by other political elites suggest that the capital was moved to Berlin from Bonn to create closer ties with Eastern Europe. However, they will not allow these links with the east to come at a cost of alienating their western allies. Schroeder stated that although the German center of power has shifted eastward geographically, "nothing should or will change in Germany's Western ties, in our firm anchoring in the Atlantic alliance and the EU."<sup>44</sup> These statements further support the ingrained nature of western institutions in Germany today. After forty years of participation in western institutions, the interests of these institutions



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are practically synonymous with the Federal Republic's concerns.<sup>45</sup>

These elite comments suggest that the capital was moved to create greater ties with Eastern Europe. They each support such relations as long as they do not interfere with previously existing ties with Western European countries and institutions. Instead, the elites want to bring Eastern Europe into the Western European institutions. If the wishes and views of these elites are followed through, greater ties will be established. Their comments suggest that they will be coming about because of the move of the capital as well.

*Political Ties*

One way that greater ties could be established with Eastern Europe is through greater political and security ties with the region. There are many opposing views on whether moving the German capital to Berlin will increase such ties. Some have argued that relations with Eastern Europe will be increased. Even these arguments have different foundations for this decision. Some point to the fact that Berlin is seen as the capital of Central Europe. Others argue that ties will be increased but do not link it to Berlin except to define the dawning of the new era of German leadership in a more complete European integration. Some scholars have even suggested that German foreign policy will not change at all.

Edinger and Nacos' view is that, since reunification, Germany has issued very few explicit statements on foreign policy. It almost seems that the Germans were waiting to see what the new leadership of the united Germany would bring to the government instead of the old leaders presenting new ideas. Issues that have been addressed include support for democracy and free enterprise, continued relations with NATO and the US, and other views that are so clearly in the interest of the country that they could almost be taken for granted. These scholars see the move to Berlin as Germany's opportune time to become "more specific, outspoken, and assertive" with their foreign policy. They point to German military involvement in Bosnia as an indication of the way they see German foreign relations moving with the Berlin Republic; it is a precedent set for a more independent-minded Germany that would no longer be an economic giant and political dwarf. They also point out that European integration has not provided as much utility

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for Germany as in the past or as much as other countries receive. The integration of Eastern and Central Europe would increase the benefits to Germany. Thus, Edinger and Nacos suggest that Berlin provides Germany with the opportunity to become more outspoken with its views and promote the involvement of Eastern and Central Europe in European integration for Germany's own benefit. The move to Berlin will give Germany the self-assurance to promote its own views more. Therefore, these scholars implicitly suggest that the move to Berlin will result in greater ties to Eastern and Central Europe.<sup>46</sup>

Schroeder expresses this view more explicitly when he comments on how the Berlin Republic will treat foreign policy. He has stated that Berlin provides Germany with the chance to "courageously grasp the chance of deepening and expanding the European integration jointly with the nations in Eastern Central Europe."<sup>47</sup> One factor that has been pointed to supporting the increase of ties with Eastern and Central Europe with the move of the capital is the presence and influx of minorities from these countries in Berlin. Approximately 150,000 Russians and as many East Europeans have immigrated to Berlin since reunification. Their presence could pressure the German government to have closer political ties with their governments. Another influence over the relations with East and Central Europe is that this region itself could see the move to Berlin as a shift towards them and push for greater ties with Germany. This is supported by the fact that many East and Central European countries, including Poland and Hungary, already view Berlin as the capital of Central Europe.<sup>48</sup>

An opposing opinion of relations with East and Central Europe is that the move of the capital will have no effect on German relations with either the East or the West. Proponents of this view argue that power is no longer as centralized as it once was. Therefore, the location of the capital has no effect on who a country has relations with. Bertram argues this when he states that Berlin will not cause Germany to either loosen its ties with the West or strengthen relations with its eastern neighbors. Instead, the only effect he believes moving the capital could have on the countries foreign relations is that they could decrease as the country focuses on domestic issues instead of international ones. His second point on the effect of the move is that the power in Germany is no longer central-

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ized in the capital, but instead spread throughout the country with the government now in Berlin but other sources of power lying elsewhere. For example, the finance and banking center remains in Frankfurt.<sup>49</sup>

There is no evidence that definitively shows that political ties with Eastern Europe will be increased because of the move of the German capital. NATO is expanding to include Hungary, the Czech Republic, and Poland. While it is clear that Germany supported this and even had a great deal of influence on this decision, it has not been tied to Berlin. The only evidence that exists tying Berlin to increased relations with the East is speculative and circumstantial at best. The comments of scholars and political elites do indicate a desire to increase relations with the East and they tie this desire in with a new start in German politics that begins with the move to Berlin. However, it is impossible to determine whether this addition of interests in the East is due to the move. It is quite possible that it could have occurred if the government had remained in Bonn. Germany would have had desire to create and maintain more friendly relations with its neighbors with the government placed in either city. Only the geostrategic location of Berlin lying closer to the East and the larger number and thus greater influence of East Europeans living in Berlin suggest that relations with the East will be greater because the government is there.

#### *Economic Ties*

Economic ties with Eastern Europe have a centuries-long historical basis. It is critical to look at this history as well as the Cold War and recent relations with the East European nations to determine if they will be improved by the movement of the capital to Berlin and closer to them. This is significant because these ties will be important in determining whether East European nations will be admitted to the European Union. In addition, if for some reason the expansion of NATO fails or if NATO becomes a diminished force, existing ties with Eastern Europe could affect German policy.

Economic relations have been the salient and enduring aspect of relations between Germany and Eastern Europe. Trade ties between the two have existed for centuries despite who ruled the areas. Principally, Germans have exported more innovative goods while they have received more primary

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goods from Eastern Europe. However, from the onset of the Cold War, relations still existed but were transformed. Eastern Germany became a part of the Coordinating Committee (COMECON) and thus a majority of its trade was required to take place in Eastern Europe. At the same time the West Germany joined the General Agreement on Trade and Tariffs (GATT) which politicized its relations with Eastern Europe to the point that it became a part of the general East-West split. Western Germany had two different approaches to trade during this period. With other western countries, trade was free. At the same time, trade with Eastern Europe was usually politicized. In the beginning, the Americans prompted the Federal Republic to be part of their “embargo” on goods to the Soviet Union. In the beginning, the Federal Republic maintained only a semi-sovereign standing within the western alliance. This placed some limited restrictions on trade with the East until it attained full integration into the western alliance and strong economic independence.<sup>50</sup>

By the mid-1950s, the Federal Republic had achieved these goals and domestic debates began on the use of trade policy for political advantages in the East. The Foreign Office wished to subordinate trade as a purely economic tool in order to use it as a way to gain advantages in the East and influence politics there. The Agriculture and Economic Ministries opposed such a policy as they aimed to resume normal economic activity with the East. However, Chancellor Adenauer endorsed the Foreign Offices ideas as the most apt method to implement West German foreign policy towards the East. Western restrictions kept the Federal Republic from participating in Eastern trade up to this point. The Soviets had also cut off its sphere of influence from global trade until this time by prohibiting the import of goods, particularly western goods. Adenauer countered this policy by “insisting that the German-Soviet trade be balanced bilaterally on a deal-by-deal basis. This forced the Soviets to accept German exports or else risk losing the German market.”<sup>51</sup> This policy resulted in the Federal Republic becoming the main trading partner outside COMECON by 1959.<sup>52</sup>

Until 1989, most of the trade relations that the Federal Republic had with Eastern Europe were part of the policy of Ostpolitik, which aimed to increase ties and ease relations between Germany and its eastern neighbors. The ultimate moti-

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vation for this policy was the possibility of a reunification of the separated Germanys. However, trade with the East was never a critical part of German exports. In fact, between 1984 and 1989 these exports to the Soviet Union, which was Germany's largest Eastern trading partner, comprised only 1.8% of total exports from the FRG.<sup>53</sup>

While trade relations did not alter significantly at the end of the Cold War, one issue did continue to be an important part of the Federal Republics linking of economic policy with foreign policy: the "status and treatment of German minorities in the East." An example of this occurred in 1989 between Poland and the Federal Republic. Solidarity was negotiating with Germany over finance issues that the German government refused to settle until the new Solidarity government made some concessions on the treatment of the German minority within Poland. However, after this issue over minority rights was settled, the Federal Republic was at the forefront of economic support for Eastern Europe among the Western nations. The Bundestag pledged "economic and financial support for Poland" unanimously in April 1989.<sup>54</sup>

Despite this promise of support for Poland particularly and also tacitly for Eastern Europe as a whole, the total share of German exports to the East only rose by 2.7% in 1991. This minor increase was much less significant than had been expected. Many factors had contributed to expectations of a higher trade volume with the East. One factor was that the former GDR was designed for trade with the East. Structurally, their goods were functional in other East European countries and not in the West. In 1989, almost 30% of East German GDP was made up of trade with Russia. After the breakdown of communism, this did not bode well for the former GDR because Russia and other East European markets had free access to Western markets that produced higher quality goods. An additional economic hardship the former GDR faced was the specificity of the goods that they had been producing. It would be incredibly expensive to transform their capital goods and labor forces to the production of other products. Also, the Eastern European countries were experiencing domestic economic hardships that prevented them from purchasing a greater amount of goods than previously.<sup>55</sup>

Because the economic future of the Eastern Länder was linked to Eastern Europe and because the trade relationship

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with the former Soviet Union had been eased, it was expected that the newly unified Germany would increase economic ties with the former Eastern bloc to support its eastern Länder and to influence political change in the region. Another factor which added to this expectation was the precedent that the FRG had set for intervention in regions with economic hardship. It was believed that Germany would change its traditional economic program to support industry in its Eastern Länder to sustain economic activity and stability in this region as well as ease the transition to reunification. Because the Eastern Länder traded overwhelmingly with Eastern Europe, such support for East German firms and industries would at the same time promote stability in Eastern Europe as a whole. Another expected change was that Germany would seize this opportunity to become interventionist in the Eastern Europe to promote its own interests. Even though the unified Germany's interests seemed to lie in endorsing the eastern Länder industries, such a stance on economic policy could provoke Germany's western neighbors because of the degree of involvement and influence this implied in Eastern Europe.<sup>56</sup>

In 1990-91, Germany made no changes in its pre-unification trade policy because it saw the situation in Eastern Europe as still being in transition. There was a continuance of the Ostpolitik policy encouraging liberalization in Eastern Europe and Russia. In 1990, Germany agreed to support Russia's "transfer ruble mechanism" and to defer payments on Russian loans owed to the former GDR. This year also began the support of eastern firms through Hermes, a program to provide financial support to exporting firms in order to guarantee a certain amount of exports from Germany. Between 1991 and 1992, despite the fact that actual exports to Eastern Europe and Russia decreased and productivity in the eastern Länder fell, the value of exports Hermes underwrote rose 160%. In spite of eastern demands for an increase in Hermes, the amount of support provided by Hermes was limited to DM 5 billion in 1992. The German government was beginning to realize that this method of support was not effective.<sup>57</sup>

In the fall of 1992, the German government conducted a review of their trade policy in response to the failure of Hermes to achieve their economic and foreign policy goals as well as the economic predicaments in Russia and in East Germany. The general opinion of Hermes that had evolved was that sub-

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sidizing firms was not accomplishing anything and the program was losing credibility. It was decided that Hermes would not be expanded, as all of the DM 5 billion had not yet been spent. Because this form of economic policy had had no measurable effect on Russian reform, the government also decided to abandon this goal and instead focus on encouraging eastern firms to try to market their goods in the west and to promote increased privatization. Both the Russians and eastern Germans were surprised by these moves, but their negative responses were hardly acknowledged by the government. The significant policy that came out of the fall 1992 policy review was that eastern trade would be primarily handled by the private sector in the future. From this point on, the share of Hermes funding to Eastern Europe and the CIS decreased. Another example of the government's retreat from interventionism was the announcement renouncing the idea of increased support for exporting firms in the former GDR. It has been argued that one reason Germany pulled back from supporting Eastern firms through Hermes was to maintain institutional continuity. This type of financial propping-up of firms was not in line with Germany's historical liberal trade policy. Even during the Cold War, Germany had maintained liberal trade policy towards the Eastern bloc. Despite the change in policy with the eastern countries, there has been a 170% increase in trade volume with them since 1990<sup>58</sup>

This display of a commitment to liberal economic policy is not enough to allay the fears many of Germany's EU partners have about Germany's relationships with its eastern neighbors. The movement of the capital to the East is seen by many as a shifting of German interests to the north and to the east. They fear that "the locus of Europe's trade, wealth and political clout" will be moved in this direction as a result of the movement of the capital. At the same time, Germany's eastern neighbors welcome the movement of the capital with the hope that there will be at least some shift eastward. Many German investors have already pushed eastward by investing in Poland, Russia, Hungary, and the Czech Republic. They see an opportunity for profit in this region where labor costs are lower. Berlin has served as a "gateway" to the East for many western investors. It is a connection point between the EU's market of more than 371 million people and Central and Eastern Europe's 180 million people. Central and Eastern Eu-

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rope is this city's second most important export market behind the EU. It is also playing a significant role in relations between East and West. For example, eighteen East European banks have set up offices in Berlin and in East-West trade it is one of the top stock exchanges.<sup>59</sup>

The fears of Germany's Western allies that Germany's economic interests will shift eastward does not seem tenable given the already existing ties between Germany and Eastern Europe. It is likely that economic relations with Eastern Europe will increase in the future. However, this seems to be a factor of the opening up of these economies rather than any changes within Germany. While the move of the capital could have some affect on trade or other economic relations with the East, it is impossible to point to the move of the capital as a source of this. Therefore, it is also far-fetched to suggest that German elites considered this when deciding whether to move the capital from Bonn to Berlin. In the first part of this evidence section, I concluded that elites favored continued and increased ties with Eastern Europe and saw the move of the government from Bonn to Berlin as an opportunity to increase these ties. They primarily referred to these increased ties as the incorporation of Eastern countries into Western institutions. I next determined that it is not conclusive and evidence exists to the contrary that elites believed increased political ties with Eastern Europe would result from moving the capital. This evidence combined with the economic data leads to the rejection of the hypothesis that elites decided to move the German capital from Bonn to Berlin because it would increase ties with Eastern Europe.

### ***Conclusion***

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I began this paper with the research question "Why was the German capital moved from Bonn to Berlin?" I have examined four different hypotheses that sought to explain why German political elites decided to move the capital from Bonn to Berlin. While it was written into the constitution that Berlin was the official capital of Germany, in reality Berlin was not the home to the German government until Fall 1999. The decision to move the capital was made by the Bundestag in 1991 and the vote was incredibly close and not organized along party lines as almost all decisions in the German government are. I



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proposed four hypotheses to explain the motivation of the majority of the Bundestag who voted in favor of moving the capital: German public opinion supported the move of the capital, Berlin is the historical and rightful capital of Germany, moving the capital to Berlin would appease East Germans who feel alienated from the government and thus create a more unified political atmosphere in Germany, and moving the capital would result in greater ties with Eastern Europe.

I rejected the first hypothesis that political elites were motivated by the German public opinion to move the capital. I based this decision on public opinion data from the Politbarometer and from the Allensbach Institute. Neither of these sources showed sufficient evidence of what the aggregate public opinion was on this topic. Thus, the elites themselves could not have known what it was and could not have based their decision on this factor. Because there was no clear public opinion on this matter, there are no serious implications for the theory that elites represent the views of the people in the German government. The closeness of the vote on this issue actually supports this theory.

My second hypothesis that the capital was moved because Berlin is the historical and rightful capital of Germany was not rejected. It was shown through historical evidence and Berlin's role in the unification process as well as political elite comments that these characteristics of Berlin did affect the decision to move the capital. This result implies that historical precedent does have a significant impact on politics.

I also accepted my third hypothesis that the German political elite supported the move of the capital because it would be a unifying force in the country. Thus, it would counteract the division between east and west. The evidence that supports this hypothesis is elite comments, characteristics of Berlin itself, and public opinion. This hypothesis is the one most strongly supported by its evidence. The split between East and West is the most salient domestic political issue in Germany. The Eastern Germans feel that by having the capital in Berlin, they are significantly contributing to the country and also have a better chance of having issues that concern them addressed. Thus, the elites who supported the move of the capital were also endorsing a step towards eliminating the political, social, and economic cleavages that separate the old and new Länder.

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My final hypothesis tested whether decision to move the capital was affected by the idea that greater ties could be developed with Eastern Europe if the capital were placed in Berlin. Because I found no significant evidence that political or economic relations with Eastern Europe would be increased because the capital was moved, this hypothesis was rejected. Political elites did make statements that supported this hypothesis. However, these statements seemed directed towards support for NATO expansion and also to appease East Germans who were only tied to the East before reunification.

One of my problems with this research originates with the fact that the move of the capital was such a recent occurrence. The decision was made only nine years ago and the move actually happened just this year. Thus, there is not much scholarly work published on this topic. Another problem was the lack of readily available public opinion data or elite comments. When elite comments were available, it is impossible to discern whether they are the person's true opinion of the issue or if he or she was merely trying to gain votes by taking a certain side of the issue. Thus, there is an inherent problem in looking at their opinions to determine motivations to move the capital. This is related to one area in which this research could be expanded.

Political elites are often expressing opinions that will aid them in an upcoming election. Helmut Kohl had such an upcoming election. Thus, it should be examined whether Kohl's decision to move the capital was based primarily on his desire to be reelected Chancellor rather than being based on other concerns. To test this, one could compare statements that he made in public with perceptions of his policies given in biographies or statements made by those in his government or otherwise close to him. By doing this, one could decide whether Chancellor Kohl's motivation to move the capital was to ensure his future political success rather than the before mentioned hypotheses.

There also exist other research questions that relate to this topic that should be explored. Some scholars have referred to the move to Berlin as a decentralization of the power of the German government rather than a shift of the government. They cite the fact that six ministries remain in Bonn while other institutions are moving from other German cities to Bonn. After the move, Bonn actually only has six thousand fewer workers

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than before and keeps five thousand more government workers than Berlin. Also, Frankfurt remains Germany's banking and finance center while Munich retains a great deal of business and manufacturing.<sup>60</sup> One could ask whether power actually shifted to Berlin or if Germany is trying to distribute its domestic power throughout the country. Another related question would be whether Bonn is actually losing anything with the loss of the government. Is it possible the city is actually gaining from this loss? In the future, it would also be interesting to determine whether issues that the government considers actually change after the move of the government. Do they address issues related to the east? Will the Easterners be appeased by this move and will they actually gain from it?

### Notes

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<sup>1</sup> <http://www.bundestag.de/btengver/Berlin/compl.htm>

<sup>2</sup> Ibid.

<sup>3</sup> Alexandra Richi, "The New Capital," in *Faust's Metropolis: A History of Berlin* (New York: Carroll and Graf, 1998).

<sup>4</sup> "Germany: My Capital or Yours?" *The Economist*, 16 March 1991, p. 43.

<sup>5</sup> "Germany: To Berlin or not to Berlin," *The Economist*, 28 September 1996.

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<sup>6</sup> Jeffrey J. Anderson and Celeste A. Wallander, "Interests and the Wall of Ideas," *Comparative Political Studies* v30:6 (December 1997), pp. 675-698.

<sup>7</sup> "German Election Study, 1990 (Politbarometer East)." Ann Arbor: ICPSR, 1994, from Forschungswahlen (Mannheim), EMNID (Bielefeld), and USUMA (East Berlin).

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*Allensbacher Jahrbuch der Demoskopie*

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