

THE POLITICAL CHRONICLE

The Journal of the Florida Political Science Association



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Gorbachev's New Thinking: The Importance of Policy Process
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Public Funding of Political Campaigns: A Dissent
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Introduction

The third year of the journal begins with several articles resulting from the annual meeting (April, 1990) of the Florida Political Science Association at Rollins College in Winter Park, Florida. Professor James Robinson develops an understudied concept of "devolution" in political systems using the Kuomintang Party of Taiwan as a case study. By demonstrating the Leninist nature of the party structure and dynamics at founding, itself a valuable concept, the author then proceeds to document and project the political change process.

Professor Joan Davidson systematically relates and explores the emergence of Gorbachev's "New Thinking" in Soviet Union foreign policy. The elaboration provides detailed insight into vital changes in institutions and personnel, identifying and recognizing simultaneously the controversial aspects of these fascinating events that currently spellbind us.

Professor Mark Amen provides a vivid picture of the global political economy since the end of World War II and the centrality of the American role in it. The Euromarket serves as the second case study and also helps to question the state-centric versus the regime approach in producing global liquidity and finance in international relationships.

Professor C.E. Teasley examines "black representation in southern counties" in a way that has become commonplace for northern electoral units. The focus on "election structure" is extremely valuable in confronting the issue of at-large versus single member district representation and its impact on an important minority.

Finally, Stephanie Moussali offers a unique dissent in the controversial area of "public funding of political campaigns" that questions conventional political science wisdom on public versus PAC funding. It should serve to stimulate debate.

Bernard Schechterman
Editor

The KMT as a Leninist Regime: Prolegomenon to Devolutionary Leadership Through Institutions

James A. Robinson

Abstract

The KMT, a non-communist Leninist Party, is transforming many features characteristic of Leninist regimes. Its planned, deliberate, gradual devolution of power (and other values), within both the party and government, distinguishes it from other Leninist institutions. Devolution has been accomplished with less violence than in other Leninist entities or in revolutions elsewhere. The prospect is that the KMT will maintain its organization and role, however modified, with more stability and for a longer duration than other Leninist parties. It also seems likely to become a non-Leninist party with some vestiges of its origins and history. It is unlikely soon to confront the ultimate condition of democratic devolution, that in which a party loses its majority in elections and transfers government to an opposition party.

Perspectives on Devolution

Collective deprivations of values may be overcome through a variety of institutions and practices, the invention and diffusion of which follow a variety of precipitating conditions. Among the best recognized of these is revolution, the violent and extensive alteration in pyramids of value distributions. Elites with access to power, wealth, enlightenment, skill, well-being, affection, respect, and rectitude¹ yield to others not so favorably situated. Mid-elites and non-elites exchange places with those formerly favored in the enjoyment of one value or another. In revolution, mid-elites or non-elites violently challenge elites for one or more favored value positions. The outcomes and effects of revolution, so far as redistribution of values is concerned, may be broad or narrow in domain, thorough or restricted in scope. Revolution is change induced from "within" or "below." It may be well-planned or improvised, and its effects long or short,

depending on the presence or success of counter-revolution.

In contrast to revolution, devolution is change that is largely non-violent, intentionally introduced from "above," and more or less planned. Its domain may be broad or narrow, its scope comprehensive or restricted. To achieve extensive effects, its duration is likely to be lengthy, unless aborted by counter-devolution. Devolution, the planned, deliberate, "top-down" transfer of a value or values from one set of holders to another, is not so commonly an object of inquiry as is revolution, in which value-deprived participants violently demand partial or complete surrender or sharing of one or more values. Nothing comparable to Crane Brinton's *Anatomy of Revolution*² exists for devolution, the gradual, more or less systematic, intentional, typically non-violent passing of values from one set of participants to another.

If there is no handbook of devolution, if the term is not explicitly or familiarly recognized, still the process is apparent in virtually every value sector. Among economists, it is common to acknowledge processes of devolution of wealth and its investment from owners to managers to consumers, from market leaders to followers.³ Among observers of enlightenment, patterns of devolution are well-known in universities, learned societies, research centers, and scientific laboratories.⁴ Among chroniclers of skill, it is customary to note the passage of responsibility from generalists to specialists in violence, organization, research, computation, communication, and propaganda.⁵ Analysts of well-being follow changes in decision-making from, to and between physicians and patients.⁶ Scholars of family structure and friendship pairs and groups track alterations in divorce, child-bearing and -rearing, and adult-adolescent relations.⁷ Those whose research occupation is religion have long

traced the consequences of the diffusion of religious practices, such as the Reformation, and more recently the devolution (and counter-devolution) of decisions precipitated by the Vatican Councils.⁸ Students of inter-group relations have highlighted transformations in demands of ethnicities and races throughout the globe.⁹ And among political scientists one finds renewed attention to processes for devolving power from dictatorships to semi-democracies, from military regimes to bureaucracies, from a handful of "plural executives" to competing elites.¹⁰

Nevertheless, many astute participants and observers of political processes are found to say that devolution is not possible. A Hobbesian view of human nature seems to assume that the never ceasing-until death pursuit of power allows for no voluntary sharing. A catalog of such assumptions could be filled from many sources, of which the following are selective:

...persons who enter reluctantly into office become habituated, grow fond of it, and are loath to resign it...They uniformly exercise all the powers granted to them, and ninety-nine in a hundred are for grasping at more."

— "John DeWitt," November 5, 1787, in Ralph Ketcham, ed., *The Anti-Federalist Papers and the Constitutional Debates*. New York: Mentor, 1986, p. 313.

A willing relinquishment of power is one of those things which human nature never was, nor ever will be capable of.

— Patrick Henry, June 5, 1788, before the Virginia Ratifying Convention, in Ralph Ketcham, ed., *The Anti-Federalist Papers and the Constitutional Convention Debates*. New York: Mentor, 1986, pp. 206-07.

How does a conqueror undo his conquest? It is very easy to conquer; all you need is a gun. It is very hard to undo conquest...and made immeasurably more difficult when the conqueror is afraid.

— Alan Paton, quoted in *International Herald-Tribune*, Nov. 29-30, 1986, p. 18.

No privileged group in history has ever given anything up without some kind of blood sacrifice.

— A 1960s civil rights worker, quoted by Henry Mayer, *New York Times Book Review*, September 1988, p. 40.

...any regime with a monopoly on state power has every incentive as well as immense capacity to prevent the growth of dissent and opposition...authoritarian regimes seldom relinquish their monopoly on power voluntarily and usually make concessions for the sake of political expediency rather than democratic values.

— Tun-jen Cheng, "Democratizing the Quasi-Leninist Regime in Taiwan," *World Politics*, 41 (1988-89), p. 47.

They're not really volunteering to give up power but to find some way to keep it in a changing world.

— Of Hungarian communists, Dennison Rusinon, quoted in *USA Today*, October 9, 1989, p. 1.

There are virtually no cases in history of peaceful democratization in countries long-dominated by an established revolutionary party.

— Jiang Ping-lun, "Competition Mixed with Consensus," *Free China Review*, October 1989, pp. 38-39.

If the Party insists on retaining its legal monopoly of power in their republic it will lose everything. Only by agreeing to play on a level field with other parties can the communists hope to survive.

— S. Frederick Starr, "Gorbachev's Slipping Grip," *Wall Street Journal*, December 19, 1989, e. p.

Most of our officeholders are not likely to alter arrangements that help sustain them in power.

— James McGregor Burns, "U.S., Model for Eastern Europe?" *New York Times*, February 8, 1990, p. A21.

No country was ever given democracy; in every case it has had to take it.

— Lithuanian spokesman, ABC Television News, February 1990.

Notwithstanding these assertions, instances of devolution occur. Contemporary evidence includes Franco's restoration of the Spanish monarchy and its introduction of a parliamentary process.¹¹ Mexico changed from an oligarchy to a broadly based one-party regime,¹² and Brazil passed from a military junta to an elected president.¹³ Japan is a notable case of planned introduction of democratic and bureaucratic replacements of monarchy and dictatorship and foreign occupation.¹⁴ When devolution is undertaken, outcomes may be mixed, as in the Philippines.¹⁵

Counter-instances are, of course, at hand. Liberia is a case of arrested devolution.¹⁶ Romania seems revolutionary, perhaps even counter-revolutionary, not devolutionary. The dissolution of empires includes revolution in America; devolution in Canada; violence in India; a peaceful transition in Australia; and violence in Algeria and Vietnam are well-known among former French colonies.¹⁷

How do those who hold power share it, devolve it, dispose of it, or transfer some of it? And how can they devolve at a rate that satisfies both those who aspire to power and those who hold power but are gradually and perhaps reluctantly yielding it? An equilibrated, balanced transfer of power, or any other value in high demand, from one elite to another is complicated. Those who possess what others want to share must yield it, but not so fast that they lose standing among their supporters, and those who demand a value such as power must acquire it rapidly enough that significant elements of their number do not desert in disillusion. A familiar pattern is one in which elites (sometimes foreign) undertake to dispose of their authority over others (sometimes indigenous populations) and fail altogether or "succeed" only after prolonged violence.

One idea of "top-down" democracy was formulated early in the 20th century by Dr. Sun Yat-sen, who proposed "tutelary democracy" for China.¹⁸ The masses were to receive the tutelage of Mandarin-educated elites from which they gradually would elevate their education, politics, and economics until they could support a nation of socially secure people employing democratic practices. Such a political theory has not commanded much attention in the West, where Aristotle, Locke, *The Federalist Papers*, and Marx are more widely read. Tutelary democracy is now on trial, and Taiwan is the arena.

Why and under what conditions do power-holders yield to the powerless short of revolution? Political thought embraces propositions but no coherent theory. One broad generalization is the maximization hypothesis, that the powerful yield when they expect they will be better off by giving than keeping power; they alter their preferences.¹⁹ Another is

that those who hold power forego some in order to maintain some; they resort to expedience.²⁰ A variant has elites restricting demands by partially incorporating them; they "co-opt" with incentives.²¹

Other propositions, some as old as Aristotle, identify wealth as a precondition to peaceful democratic transitions (those who can afford democracy devolve it).²² In our epoch, emulation is a favorite explanation: one culture or society imitates another, learning about alternatives from mass communication media; political democracy may imitate the democratization of non-political values and institutions.²³ And, of course, studies of leadership focus on indispensable heroes who boldly take risky initiatives for reasons of interest or ideology or both.²⁴

The KMT as a Leninist Party

The Kuomintang has been a non-communist Leninist party. So salient are fourteen post-war communist regimes that "a non-communist Leninist party" may seem a contradiction or be qualified as "quasi-Leninist."²⁵ The KMT has exhibited characteristics similar to other parties and regimes regarded as Leninist. The experience of a once young Taiwanese scholar who enrolled at a university in America for a Ph.D. in political science is relevant. When he took the appropriate course in Soviet government and politics, a political scientist outlined on the blackboard the Communist party and state. Years later, the student who since has pursued academic, commercial, and political careers, recalls that he thought his professor had mislabeled the diagrams. They looked to be exactly as he understood the KMT.

Leninist roots of the KMT date to its early history.²⁶ Sun Yat-sen and Nikolai Lenin were contemporaries. They were both cosmopolitans with a wide acquaintance, based on travel, correspondence, and reading, with events and practices abroad. Lenin was an "expansionist" early in his career and, when he encountered Sun's efforts in China, sent emissaries to propagate socialism and party organization. Sun's ideology was, at one time, socialist, but nationalist rather than internationalist. His primary objective was to unite China. Lenin's was to

unite soviet socialist republics — more than Russia — and with some of his heirs to export revolution.

Many early influences of Lenin on Sun were institutionalized in the Nationalist Party and survived collaboration with the Chinese Communist Party in the twenties, war with Japan in the thirties, revolution on the mainland in the forties, and emigration to Taiwan in the fifties. Among the enduring features of Leninist organization that marked the KMT into the eighties were the following:²⁷

1. a single party
2. a revolutionary party
3. a mass party
4. a hierarchial party
5. a permeating party
6. a militant party
7. a party-state

The KMT claimed a monopoly for itself among parties. There were two minor parties closely affiliated with the KMT at the time of the migration to Taiwan. A constitutional amendment (the "Temporary Provisions...") effectively outlawed the creation of other parties, and the minor parties withered with age. In 1986, when I tried unsuccessfully to interview leaders of the China Youth Party, their ages were variously given as 92 or 94. While the KMT recruited new members, trained cadres, and prepared successions of leaders, these two minor parties dissolved in all but name. By 1989, they offered few candidates and elected none. The rise of the Tangwai (opponents "outside" KMT) and its consolidation between 1986 and 1989 rendered the minor parties rhetorically unnecessary; until then, apologists for KMT's one-party rule could point to the CYP and the Socialists as rivals. Formation of the Democratic Progressive Party made that debating point obsolete.

KMT offered itself as a revolutionary party. To this day, that symbol occasionally appears in party documents and leaders' speeches. It originally designated the organization's commitment to Dr. Sun's Three Principles of The People — nationalism (i.e., unity of China), democracy (vaguely defined), and welfare (in turns meaning socialism, livelihood, well-being). The party was identified as the vanguard of the movement to achieve the three principles.

"Revolutionary" and "vanguard" are symbols found in Leninist parties everywhere.

As with all Leninist parties, KMT founded itself among the masses and in a disciplined way, not in the diffuse manner known to many western political parties. Membership was more than "party identification" (*a la* the concept made famous by the Survey Research Center of the University of Michigan and adopted by Gallup and other pollsters.) Members were "admitted," instructed, communicated with, and often employed by the party. The KMT, soon after moving across the Strait of Formosa, sought out indigenous Taiwanese and entered them on party rolls. Party members equal 10-15 percent of the population of Taiwan now, probably a rather higher percentage than communist parties typically maintain. And 70 percent of the membership is Taiwanese.²⁸

The party is hierarchical, as Leninist parties ordinarily are. Several layers of organization rise from small cells through districts culminating in the plenum and national central committee and an influential standing committee. The pyramidal organization is not a secret; it is outlined in the *Republic of China Yearbook* published annually by the Government Information Office. Decisions by the party are said to be taken after broad consultation, often including vigorous debate, and are binding on members and leaders. The term "democratic centralism," of course, designates this process in communist parties.

KMT, like communist counter-parts, permeates society. Members are encouraged, even assigned, to non-party and non-governmental institutions and organizations. They penetrate businesses, schools and universities, the media, trade associations, hospitals, even families. The party sponsors recreational facilities, maintains reading rooms, and provides ombudsman-like representation throughout the island. It owns and establishes "enterprises" to earn income to support party activities, and its ownership extends to newspapers and television, an important resource for propaganda.²⁹

KMT is a militant party. Not only do its members penetrate the military and police, but they actively participate in

veterans' organizations. Chiang Kai-shek's early career revolved around directing an important and pervasively influential military academy. Chiang Ching-kuo, who learned intricacies of security apparatus during his decade in Russia (including forced exile to Siberia), used governmental (and presumably party) intelligence and investigative agencies to establish his personal influence.

KMT is a party-in-state. The party-state is a familiar phenomenon in communist countries. Party cadres occupy positions throughout every governmental unit of any size or significance. A party structure exists parallel to the governmental structure. While some independents occupy important government posts, an early and continuing concession to tolerating opposition, they are watched by party functionaries. Ministries have two vice ministers, political and administrative. The political vice minister is designated, not merely vetted, by the party. He meets regularly with KMT officials and is an accepted channel for conveying and receiving party directives. As with other Leninist regimes, the party makes decisions and transmits them as instructions to be implemented by government. Alternatively, tentative proposals by governmental entities may be submitted to party committees for approval prior to official adoption and promulgation. To this day, the daily press openly report this role of the party in government. It is the party-state symbiosis that has justified using such phrases as KMT regime or Leninist regime, as in the title of this and other papers. If any feature is quintessential for Leninism, this one qualifies.

Devolutionary Trends in and by the KMT

Taiwan has undergone gradual devolution without revolution. After World War II, the island, which had been occupied by the Japanese for 50 years (1895-1945), was vacated. ("Who owns Taiwan?" is a complex legal question. Japan holds one view of the succession, the United States and Great Britain another, and China a third.³⁰) In the late 1940s and early 1950s, Chiang Kai-shek and the Republic of China government were pushed off the Asian mainland and emigrated to Taiwan

with one to two million people. From there they sought to reclaim and govern continental China.

The foreign elite's transfer of values to the native population began within a decade. Economic devolution took the form of land redistribution, in a "land to the tiller" movement, then and now regarded as the cornerstone of development and modernization. Land reform was an objective that the Communists and others demanded on the mainland and that the Nationalists had been unable or unwilling to achieve. Whatever their continental experience, the Nationalists set about to redistribute property in Taiwan. They used U. S. foreign aid and bond issues to buy land from owners of vast acreages. They then resold the land to farmers with long-term loans at low rates of interest. Sharecroppers became landowners with an interest in increasing productivity. Simultaneously, an indigenous elite, with much land that had produced little income, became capitalists. By the mid-1950s, native Taiwanese largely owned the island; emigre Chinese largely governed it.³¹

Since land redistribution, economic devolution and development have taken other forms: assistance to small businesses, creation of export processing zones, establishment of government enterprises, public appropriations for infrastructure, control of currency, and, more recently, privatization. Devolutionary patterns have sometimes been supplemented by centralizing tendencies, though presently several moves toward decentralization, including free market practices, are being initiated or contemplated. Economic devolution consistently has been government-driven, and the government has been driven largely by party leadership, as is characteristic of a Leninist party.

In Taiwan, governmental and party reforms have been initiated less in response to dissent than in anticipation of avoiding it. Reforms began when the island was poor and underdeveloped and have continued as the economy has matured to rival other Asian economic miracles, as in Japan, South Korea, and Singapore. Consequently, the introduction of democratizing practices in Taiwan has been preceded and followed by rela-

tively fewer demonstrations and violent events than in other developing countries. Indeed, some observers contend that Taiwan is a unique case of non-violent transfer of power from an elite to the masses; others, however, hold that early applications of violence and martial law by the government and party against dissenters condition the non-violence of the masses.

What distinguishes Taiwan from other contemporary democratizing polities is that rulers have willingly and intentionally yielded power to the ruled. This perspective has taken on some of the trappings of ideology and myth. The transference of political power from those who governed the island after World War II to the population-at-large was premised in Sun Yat-sen's philosophy of tutelary democracy. If the pace of reform has not been fast enough for everyone, it has been widely enough accepted to be accomplished with much less organized violence than elsewhere. Symbols, speeches, studies, seminars, and ceremonies exhibit the modified ideology, and observers and participants alike ineluctably join in forming and shaping the accompanying myth.

In the 1950s, Mainland Chinese emigres began slowly, step by step, to devolve the polity also onto native Taiwanese. The first, however incomplete, political devolutionary acts initiated elections to local offices and thereafter to county and provincial offices and encouraged Taiwanese to fill them.³² ("Taiwanese" refers to people whose families have lived on the island for generations. It is not necessary to resolve linguistic or ethnic questions about who is Taiwanese and who Chinese, but it remains customary to distinguish those families who came "sooner," between the 17th and the 19th centuries, from those who came "later," in the mid-20th century.) By 1969, leaders of KMT initiated a small number of "supplementary elections" for the National Assembly (which selects the President, the Vice President, and amends the Constitution) and for the Legislative Yuan. Those chosen for the National Assembly and the Legislative Yuan on the mainland in 1947 were, by a constitutional amendment, continued in office. For a while vacancies were filled by "runners-up" or former residents of the

provinces from which original members were selected. If the Republic of China were to preserve the myth that it governs or is entitled to govern all of China, it was useful to maintain incumbents in the offices to which they had been elected on the mainland. Nevertheless, by 1969, 20 years after emigration, the regime felt secure enough to add a small number of contested seats to the Assembly and the Legislative Yuan.³³ Subsequently, a few more were added to Taiwan's base in both bodies.

Assemblymen and legislators originally numbered about three thousand. Disability and death gradually reduced the number of active members. Less than a thousand life members held places at the end of the 1980s. Each succeeding election dramatized the combination of overrepresentation of mainland areas and underrepresentation of Taiwan and challenged the legitimacy of both bodies. Statistics on the death rate of aging representatives were reported in the press. Although only a relatively small number of supplementary seats were added at each election, they signified the regime's willingness to give some ground, as did a reform to pension off those who voluntarily retire. Demands for faster reform emerged after the 1989 elections, both within and outside the KMT, and was accentuated by proposals of "frozen" assemblymen to expand their duties and raise their salaries. Students took to the streets, and President Lee met with 50 of their number before they voted to terminate, or recess, a 6-day vigil.

Taiwanese long have been encouraged to run for both the National Assembly and Legislative Yuan and also for positions in the party. The Kuomintang early sought out indigenous Taiwanese and brought them into membership and leadership. Thus did the hierarchical party acquire a large (for a Leninist party) mass membership, more than two-thirds of which became Taiwanese.

In the 1970s and 1980s, other important transfers of power occurred. Owing to age, the military had become predominantly Taiwanese. The mainlanders were too old to suit up, their sons too few to man the army. Conscription was enacted, and young men of native families largely composed the military. The

general who commands the Taiwan Garrison long has been a Taiwanese. A critical point in the devolutionary process occurred at Chiang Kai-shek's death in 1975. The Constitution of the Republic of China provides for a Vice President. Rules were scrupulously observed when Chiang died. Vice President C. K. Yen took the oath of office, completed the term, then stepped aside at the 1978 election when Chiang's son, Premier Chiang Ching-kuo, was elected president. Chiang recommended that the KMT choose a native Taiwanese, Governor Shieh Tung-min of Taiwan Province, to be vice president. Shieh did not seek a second term when Chiang ran for re-election in 1984, and another Taiwanese, Governor Lee Teng-hui, was chosen as vice president. Gradually administrative positions also passed from mainlanders to Taiwanese, now including ministers of interior, justice, and communications, agencies most immediately sensitive in people's lives. (The last ones that the mainlanders are likely to yield will be defense and command of the military chiefs of staff.)

In addition, supplementary elections begun in 1969 were continued at regularly stated intervals in the 1970s, as the Constitution required — every 3 years for the Legislative Yuan and every 6 years for the National Assembly. (A hitch arose in 1978 when the United States transferred diplomatic recognition from Taiwan to the government at Beijing; the Taipei government declared an emergency, postponed elections for two years, then resumed them in 1983, 1986, and 1989 on schedule.)

Meanwhile, in 1985, Chiang Ching-kuo openly dealt with a sensitive question: who would be president after CCK himself? Chiang took note of rumors that a member of his family or of the military might succeed him. Neither of these, he predicted, would happen (and neither has happened), stressing that the Constitution is clear on the method of presidential election.³⁴ Shortly thereafter, in the spring of 1986, Chiang went to the Kuomintang Central Standing Committee with two proposals for fundamental political reform. The first was to lift martial law, which had been in effect since 1949, and the second was to draft legislation

stipulating the conditions under which political parties could be formed.

In the elections of 1986, an opposition party contested supplementary seats in both electoral bodies. Although not yet formally recognized, an embryo Democratic Progressive Party (DPP) won a number of races and polled approximately 20 percent of the popular vote.³⁵ In 1989 elections, DPP ran as a legally registered party, significantly improved its showing for the Legislative Yuan to approximately 30 percent, and won 6 of the 21 county executive offices that importantly link local and national politics and administration. The 1989 elections constituted the centerpiece of reform. About half the Legislative Yuan was up for election. The Provincial Assembly was also elected, as were county magistrates and city councils in Taipei and Kaohsiung, metropolitan areas each with a population of more than one million. In these elections, for the first time, the Kuomintang faced a genuine opposition party. This was proudly touted as the first competitive election in 5,000 years of Chinese history,³⁶ although previous elections were not, however, altogether meaningless. The size of voter turnout, hence Kuomintang majority, was a sign of the party's standing. And the number of independents who bested party regulars was another. Indeed, in provincial assembly elections in 1977, the party was embarrassed by its relatively poor, if victorious, showing, and personnel and policy changes quickly followed.³⁷

The Democratic Progressive Party had become a formally recognized opposition between 1986 and 1989. Its leadership included two former political prisoners. Its candidates were a mixture of erstwhile Kuomintang cadres, Taiwanese natives, advocates of faster and more thorough reforms, and some who renounced Taiwan's claim to eventual reunification with the mainland. Reunification has been the basis for much of the Nationalists' power and policy. It has been their claim to legitimacy. They contend they are the rightful government of China, the mainland Communist Party temporary usurpers. DPP leaders tried to straddle the issue of reunification while a vocal faction insisted on both repudiating it and advocating Taiwan independence.

Under a national security law that replaced the former martial law, advocacy of independence is illegal. The government considered whether to prosecute 33 independence advocates, 32 of whom were DPP candidates, of whom 20 were elected, for sedition, but it allowed the cases to lapse, and instead indicted an isolated dissident.

The election results, predictably, gave the wealthier, more experienced Kuomintang a substantial majority. With more than 75 percent (larger than predicted) of eligible voters participating, the ruling party won a smaller share of the total vote than ever before, just under 60 percent. DPP won 21 of 101 legislative seats, enough to cosponsor legislation under rules of the Legislative Yuan. It won 6 of 21 magistrates posts, which put a scare into Nationalists who prided themselves on local popularity and influence. Most participants and observers interpreted the outcome as a victory for the opposition. Even Kuomintang leaders acknowledged their "worst setback" in 40 years.

Projections for Devolution in and by KMT

Many of the trends summarized above were anticipated by close observers of the KMT and of Taiwan politics.³⁸ What, if anything, can one foresee by way of KMT's internal distribution of power and of its role in the sharing of power with and among other participants in the politics of the island?

Projections can take either or both of two forms. One consists of short- to mid-term predictions of specific events, the other mid- to long-term forecasts of generalized and defining features of the shape of the power and other value pyramids among the people of Taiwan. The first is a useful exercise in self-discipline for the political scientist or journalist, whether in the field or observing from a distance. It serves to appraise the accuracy and intimacy of the observer's daily reports and interpretations. If one cannot anticipate much of tomorrow's news, one is unlikely to be aware of what is significant today. If, on the other hand, one is immersed in today's events as defined by participants, he may be overwhelmed by conventional perspectives to

the point of missing the functional significance of deviant events and implicit but emerging patterns. I confine projections to a brief list of party devolutionary initiatives now widely, and for some time, expected.

1. Within the party

- a. Increasing openness of debate and disagreement. What previously has been limited to the "grapevine" will become increasingly public. Party factions are not new to the KMT, despite "democratic centralism," but in the past the identity of factions and their members have been subjects of gossip, conversation, and informal discussion. Increasingly, these contending groups will be identified in the press and their conflicting opinions will be public, rather than semi-private, information. Moreover, the press is likely to be used as a means of communication between and among party factions.
- b. Introducing new voting procedures, such as replacing standing votes with secret ballots in making party decisions. Here is a paradox: open voting camouflages differences in order to display unity; secret voting protects the identity of dissenters but publicizes splits among factions.
- c. Institutionalizing primaries to nominate candidates for some offices. This will further identify cleavages, e.g., between mainlanders and natives within KMT (and if institutionalized by the DPP, clarify identifications with or against "independence" symbols).

2. Within the regime

- a. Hastening the retirement of life members of the Legislative Yuan and the National Assembly. This will open more seats to competition between KMT and DPP in the 1992 elections. The first effects are likely to favor KMT, whose greater resources will allow it to field and promote candidacies in more districts than DPP. Other effects include opening awkward constitutional and mythic ques-

tions related to claims about the mainland.

- b. Reducing or at least changing KMT's role in government. The loss of seats to opposition will eliminate KMT directives to some officials, surely a diminution of the Leninist principle of party-state relations. On the other hand, the more divided legislative bodies at every level — national, provincial, local — may give KMT a more defined "outgroup" to oppose, thus promoting party cohesion in the short-run. This tendency runs counter to growing independence among party candidates nominated by primaries.
- c. Introducing additional symbolic and substantive evidence of "democratization." Direct elections of president, vice president, governor, and mayors of Taipei and Kaohsiung seem likely.

Such short-term expectations for devolution interact with and affect longer-term devolutionary developments both within the party and within the regime. Internally, the prospect is that KMT will accelerate the dismantling of its Leninist party features. Democratic centralism will decline in significance as an operating principle. The party-state doctrine also will suffer attrition. Party-owned enterprises may be privatized or at least be made accountable more publicly. The meaning of "membership" in the party is likely to change from emphasis on "card carrying" cadre leadership to something more like diffused identification with the party based on symbolic agreement of voters with its policies and positions on issues. Candidates are likely to stake out personal claims by emphasizing individual differences from each other and from the party.

As for the regime, a likely development is an increase in inter-party competition, with DPP assuming the role of loyal opposition but with no immediate prospect for winning effective control of the government. A stabilized version of a one-and-a-half party system is one prospect. Mexico's DPR and Japan's Liberals offer alternatives for the dominant party with competition at elec-

tions and in national parliamentary parties. A transformation along these lines would allow heretofore *verboden* issues — notably relations with the mainland — to be debated without threatening equilibrium with CPPRC. At the same time, interaction with the mainland could increase — investment, trade, travel, educational exchanges, communication, athletic competition — without resolving issues of recovery, reunification, secession, or independence. "Mainland affairs" is a profound underlying but external factor in Taiwanese politics. A stable island polity is a prerequisite to maintaining Taiwan's "control" over this issue, and the devolutionary party-regime developments are prerequisite to effectuating such stability and control.

Our analysis suggests, in conclusion, that devolutionary trends are "irreversible," a criterion often applied in appraising strategies of modernization. It also forecasts stability or equilibrium, a criterion in appraising a theory of "tutelary democracy" or change "from above" in practice. On the outcome of Taiwan's experience hinges more than the success or failure of Sun Yat-sen's vision. From the observer's standpoint, Taiwan may or may not yield an effective example of a leadership's devolution as an alternative to an anti-leadership's revolution of values. From the point of view of participants, Taiwan may or may not be a case of leaders' anticipating and responding to "pentup" demands for sharing power. In any event, people of this small island — through leaders, and leaders through institutions of party and government — will determine whether "the Taiwan experience" is a social meteor of passing duration or an historic prelude to an enduring period for a culture whose members measure time by dynasties and space in kingdoms.³⁹

Endnotes

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Gorbachev's New Thinking: The Importance of Policy Process

Joan Davison

Introduction

The Bush Administration continues to vacillate in its support of Gorbachev. On December 13, 1990, Bush announced a February 1991 Summit in Moscow to sign a START Treaty. He also attempted to improve economic relations by waiving the Jackson-Vanik Amendment, offering agricultural credits, and backing Special Association status for the U.S.S.R. with the IMF and World Bank. Bush based these decisions on the premise that Soviet reforms were irreversible. A week later, the Administration delayed the start of negotiations on short range weapons in Europe until the end of '91, and expressed concern about Moscow's intention to comply with the CFE agreement.¹ Generally, these concerns were attributed to Gorbachev's inability to reform the Soviet Union given domestic political turmoil and the conservative (particularly military) reaction. In the following days, these concerns peaked due to Shevardnadze's resignation and military intervention in Lithuania. Bush suggested rescheduling the Summit, and despite Gorbachev's assurances to the contrary, American officials now fear a deterioration of U.S.-Soviet relations. Yet, Administration officials acknowledge that "...we have not seen any real change in Soviet foreign policy," and that it is Soviet domestic events which may "cause problems in the U.S.-Soviet relationship."²

This indecisiveness in the face of no real change in Gorbachev's foreign policy is characteristic of the Bush Administration's muddling on Soviet relations. In the first year and a half of his Presidency, Bush hesitated to embrace Gorbachev despite the pressure of America's allies and substantial Soviet foreign policy initiatives. Some American advisors challenged Gorbachev's commitment to human rights and national independence. They

viewed reforms as superficial. Others expressed concern about basing policy upon a leader who was not fully in control. They worried that Gorbachev's policies and reforms might be jeopardized or reversed by a coup. They were disturbed by internal events which both illustrated Gorbachev's lack of authority and challenged him to use force.³ They questioned Gorbachev's ability to achieve success in his self designated 2-year time limit. In turn, America's allies assumed the lead and responded to Gorbachev with economic assistance.⁴

Finally, in mid-1990, the Bush Administration slowly began shifting support toward Gorbachev. At the Washington Summit in June, Bush ignored the issues of Yeltsin's challenge and Baltic independence, and agreed to GATT observer status. In July, the U.S. conceded to fundamental changes in NATO strategy which were geared to bolstering Gorbachev against his hard-line critics.⁵ Then in December, seemingly convinced by Soviet policy toward Iraq of the credibility of the New Thinking, Bush dropped his prerequisites for economic assistance. Now, Bush is expressing hesitation and envisions a possible deterioration. Again, this primarily is based upon internal events, not Soviet foreign policy. Of course, internal events, policies, and coalitions can impact foreign policy, but given the assessment that Gorbachev's policy is desirable and has not changed, it seems in the U.S.'s interest to embrace the New Thinking and support Gorbachev's leadership position.

Indeed, it is interesting that Gorbachev has been accoladed warmly by many international leaders, but at the same time must continue to respond to criticism and protests within the U.S.S.R. Paralleling this dichotomy is his foreign policy successes and domestic troubles. Gorbachev's 'New Thinking' has ushered in a new era in international relations. His

reforms have not been mere rhetoric. The withdrawals from Afghanistan and Czechoslovakia, the denunciation of the Brezhnev Doctrine, the ratification of the INF Treaty, and the acceptance of a united Germany in NATO represent meaningful policy reversals which have changed the fundamental character of the post-World War II world. Unfortunately, Gorbachev's domestic accomplishments pale in comparison. Granted, he has engineered breathtakingly significant reforms in the structure of the system. Power is shifting from the Party to the government. Politics is more open; relations are less hierarchical. Yet, the efficacy of these reforms is debatable, especially given that intended policy outcomes are unattained. Gorbachev hoped to strengthen the U.S.S.R. and the socialist model by invigorating the public. Instead, he must manage strikes, riots and challenges by disillusioned workers, republics and nationalities. To the extent he has unleashed support for his reforms, it has been overwhelmed by new and extreme demands which divert attention from *perestroika*. A proliferation of interest groups has seized the opportunity of *glasnost* to push for narrow interests contrary to the need for a coherent, rational national strategy. In fact, the series of crises associated with reform in the Soviet Union do provide reason for concern about Gorbachev's future.⁶ These events also inform us about the importance of state-society linkages and decision-making structures.

It is interesting to note that while domestic policy seems held sieged by groups and factions, many foreign policy objectives already have been obtained. This partially is attributable to the foreign policy-making process which appears to approach a rational actor model. By comparison, many analysts believe domestic decision making is plagued by a primitive type of pluralist stagnation or democratic immobilism.⁷ For example, the economy

continues to deteriorate while Gorbachev and Yeltsin debate the specifics of reform.

This research will analyze Gorbachev's foreign policy effectiveness. It will detail his policy goals and examine the restructuring undertaken in support of these goals. Finally, it will analyze the impact which the decision-making structure has upon the policy outcome. Basic to this will be an analysis of who is involved and to what extent participant consensus and the organizational framework facilitate policy implementation.

Models of Soviet Politics and Policy Making

As long as totalitarianism dominated as the preferred model to analyze Soviet state-society relations, it was assumed that the decision-making process was closed and oligarchical. Moreover, little distinction was made between foreign and domestic policy making. In all decisions, a small elite dictated with very limited input or influence from other individuals or organizations.⁸ Accordingly, the U.S.S.R. virtually acted as an unitary actor. In international relations this meant that although foreign policy might be conditioned by ideology and temporary power struggles, it primarily was a response to external factors.⁹

With Skilling's Interest Groups in Soviet Politics, however, these basic assumptions were challenged. Analysts began to consider the applicability of pluralism to the Soviet system. Still, it was evident that the concept was not easily transferable to the Soviet context. Skilling wrote of "pluralism of elites," Hammer identified a "bureaucratic pluralism," and Hough analyzed an "institutional pluralism."¹⁰ Moreover, in foreign policy making, the role of institutions such as the KGB seemed to be to reinforce and guard party supremacy.¹¹ Thus, the common consensus focused on the elite and well-circumscribed nature of participation under the auspices of Communist Party control. By contrast, pluralism was characterized by open participation and competition of multiple autonomous groups. Especially unsuitable to the Soviet context was Stepan's initial notion that pluralism ushered forth the "withering away of the state."¹² Thus,

Soviet analysts abandoned the concept of pluralism.

Nevertheless, their research proved fruitful in that it evolved into a corporatist explanation of the Soviet system.¹³ Corporatism allowed for limited influence by approved groups under the control of a hierarchical actor. Schmitter argued the corporatism explained the U.S.S.R. in that,

...constituent units are organized into a fixed number of singular, ideologically selective, noncompetitive, functionally differentiated and hierarchically ordered categories, created, subsidized and licensed by a single party and granted a representative role within that party and vis-a-vis the state in exchange for observing certain controls on their selection of leaders, articulation of demands and mobilization of support.¹⁴

Bunce and Echols successfully applied the model to the Brezhnev era. Hough implicitly conceded to it in his description of Politburo control of institutional actors and the decision-making process.¹⁵

Indeed, in the twilight of the Brezhnev years, corporatism was taken for granted, as research focused upon the problems of policy making in such a context. The potential for rationality associated with a unitary actor had been displaced by the complications of decision-making within an organizational (i.e., corporate) framework. Allison, in his seminal work, identified these to be incrementalism, budget and procedural constraints, and information distortion.¹⁶ In Brezhnev's U.S.S.R., the overwhelming problem was the stagnation associated with a conservative bureaucracy. The stagnation was viewed as costly due to the system's slow responsiveness, entrenched budgets, and pervasive corruption. Certainly, in foreign relations a number of issues needed fresh approaches. Problems were accumulating and were highlighted by the Afghan quagmire, Sino-Soviet tensions, the Polish crisis, and NATO's deployment of intermediate range weapons. The petrified *apparatchiki* had to be removed for change to occur, but such reform promised to meet opposition.¹⁷ Colton perceived this as particularly problematic with reference to foreign policy.

...because the international environment is so unpredictable, those arguing for constancy and caution have an easier time than in domestic policy. The refor-

mist impulse is weaker here than in internal affairs, the grip of inertia solid, and the difference between reformist and conservative perspectives slighter.¹⁸

In fact, Colton was pessimistic about Gorbachev's ability to push change beyond moderate reform.

Of course, the final outcome of Gorbachev's reforms still is uncertain, but to date he has attacked the stagnation of the system with *glasnost*, democratization, and *perestroika*. The controls and hierarchy characteristic of corporatism are being undermined as power begins to shift from party to government, and as politics opens to contending interests. Gorbachev has identified this as socialist pluralism.

Yet, the emphasis of these groups and the newly empowered Supreme Soviet tends to be domestic issues. The immediacy of domestic concerns has enabled Gorbachev to stream-line foreign policy making and push through his New Thinking. Gorbachev's foreign policy success in contrast to the domestic crisis is interesting both because of the dichotomy it suggests with respect to stability and democracy, and due to the dilemma it has presented to the Bush Administration. Nonetheless, it seems undeniable that Gorbachev already has accomplished a variety of key foreign policy objectives, and that these achievements partially are attributable to his restructuring and control of decision making.

New Thinking

The fundamentals of Gorbachev's New Thinking have been enumerated in a number of his writings and speeches.¹⁹ New Thinking is premised upon an urgency to facilitate cooperation given the nuclear threat and increasing interdependence. Gorbachev believes these conditions demand political solutions. He rejects both continuing confrontation and military solutions, and criticizes previous Soviet leaders for their role in the Cold War. Gorbachev's New Thinking asserts that in the nuclear era, real security must provide for mutual security.

In the area of military strategy, Gorbachev's New Thinking embraces two important doctrinal innovations: sufficiency and non-offensive defense. The

concept of a defensive WTO formally was embraced by the alliance in May 1987. Later, Gorbachev renounced aggressiveness and claimed, "Never, under any circumstances, will our country begin military operations against Western Europe unless we and our allies are attacked by NATO."²⁰ Consistent with this defensive posture, he promised to initiate unilateral cuts in the WTO strength so that short-warning attack would be unlikely. Ultimately, a minimum of 50,000 troops, 6 combat divisions, 5,300 tanks, and 300 aircraft would be removed.

The twin doctrine of a reasonable sufficiency is to ensure the West that the Soviet's nuclear and conventional strategy is defensive. In this regard, Gorbachev has encouraged disarmament, non-proliferation, and test bans. He has offered a variety of arms-control packages dealing with short, intermediate, and intercontinental range missiles. Gorbachev suggested a ban on mobile MIRVs in order to restabilize the nuclear relationship. Whereas Gorbachev's current proposal seeks to halve warheads, it is notable that some Soviet analysts have concluded that minimum deterrence could be based on 500 warheads. Moreover, military strategists have argued for an elimination of strike and surprise attack weapons.²¹

Gorbachev also has given strong support to the Helsinki process as a mechanism to build confidence and cooperation. In the European theater he has encouraged a reinvigoration of the existing process. He hopes to use the Conference on Security and Cooperation in Europe to foster conventional troop cuts, ecological progress, humanitarian cooperation, and scientific and cultural exchanges. Gorbachev has denounced past Soviet hegemonism in Eastern Europe, and seeks to promote an environment of a "common European home" which nurtures the development of all states. In this light, he believes the CSCE is important for the management of change in Eastern Europe and the evolution of the new status quo.²²

Likewise, Gorbachev encourages the initiation of a 'Helsinki Process' in the Pacific-Asian region. He has suggested such a process to Indian, Chinese, Japanese and American leaders. He believes confidence-building measures

are necessary to decrease tensions in the Pacific. He also hopes to improve trade relations.²³ Accordingly, Gorbachev generally promotes 'Helsinki' as a mechanism to achieve universal security, and advocates similar mechanisms to pursue solutions to international problems of instability ranging from terrorism to Third-World debt. Obviously, Gorbachev's motive might be to maintain a global role in the face of declining power, but nonetheless, he has committed the U.S.S.R. to support the U.N.²⁴

In fact, as Gorbachev's fervor for Helsinki suggests, he is very concerned about Soviet economics, as well as military security. Of course, the desire to improve its economic relationships is linked to pressing domestic problems. Gorbachev hopes to facilitate trade and investment by easing bureaucratic and monetary constraints. He also advocates the dismantling of economic blocs which impede trade.²⁵

Gorbachev's 'New Thinking' is a progressive vision which demands an ambitious program. Given the entrenched and stagnant nature of the Soviet system, it probably would be difficult to implement such policies under the corporatist structure. Thus, Gorbachev's foreign policy reforms started with far-reaching changes in the personnel and institutions involved in the decision-making process. These reforms proceeded in two stages. First, Gorbachev attempted to centralize control of decision-making within the Party and away from the politics of the legislature. Following the 28th Party Congress in July, 1990, Gorbachev shifted the location of foreign policy making. This was deemed necessary because of changes in the Politburo membership which were apt to paralyze decision making by the Party hierarchy. Gorbachev moved the responsibility for broad decisions from the Party Politburo to the government's Presidential Council. Yet, it is very important to note that most of the same top people continue to be involved in the policy process. Moreover, Gorbachev's intention continues to be to centralize control of foreign policy and to insulate decisions from coalition and group politics whether this occurs in the Party or government. Thus, it has been Gorbachev's ability to maneuver the locus

of decision making and control the personnel involved, which has facilitated the implementation of the New Thinking.

Structural and Process Reforms

Gorbachev certainly recognized the impediment which bureaucratism posed for his New Thinking. At the 19th Party Conference, he identified "rigid administrative-bureaucratic structures," as a key source of previous foreign policy "failures, shortcomings and mistakes." He argued that the structure impeded comprehensive review and analysis of issues, tended to lack flexibility and dynamism, and favored traditional military solutions at the expense of diplomatic policy innovations. He made clear his intent to change the personnel and structures involved in the foreign policy decision-making process.

Gorbachev's initial key institutional reform entails the creation of the International Policy Commission (IPC) directly attached to the Politburo of the Central Committee. This new advisory committee served a "Kissingerian-like position as orchestrator of foreign policy and national security affairs."²⁶ The formation of such a committee signaled Gorbachev's personal desire to direct foreign policy and ensure that jurisdictional disputes and bureaucratic interests did not impede the New Thinking. The importance of the IPC was evidenced in that its secretary, Aleksandr Yakovlev, was a member of the Politburo and was included in Defense Council meetings.²⁷

The IPC fulfills its mandate through the coordination of the relevant Secretariat Departments. Its oversight responsibilities include the International, Defense Industry, and Ideological departments. Under IPC's supervision, unbiased information and consistent recommendations are offered to the Politburo.²⁸ The significance of the attachment of the IPC to the Politburo should not be ignored. Prior to July 1990, it was the Politburo, through its Defense Council, which made foreign policy, and this fact, coupled with the creation of the IPC, removed foreign policy from the politicized atmosphere of the legislature and, to a lesser extent, the Central Committee. The IPC's position elevated foreign policy above sectoral and local

debates, and detached issues from governmental domestic concerns.

Probably the most notable of the departments under IPC direction is the International (ID). In fact, until the ID's subordination to IPC in late 1988, the ID was the locus for policy coordination. Then it performed a role analogous to the U.S. National Security Council.²⁹ Its subordination further confirms Gorbachev's ongoing effort to control policy. ID still is very significant and therefore its nature is important. It consists of 150 experts who have frequent contact with think-tanks. Most of its staff are young, civilian modernizers. Moreover, under Gorbachev, the ID has a new arms control section which has gained influence at the expense of the military and Foreign Ministry. Thus, the creation of IPC and changes within ID tend to illustrate Gorbachev's desire to centralize and streamline policy input within the civilian Party structure from the time he first assumed the general secretariatship.

Early changes within the government also indicate Gorbachev believed reorganization was necessary to formulate and implement policies which respond to pressing problems. Within the Ministry of Foreign Affairs, four new departments have been established which are consistent with Gorbachev's concerns. They are: the Directorate for Problems of Arms Reduction and Disarmament, the Department for Humanitarian and Cultural Ties, the Administration for Information, and the Pacific Ocean Department.³⁰ As with the creation of an arms control section in ID, the creation of the Directorate for Arms Reduction and Disarmament confirms Gorbachev's intention to reorient arms talks away from the military and its organizational interests. The head of this Directorate is Viktor Karpov, the experienced former chief member of the Geneva arms negotiating team.

The establishment of the Administration for Information can be viewed as an effort to centralize public relations in the Ministry. Gorbachev realizes this is crucial to guaranteeing that his image and New Thinking be promoted abroad. Foreign support is essential given domestic problems.

Finally, both the Department for Humanitarian and Cultural Ties and the

Pacific Ocean Department are consistent with new foreign policy priorities. Gorbachev has committed himself to family reunification, liberal emigration, and cooperative exchanges. The Department for Humanitarian and Cultural Ties is to act as a facilitator in light of traditional red tape in such areas. Indeed, the dramatic increase in visas seems to indicate success. The Pacific Ocean Department should work to normalize relations with China and Japan and pursue Gorbachev's Helsinki for the Pacific.

Reorganization of the foreign economic ministries has been even more fundamental and extensive. A new State Foreign Economic Commission was attached to the Council of Ministers in 1986. This supra-ministerial Commission is delegated to impose Politburo priorities and provide effective coordination of their implementation. Its work is imperative for the success of the restructuring of foreign economic relations. The Commission's membership includes the Ministers of Foreign Economic Relations, and of Finance, the Chairman of the State Committee for Science and Technology, and the first deputy chairmen of GOSPLAN and GOSSNAB.

Further reorganizations to increase effectiveness occurred in January 1988 when the Ministry of Foreign Trade and the State Committee for Foreign Economic Relations merged into the Ministry of Foreign Economic Relations. The purpose of this new Ministry is to break the monopoly which the Ministry of Foreign Trade controlled. This is viewed as necessary given Foreign Trade's traditional policies and personnel. The reorganization held high priority because of its link to GATT membership.

There now exist three major subdivisions within the Ministry of Foreign Economic Relations. The Chief Combined Administration for Foreign Economic Policy oversees broad implementation of agreements. The Chief Administration for the Coordination and Regulation of Foreign Economic Operations monitors 200 trade enterprises to ensure they serve state interests in the foreign market. The Chief Administration for the Competitiveness of Export Products offers support and consultant services to firms and associations. Par-

ticularly within this Administration, the Ministry is restructuring the apparatus and retraining personnel. Emphasis is placed on training personnel abroad in marketing, advertising, and promotional methods. Also, this Administration assists the republics and border provinces in developing trade, tourism, joint ventures, and cooperative production.

These reorganizations within the ministries are important to ensure policy implementation and have heightened in significance since July 1990 when Gorbachev engineered the movement of policy making from the Party Politburo to the government. Prior to the 28th Party Congress in July, debate had intensified about the role of the Party in government. Gorbachev expressed concern about the guiding role and monopoly of the Party. He also was displeased by the system of Party-state interlocking directorates which enabled *apparatchiki* to impede new policy implementation by the ministries. As such, he preferred to shift policy making to the government for philosophical and practical reasons. Policy making by the government of the people would be legitimate and legal. It also enabled Gorbachev's continuing control of the process. The March 1990 Decree on the Presidency created a Presidential Council mandated to "work out measures to implement basic guidelines of the domestic and foreign policy of the U.S.S.R. and to ensure the country's security." Still, the Council served at President Gorbachev's pleasure, who since the 1988 amendments of Articles 118-121 of the Constitution, held extensive foreign policy powers. Thus, support and a rationale for a shift of the locus of decision making already existed.

During the Party Congress, events developed which confirmed to Gorbachev the desirability of this shift. Structural changes agreed upon at the Congress probably would weaken Gorbachev's ability to centralize and control foreign policy. Fundamental steps were taken to reform the Politburo in order to temper divisive forces and heighten representation. The Politburo expanded to include the party leader of each republic. This suggested that now the Politburo would increasingly focus upon domestic issues. Given the ethnic and ideological

differences represented in the restructured Politburo, it would be unlikely the body could behave as a unified actor and pursue rational policy.

Moreover, the Central Committee decided to reassert control over policy by checking the power of Politburo commissions, including the IPC. This challenged Gorbachev's control of policy. Therefore, the shift of policy making to the government was reasonable. Not only was the government the more legitimate decision maker, but now the Party had lost the advantages of a unified rational actor. Thus, the primary results of this shift were (1) the Defense Council of the Politburo was dissolved and its role was assumed by the Presidential Council, and (2) the members of the Defense Council resigned their Party positions on the Politburo and emphasized their role as government leaders.

The new situation of decision making by the President with the advice of the Council permitted Gorbachev to claim legitimacy for his foreign policies while maintaining central control. He could isolate the process from hard-line Party critics and he retained the supportive consultation of his preferred advisors who resigned from the Politburo and served on the Presidential Council.

Yet, the location of foreign policy making within the Presidential Council eventually proved a second-best solution. The Council also handled domestic issues and this diverted attention from pressing foreign matters and created personal tensions related to internal policies. This has been highlighted by Shevardnadze's recent resignation. Although Shevardnadze was disturbed by criticism of his Iraq policy, he generally was pleased by the U.S.S.R.'s international role. He identified the compelling reason behind his resignation to be domestic events and the threat of dictatorship.

In conclusion, Gorbachev continues to strive to centralize foreign policy making within a receptive organ and to isolate decisions from domestic problems. In December 1990, the Presidential Council was disbanded and its domestic duties were transferred to a Federation Council which represents the republics. Foreign policy matters now are delegated to a newly organized National Security Council.

The National Security Council's sole focus on international matters should facilitate the control Gorbachev seeks, while placating critics in the military and KGB. The National Security Council will not be burdened by economic debates between Shatalin and Ryzhkov, as was the Presidential Council. Indeed, the intention is to have it operate like the Defense Council but under the authority of the President.

Thus, during his 5 years as General Secretary, Gorbachev has demonstrated an appreciation for the locus of the foreign-policy process. He recognizes a need to isolate decision-making from factional and domestic disputes if he is to implement as a rational package his New Thinking. Although his ability to maneuver to date is testified to by his foreign policy success, he must be aware of the increasing difficulty of centralizing and insulating foreign policy given the saliency of domestic problems. Indeed, the link of Shevardnadze's resignation and Bush's threatened deterioration of relations to internal issues illustrate the ongoing challenge to Gorbachev's control of foreign policy.

Personnel Appointments

All Gorbachev's organizational reforms have been reinforced by personnel decisions. Gorbachev has geared appointments and dismissals toward building a strong consensus for his New Thinking. Many of his first advisors on the Politburo's Defense Council served on the Presidential Council, and now the National Security Council. These men are advocates of reform and Gorbachev loyalists.

Possibly the most important role has been played by Aleksandr Yakovlev. Yakovlev's selection to head the IPC already was mentioned. Yakovlev, as the former Ambassador to Canada, is known for his view that policy must be reoriented away from an obsession with U.S.-Soviet relations. He believes new overtures toward Western Europe and the Third World must be adopted. He also recognizes that foreign policy must serve the desperate domestic situation. This is revealing in that Yakovlev replaced Dobrynin who was identified as an avowed Americanist and associated with

the bureaucratism of Gromyko. As head of IPC, Yakovlev's vision could be far-felt. Not only did he enjoy membership in the Politburo and Defense Council, but he controlled policy recommendations to the leadership and the nomenklatura in the Secretariat and Foreign Ministry. As such, future appointments to the foreign policy agencies should support the New Thinking. Yakovlev resigned these posts in July 1990 to serve as an advisor on the Presidential Council.

Reinforcing Yakovlev's appointment is that of Falin to head ID. Falin is a Europeanist who believes that domestic considerations naturally center Soviet policy on Europe. Falin pushed for the INF and CFE treaties. Both Falin and Yakovlev's appointments in the fall of 1988 provided support for Gorbachev's call for a "Common European Home."

As in the Party, personnel changes in the government and state were necessary for Gorbachev's policy success. The early appointment of Shevardnadze to the Foreign Affairs Ministry again signals Gorbachev's desire to control foreign policy. Under Gromyko's long tutelage, the Ministry became independent of the Politburo.

In his early service on the Politburo and Defense Council, Shevardnadze reasserted control. Equally important, Shevardnadze's selection is telling in that his initial lack of international experience confirmed that Gorbachev intended to dominate foreign policy. Gorbachev wanted a loyalist as Minister of Foreign Affairs. Even in his resignation speech, Shevardnadze affirmed his loyalty.

Likewise, the selection of Aleksandr Bessmertnykh to replace Shevardnadze indicates Gorbachev's desire to retain policy control, while advancing the New Thinking. Bessmertnykh is a foreign policy bureaucrat who is accustomed to following orders. He also is a well-trained officer whose work on SALT and INF indicate a sympathy to the New Thinking which is critical for service on the National Security Council. Finally, Gorbachev probably views Bessmertnykh's appointment as advantageous to avoiding a deterioration in U.S. relations. Bessmertnykh most recently served as Ambassador to the U.S. and is known to support Soviet-U.S. cooperation on Iraq.

Further, in order to ensure support for and implementation of his New Thinking throughout the Foreign Affairs Ministry, more than 75 percent of the ambassadors have been replaced. Similar changes have occurred among U.N. personnel. The new corps represent a post-Cold War mentality. As a cohort, they are younger and better educated than their predecessors.

Likewise, Gorbachev's appointment of Dmitri Yazov as Defense Minister in mid-1987 advances Gorbachev's instrumental and end goals. Yazov's selection over many senior officers signalled a desire to restructure the military for efficiency and effectiveness. Yazov has experience in both the European and Asian arenas. As the Commander of the Central Asia District he worked closely with other nationalities. Yazov also provides support for Gorbachev's doctrines of sufficiency, non-offensive defensive and mutual security, as well as the reforms and demobilizations which are necessary to realize the doctrines. In Yazov's book, *In Defense of Socialism*, he asserts that "Soviet military doctrine considers the defense as the main form of military operations." Yazov, like Yakovlev and Shevardnadze, first served on the Politburo and Defense Council, then the Presidential Council. Again, this indicates Gorbachev's desire to centralize policy making in the hands of a few advisors within an amiable environment.

Yet, as with the Foreign Ministry, Gorbachev is aware he must ensure implementation of his policies by emphasizing his control throughout the high ranks. Gorbachev's commitment to the timely implementation of his doctrines was reinforced by the December 1988 resignation of Chief of General Staff Akhromeev following Gorbachev's announcement of extensive force reductions. Akhromeev was a proponent of defensive sufficiency, but rejected Gorbachev's unilateral cuts in favor of negotiated reductions. More recently, at the 28th Party Congress, Gorbachev attacked critics of his policies in the military and Party. He asserted that those who favor confrontation rather than the leadership's policy of cooperation should resign their state posts.

In fact, all top posts in the Ministry of Defense and Warsaw Pact have changed.

Of the top 47 military officers (i.e., commanders of forces, admirals of fleets, chiefs of military districts) only two have remained unchanged. These personnel changes, like those in the Party and Foreign Ministry, demonstrate Gorbachev's tenacity in responding to opposition and barriers to his foreign policy.

Implementation of the New Thinking

Early in Gorbachev's tenure, debate surrounded the meaningfulness of his New Thinking. Some charged it as mere rhetoric. Others concluded that intentions were irrelevant, because it would be very difficult to accomplish the policy reforms. Paul Marantz was more optimistic, and concluded:

...it would be a mistake to argue that because the Soviet Union has not torn down the Berlin Wall, pulled all its troops out of Eastern Europe, abandoned its clients in the Third World, or permitted unrestricted emigration, we can conclude that meaningful changes are not occurring in Soviet foreign policy.

The reform of Soviet foreign policy is slowed by many factors such as the time-consuming demands of urgent domestic problems, the difficulty of forging a new conception of the Soviet Union's role in world affairs, the continued resistance of vested interests and conservative forces, the fear of the unknown that results when untested approaches are substituted for the familiar terrain of traditional policy, and the leadership's concern that if Moscow begins to retrench, the West will take this as a sign of weakness and push for even more concessions. The stakes are exceedingly high for Gorbachev.

Indeed, since Marantz's writing, Gorbachev has removed many of the obstacles associated with prevailing paradigms, vested interests, conservative forces, and standard procedures. Moreover, as incredible as the events still are, the Berlin Wall has been torn down. Soviet troops are departing Eastern Europe and Jewish emigres are so numerous that the U.S. has questioned their refugee status and raised its quotas. In this light, it is desirable to survey the extent to which the implementation of the New Thinking is progressing.

To date, Gorbachev's commitment to nuclear arms control and sufficiency is credible. At the Moscow Summit in May-June 1988, Gorbachev pursued agreements on both a test ban treaty and nuclear risk reduction centers. Previously, Gorbachev invoked a unilateral moratorium on Soviet testing. The fact that this probably was terminated in 1986 due to military pressure is indicative of the obstacles which Gorbachev confronts. Since the 27th Party Congress, the military has been increasingly supportive. A Nuclear Risk Reduction Centers Accord was signed in September 1987. Most importantly, the INF Treaty which was ratified in 1988 provides tight verification procedures and asymmetrical cuts for the Soviets. The U.S.S.R. is required to destroy twice as many missiles and three times as many warheads as is the U.S. Both Defense Minister Yazov and former Chief of Staff Akhromeev publicly rallied support for the Treaty. This, coupled with the enhanced negotiating role of the new Foreign Ministry Directorate, facilitated START negotiations which should produce a treaty in February 1991. Thus, Gorbachev now possesses high level military support for his nuclear arms agenda, albeit the delays in the execution of the CFE suggest opposition at lower ranks.

The defense and military hierarchy also support the doctrine of non-offensive defense. The new WTO leadership first formally announced the policy in May, 1987. Since then, major unilateral cuts in troops and weapons have occurred. A recent Rand Corporation study concluded that Gorbachev would complete the withdrawal of 50,000 troops, 6 combat divisions, 5,300 tanks and 300 aircraft from the European theater by the end of 1990. Moreover, these cuts will prove to be even more extensive than first announced given the recently concluded accords for demobilization from Czechoslovakia and Hungary.

Furthermore, cuts are underway in the Asian theater. As many as 2,500 troops have pulled out of Vietnam; 50,000 have left Mongolia and the remainder are scheduled to leave. The Soviets also removed all their M16-23 fighters, half of their TU-16 bombers and 25 percent of their ships from Cam Ranh Bay. Both the

U.S. National Security Council and the Department of the Navy report substantial decreases in Soviet naval deployment. Not only are fewer destroyers, frigates and submarines deployed, but these operate closer to the mainland, as is consistent with a defensive strategy.

Finally, American intelligence reports that the U.S.S.R. is altering its procurement and deployment processes in a manner consistent with sufficiency and non-offensive defense. The number of military factories that have been converted to domestic use is 200-300. The significance of this is substantial because the Soviets have broken with traditional weapon systems and long-term budgets — both characteristic of the incrementalism which plagues decision making bogged down by organizational processes. Thus, Gorbachev has been able to implement many of the policies associated with his defense doctrines. Furthermore, though opposition certainly exists within the community, the opposition has been weakened by two key factors. First, Ligachev's failure to win reelection to the Politburo removes the conservative voice at the top level. Second, the intensifying scramble for resources has reoriented the military hierarchy's concerns to issues of employment and benefits security.

Gorbachev also has been successful in pursuing mutual security through various other measures. The renunciation of the Brezhnev Doctrine and subsequent withdrawals from Afghanistan and Czechoslovakia testify to Gorbachev's commitment to political solutions. Most significant in the European theatre is his approval of German reunification in exchange for an elevation of the role of the Conference on Security and Cooperation in Europe. This major change is consistent with mutual security and the emphasis on political solutions. Moreover, Yakovlev, Shevardnadze, and Yazov participated in these negotiations, and strongly defended these policies at the July Party Congress. In the Asian theatre, Gorbachev normalized relations with China and initiated confidence-building measures. The U.S.S.R. has withdrawn troops and weapons from Mongolia, Afghanistan and Vietnam. They have agreed to promote a settlement in Cambodia and, consistent

with this, pressured the Vietnamese to withdraw. Finally, in a major policy reversal, Gorbachev conceded to base the border on the Ussuri River thalweg. Given the intensity of the Sino-Soviet rift and the importance of these steps, it is probable Gorbachev personally facilitated rapprochement. His commitment to the process has been noted in many addresses, and was evident in his relative disregard for events in Tienanmen Square during his visit.

Likewise, the recent criticism leveled by members of the Central Committee against Gorbachev's liberal attitude toward Eastern Europe indicate these policies were initiated from the top. As Gorbachev intended with his creation of the IPC, there is little opportunity for input from the mid-levels of the Central Committee and Secretariat.

In the area of economic relations, Gorbachev's reforms have been facilitated by the Central Committee and Supreme Soviet's passage of "On Measures to Improve the Management of Foreign Economic Relations." Under the auspices of this legislation, 20 branch ministries and 70 large production associations were granted foreign trade rights. Although there is some indication that bureaucratic red-tape and narrow departmental interests still impede trade, a range of programs are provided by the Measures to encourage initiative and competitiveness. Moreover, the shift of the policy process from the Party to the government should stifle *apparatchiki* opposition. The programs include differentiated conversion coefficients and profit retention. The conversion coefficients encourage competitiveness of highly processed goods — an area in which Soviet exports are traditionally weak. Initiative is rewarded by permitting enterprises to retain foreign currency. Additionally, the Bank for Foreign Economic Affairs grants hard currency loans to enterprises. The work of the new State Foreign Economic Commission is fundamental to the success of these programs. To date, a self-study by the Commission reveals much progress. Generally, the entrenchment of the old foreign trade monopoly has been broken. Domestic producers do have access to foreign markets and inputs. Joint-venture reg-

istrations have increased especially since the requirement of Soviet majority ownership was lifted in December 1988. Yet the domestic chaos and confusion associated with *perestroika* handicap external policy by constraining hard currency and creating a risky environment. Nonetheless, progress has occurred, and 1991 has ushered in a reaffirmation of the New Thinking witnessed by the dissolution of the CMEA and the consideration of Special Association status in the IMF and World Bank. These achievements coupled with the grant of GATT observer status and the completion of a Soviet-EC accord should facilitate international trade.

Related to increased economic interdependence, Gorbachev has elevated Soviet concerns about the Scientific-Technological Revolution (STR). Although the STR has been a concern of the leadership for the last few decades, Gorbachev has ended debates on the appropriate solution. He has embraced a modernizer approach, believing that the STR mandates international cooperation. (In fact, probably many of those who would embrace the conservative view now are dead.) Two key steps in the elevation of the STR issue are the inclusion of the Chairman of the State Committee for Science and Technology on the State Foreign Economic Commission and the provision liberalizing the spending of profit retention hard currency on foreign technology. Currently, the Federal Republic of Germany is the leading partner with 50 arrangements on scientific and technical cooperation. These are facilitated by a 1986 agreement on technological exchange. Moreover, it is anticipated that such cooperation should be enhanced as COCOM restrictions are dismantled. Another example of the type of cooperation Gorbachev hopes to develop is the Sino-Soviet Amur River Management. While perhaps this cooperation pales when compared to the INF or CFE, it is important. Gorbachev's recognition of interdependence and commitment to political solutions to global problems are at the essence of his New Thinking. The INF is an historic achievement, but Gorbachev's world is not bipolar. Moreover, his desire for detente and rapprochement transcend nuclear concerns. Gorbachev is still General Secretary of the

Party; he is still committed to socialism, but he believes new foreign and domestic policies and processes are necessary if the U.S.S.R. and socialism are to advance.

Conclusion

"This shows the Brezhnev Doctrine is well and truly dead," said Colonel Vladimir Litvinchuk as the first of 73,500 Soviet troops left Czechoslovakia. More than this, it illustrates the end of the Brezhnev stagnation and the arrival of Gorbachev's New Thinking.

Soviet analysts have argued for years that the U.S.S.R. could not continue to sustain a two-camp, socialist model mentality. There were cracks in Eastern Europe and the Soviets lacked the resources to maintain their bloc. Moreover, the economic benefits of arms control and interdependence were too great to ignore. Yet, change was stalled by the entrenched bureaucracy which in the absence of pluralist pressures displayed the worst traits of organizational decision making. The Ministry of Foreign Trade held its monopoly. The nature of defense budgeting, procurement and deployment meant perestroika was seemingly impossible for the military. Conservative paradigms blocked innovative initiatives in areas as diverse as the STR and relations with the Chinese.

As such, the death of the Stalinist generation of leaders was necessary, but not sufficient, to usher forth policy changes. The institutions, process, and structure of policy making had to be altered.

In the domestic arena, *glasnost* has sparked a pluralism which currently wreaks chaos and impedes reform. This has been highlighted by the ongoing Gorbachev-Yeltsin negotiations and simultaneous turbulence in the republics. By contrast, in the foreign policy arena, Gorbachev has rationalized the system so that reforms are implemented. Gorbachev achieved this to date by keeping the foreign policy prerogative away from factional and domestic disputes, whether within the Party or government. He streamlined the flow of information through bodies such as the IPC, Defense Council, and National Security Council. Finally, he guaranteed that 'New Thinkers' control decision making wherever the policy process might

operate. Whether Gorbachev can continue to maintain such control, though, is unclear given the dynamic environment of Soviet politics. In this regard, various concerns arise given the current location of decision making within the government.

First, the legitimacy bestowed upon a leader by a national polity demands a responsiveness which frequently complicates rational long-term policy making. The factional and national disputes within the Congress of Deputies could disrupt rational foreign policy making. This seems unlikely in the near future given the preeminence of domestic problems. Nevertheless, talk of individual militaries and currencies is foreboding, particularly given the heterogeneity of the Soviet Union and the saliency of nationality issues. Under such conditions it would be difficult to develop a rational or even 'bipartisan' foreign policy. This seems unlikely in the short term, however, because Gorbachev has delegated domestic issues to the Federation Council and insulated foreign policy making within the National Security Council. Moreover, it is conceivable that the Supreme Soviet and government personnel might be more supportive of the New Thinking than the entrenched party bureaucrats.

Second, Gorbachev may encounter difficulty maintaining broad policy control while permitting the direct economic ties which the decentralization of *perestroika* and the New Thinking demand. The U.S.S.R. Ministry of Foreign Economic Relations already is aware of this challenge. Union republics have been granted trade rights and border locales are encouraged to enter into joint ventures and cooperative productions. Yet, concerns about trade and payment balances and desirable use of scarce hard currency must be foremost. This problem, coupled with internal economic instability, strongly suggests that Gorbachev can continue to expect more success on foreign political issues than economic. This is disturbing though, because economic success is central to both his domestic and foreign policy reforms. Third, if the domestic situation deteriorates, Gorbachev may be forced to compromise with groups which demand a different foreign policy orientation. Since Shevardnadze's resignation,

concern focuses upon the future role of the military and KGB. Each of these is represented on the National Security Council, albeit by Gorbachev's personal appointments. Moreover, Gorbachev's selection of Bessmertnykh signals to the hard-liners his intention to maintain controversial policies associated with the New Thinking, including the CFE and cooperation in Iraq. Nonetheless, the continuation of improvement of relations with the West will be jeopardized if other 'New Thinkers' such as Yakovlev depart from the policy process.

Likewise, domestic turmoil can have a powerful indirect impact upon Gorbachev's foreign policy success if Western leaders link their Soviet relations to internal Soviet policies — such as Bush suggests regarding Lithuania. The suggestion of such links mobilizes both hard-line critics and nationality groups, thereby complicating foreign and domestic policy execution, and creating dilemmas for New Thinkers like Shevardnadze. In this regard, the U.S. ought to assess whether the benefits of the New Thinking are in its interests and, if so, promote relations which bolster the implementation of related policies. To date, Gorbachev's New Thinking has proven to be more than rhetoric. Yet, the successful implementation of his policies relied upon a centralization and control of the decision-making process which seems increasingly challenged by internal conflicts. Thus, while concerns about Soviet stability are valid, the New Thinking does offer historic opportunities as long as its advocates are bolstered and Gorbachev retains control of the process.

Endnotes

1. See "The New Embrace," *New York Times*, December 13, 1990, p. 6; "Bush Lifting 15-Year-Old Ban, Approves Loans for Kremlin to Help Ease Food Shortages," *New York Times*, December 13, 1990, pp. 1, 6; "U.S. and Partners in Accord on Aid to Soviet Economy," *New York Times*, December 14, 1990, pp. 1, 6.
2. "As Liberalization Falter in Moscow, U.S. Worries About Future Relations," *New York Times*, January 7, 1991, p. 8.
3. The Administration's debate heated prior to the Malta Summit and State of the Union. Secretary Baker argued, "Any uncertainty about the fate of reform in the

- Soviet Union is all the more reason, not less, for us to seize the present opportunity." ("Bush's Course to Malta Summit," *The National Journal*, December 9, 1989, p. 3003.) Yet, Cheney continued to express wariness, "...rooted in an intuitive caution that has deepened by the concern over the political uncertainty of President Mikhail Gorbachev of the Soviet Union." ("Cheney's Wary First Step," *New York Times*, January 31, 1990, p. A1.)
4. For a sense of the continuing Allied frustrations see, "Upheaval in Europe Tests Bush's Capacity for Leadership of West," *Wall Street Journal*, November 14, 1989, p. 1; "Genscher Calls for an End to European Separation," and "West Germans Baffled by American Attitudes," *Manchester Guardian*, May 7, 1989, p. 8; "Soviet Leader Triumphs in Germany," *Manchester Guardian*, June 25, 1989, p. 8; "U.S., Britain Want to Defer Aid to Soviets," *Wall Street Journal*, July 6, 1990, p. 4; "West Divided On Aid to the Soviet Union," *Manchester Guardian*, July 15, 1990, p. 1; "Kohl Sees Soviets Amid Upbeat Mood," *New York Times*, July 16, 1990, p. 1; Hannes Adomeit, "The Impact of Perestroika on Soviet European Policy in Hasegawa and Pravda," eds., *Perestroika: Soviet Domestic and Foreign Policies*, 1990, pp. 242-266.
 5. See "Gorbachev Brings Home Some of the Bacon," and "Bush and Gorbachev Make a Start on a New Agenda," in *Manchester Guardian*, June 10, 1990, p. 7; "A Way to Placate Moscow," *The Washington Post*, June 17, 1990; "A New Face for NATO," *New York Times*, July 8, 1990; "Moscow and NATO," *Le Monde*, July 8, 1990; and "Gorbachev Accepts Germany in NATO Inevitable," *Manchester Guardian*, July 22, 1990.
 6. Perhaps the best statement of Gorbachev's predicament is George Kennan's testimony to the Senate in January, 1990. Kennan argued,

The extensive failure to date, of perestroika to meet even the normal demands of consumers in large cities; the disorders in the Transcaucasus and in Moldavia; and the demands of peoples and communist parties in the Baltic countries for virtual secession...have created a situation of great difficulty and danger for Gorbachev....

So great are the political burdens he has now come to bear that it is doubtful he could have remained in office as long as he has were it not for his international prestige, which constitutes an important asset for the Soviet state....Gorbachev has made an outstanding contribution to the overcoming of the Cold War and to the laying of foundations for a more stable and peaceful Europe. It remains in our interests and in those of world stability that he should carry on with his ideas and initiatives so long as the ener-

gies and patience of his colleagues permit.

...To a great extent, Gorbachev has been the victim of his own success in opening up the Soviet system politically.

- ("U.S. Interest is in Keeping Gorbachev Afloat," *Manchester Guardian*, January 28, 1990, pp. 17-18.) Also see "Has Time Already Run Out for Gorbachev," *Manchester Guardian*, February 4, 1990, p. 17; "Struggling Reforms," *Wall Street Journal*, November 20-21, 1989, p. 1; "Red Square Scare...As Coup Talk Sweeps Moscow," *Wall Street Journal*, September 13, 1989, p. 1; "Critical Days for Mr. Gorbachev," *Manchester Guardian*, December 17, 1989, p. 9.
7. Mark Beissinger, "Political Reform and Soviet Society," *Current History*, October 10, 1988, pp. 317-320, 345. He describes a logic of reform which pushes further than intended, and unleashes forces beyond control. Also see, David E. Powell, "Soviet Glasnost: Definitions and Dimensions," *Current History*, October, 1988, pp. 321-324, 344-345. He analyzes a rising expectation which is out of control.
 8. For examples see, John Armstrong, *The Politics of Totalitarianism*, pp. 103-107, 115-117; Rolf Dahrendorf, *Class and Class Conflict in Industrial Society*, p. 186; Zbigniew Brzezinski and Carl Friedrich, *Totalitarian Dictatorship and Autocracy*, pp. 52-53.
 9. Arnold Horelick and Myron Rush, *Strategic Power and Soviet Foreign Policy*, argue that the U.S.S.R. acts as a rational policy maker. Both Marshall Shulman, *Stalin's Foreign Policy Reappraised* and Barrington Moore, *Soviet Politics — the Dilemma of Power: The Role of Ideas in Social Change* emphasize the reasoned response to external factors.
 10. H. Gordon Skilling, "Interest Groups and Communist Politics," *World Politics*, April, 1966, pp. 435-451; Jerry Hough, "The Soviet System: Petrification or Pluralism," *Problems of Communism*, March-April, 1972, pp. 25-45, and *The Soviet Union and Social Science Theory*; Darrell Hammer, *USSR: The Politics of Oligarchy*, pp. 223-224.
 11. Frederick Barghoorn, "The Security Policy," in H. Gordon Skilling and Franklyn Griffiths, eds., *Interest Groups in Soviet Politics*, 1971, pp. 93-130.
 12. Alfred Stepan, *The State and Society*, p. 18.
 13. Susan Gross Solomon, ed., *Pluralism in the Soviet Union* bridges the move from pluralism to corporatism. Also see Valerie Bunce and John Echols, "Soviet Politics in the Brezhnev Era: Pluralism or Corporatism?" in *Soviet Politics in the Brezhnev Era*.
 14. Phillipe Schmitter, "Models of Interest Intermediation and Models of Societal Change in Western Europe," *Comparative Political Studies*, April, 1977, p. 30.
 15. Jerry Hough, *How the Soviet Union is Governed*, chs. 10, 11, especially pp. 447-448.
 16. Graham Allison, *Essence of Decision*, pp. 79-95.
 17. For example, see Alec Nove, *Stalinism and After: The Road to Gorbachev*; Seweryn Bialer, "Socialist Stagnation and Communist Encirclement," in Laird and Hoffmann, eds., *Soviet Foreign Policy in a Changing World*, 1986; and Richard Pipes, "Can the Soviet Union Reform," *Foreign Affairs*, Fall, 1984, pp. 47-61.
 18. Timothy Colton, *The Dilemma of Reform in the Soviet Union*, p. 188. Zbigniew Brzezinski and Samuel Huntington offered an interesting and different perspective in *Political Power: USA/USSR*:

In the Soviet Union, in contrast, innovation tends to have a stop-and-start, trial-and-error quality. Major changes are initiated from the top. Most of them take place when a new leader is attempting to consolidate his power. The first response to a new need often comes later than it would in the United States. Here, at least in part, the problem is rooted in the bureaucratic character of the Soviet leadership....his task is doubly difficult because the Soviet bureaucracy is not only bureaucratically conservative, as most are, but also dogmatically conservative.

Innovation is easier in times of trouble and crisis. Success breeds its own conservatism....(p. 229).
 19. Mikhail Gorbachev, *Perestroika* is the most comprehensive. Other sources include his speech to the Twenty-Seventh Party Congress in February, 1986. See *Kommunist*, 1986, no. 4, pp. 5-80. Also his address to the U.N. in December, 1988, in *Pravda*, December 7, 1988.
 20. *Perestroika*, p. 188. Also see Gorbachev's initial proposal to the U.S. for improved relations in *Pravda*, April 8, 1985, p. 1.
 21. "How Gorbachev's Cutting the Soviet Threat," *Manchester Guardian*, November 12, 1989, pp. 17-18; Andrey Afanasyevich Kokoshin and Valentin Veniaminovich Larionov, "The Confrontation of Conventional Forces in the Context of Existing Strategic Stability," in Steven Hirsch, ed., *MEMO: New Soviet Voices on Foreign and Economic Policy*, 1989, pp. 491-502; *Pravda*, July 30, 1985, p. 1; and January 16, 1986, p. 1.
 22. Following the Malta summit, at which Gorbachev pushed for the strengthening of the process, he said:

We have come to a common understanding of the extreme importance of the CSCE process and have noted the positive results of the CSCE process—the results that have made it possible to proceed with deep changes in Europe.

From "Renewed Superpower Interest Pumps Life into Helsinki Negotiating Process," *Wall Street Journal*, December

- 4, 1989, 1. Gorbachev also has stated, "No one can replace Europe with its vast possibilities and experience either in world politics or in world development." See *Perestroika*, p. 195. Yuriy Antonovich Borko and Boris Sergeyevich Orlov provide an interesting description of the Soviet vision of a Common European Home in "Reflections on the Fate of Europe," in *MEMO*, pp. 516-533. Likewise, Shevardnadze emphasized the importance of Helsinki in his Tenth Anniversary of the Conference Address in *Pravda*, July 30, 1985.
23. *Pravda*, July 29, 1986, p. 1. Also see *Perestroika*, pp. 166-170.
 24. At his address to the U.N., Gorbachev explained, "The Helsinki process is a great process. I believe that it remains fully valid. Its philosophical, political, practical dimensions must all be preserved and enhanced..." *Pravda*, December 7, 1988. Also see *Pravda*, September 17, 1987, pp. 1-2, for Gorbachev's statement on the U.N.
 25. See for example his speech to the 27th Party Congress in *Pravda*, February 26, 1986, pp. 2-10.
 26. Carl Jacobsen, *Soviet Foreign Policy*, p. xiii.
 27. The Defense Council was a Politburo sub-committee which directed overseas military posture. Previously its membership included the First Secretary, the Premier, the Defense Minister and the Foreign Minister.
 28. See John Rourke, *Making Foreign Policy*, pp. 101-103.
 29. Jerry Hough, *Soviet Leadership in Transition*, and; Robert Kitrinis, "The CPSU Central Committee's International Department," *Problems of Communism*, September-October, 1984, pp. 47-65; and Jerry Hough, "Soviet Policy-Making Toward Foreign Communists," *Studies in Comparative Communism*, Autumn, 1982, pp. 167-183.
 30. Central Intelligence Agency, Directorate of Intelligence, *Directory of Soviet Officials: National Organization*, 1986, pp. 69-79; "Winds of Change Hit Foreign Ministry," *Radio Liberty Research Bulletin*, RL 274/86, July 16, 1986.
 31. For details of these reorganizational changes, see J.F. McIntyre, "Soviet Efforts to Revamp the Foreign Trade Sector," in U.S. Congress, Joint Economic Committee, *Gorbachev's Economic Plans*, vol. 2, 1987, pp. 489-503; and "The U.S.S.R.'s Foreign Economic Relations in the Process of Perestroika," *MEMO*, pp. 323-342.
 32. *Pravda*, March 18, 1990 and April 10, 1990.
 33. Jim Nichol, "The Question of Legitimate Representation of the Soviet Union in Signing Interstate Treaties: A Research Note," *Soviet Studies*, 1990, pp. 341-353.
 34. *Pravda*, December 21, 1990, p.1.
 35. "We Will Astonish You," *New Perspectives Quarterly*, Spring 1987, p. 34.
 36. Jerry Hough, "The Domestic Politics of Foreign Policy," in Jacobsen, ed., *Soviet Foreign Policy*. For a description of Falin's background and significance see "Soviets Promote Ex-Envoy Cool to US," *New York Times*, October, 21, 1988, p. 1.
 37. Gorbachev blamed Gromyko for much of the incompetence and miscalculation of the Brezhnev era. Gromyko was associated with the sinistry of the Brezhnev Doctrine and the failure in Afghanistan. See, "Gromyko's Record Branded a Failure," *Manchester Guardian*, May 29, 1988, p. 11.
 38. Shevardnadze said, "I express profound gratitude to Gorbachev. I am his friend. I am a fellow thinker of his. I have always supported and will support to the end of my days, the ideas of perestroika, the ideas of renewal, the ideas of democracy, of democratization. And we have done great things in the international arena." *Pravda*, December 21, 1990.
 39. Rourke, pp. 83-87, 123; Thomas Weiss and Meryl Kessler, "Moscow's UN Policy," *Foreign Policy*, Summer, 1990, pp. 94-112.
 40. David R. Jones, *Soviet Armed Forces Review Annual, 1987-1988*, pp. 1-7. Also see Bill Keller, "Gorbachev Seizes the Chance to Restructure the Military," *New York Times*, June 7, 1987, sec. 4, p.2, and D.T. Yazov, *Guarding Socialism and Peace*, 1987, p. 27.
 41. "Soviet Military Voices its Concern at Gorbachev's Troop Reduction Plans," *Manchester Guardian*, January 1, 1989, p. 14. Akhromeev was replaced by Mikhail Moiseev.
 42. In part, this may be due to natural attrition, but its character is strikingly evident when compared to the average annual rate of five changes from 1953-1984.
 43. Gerhard Wetting, "'New Thinking' on Security and East-West Relations," *Problems of Communism*, 1988, pp. 1-14; Jean Quatras (pseudonym), "New Soviet Thinking is Not Good News," *Washington Quarterly*, Summer 1988, pp. 171-183; Raymond Garthoff, "New Thinking in Soviet Military Doctrine," *Washington Quarterly*, Summer 1988, pp. 131-158.
 44. Paul Marantz, "Gorbachev's New Thinking About East-West Relations," in Jacobsen, ed., *Soviet Foreign Policy*, p. 27.
 45. Jones, pp. 2-4; Gorbachev, *For a Nuclear Free World*, 1987, pp. 42-43.
 46. *Pravda*, September 17, 1987.
 47. *Krasnaya Zvezda*, December 19, 1987; *Izvestiya*, December 10, 1987.
 48. Jacobsen, p. 58; "How Gorbachev is Cutting the Soviet Threat," *Manchester Guardian*, November 12, 1989, pp. 17-18; "Soviets Decrease Use of Navy and Curb Overseas Exercises," *New York Times*, July 17, 1988, pp. 1, 13; "Cam Ranh Bay," *New York Times*, December 23, 1988, p. 3.
 49. William Odom, "Soviet Military Doctrine," *Foreign Affairs Winter 1988/1989* pp. 114-134; David Holloway, "Gorbachev's New Thinking," *Foreign Affairs: America and the World 88/89*, pp. 66-81; Allan Lynch, "Does Gorbachev Matter Anymore?" *Foreign Affairs*, Summer, 1990, pp. 19-29; "Soviet Military Wary of Arms Cuts," *New York Times*, December 23, 1988, p. 3.
 50. Gorbachev's Speech on the 70th Anniversary of the October Revolution, *Pravda*, November 3, 1987; the Soviet-Yugoslav Joint Declaration, *Pravda*, March 19, 1988.
 51. Carl Jacobsen, "Sino-Soviet Relations: New Perspectives," in *Soviet Foreign Policy*.
 52. *New York Times*, February 12, 1990, p. 1.
 53. "Soviet Union's Bureaucrats, Secret Police Slow Gorbachev's Drive to Expand Trade," *Wall Street Journal*, March 9, 1988, and "The U.S.S.R.'s Foreign Economic Relations in the Process of Perestroika," p. 342.
 54. V.P. Gruzinov, *The USSR's Management of Foreign Trade*; also U.N. Economic Commission for Europe, *East-West Joint Ventures*, 1988, pp. 182-189.
 55. See Erik Hoffman and Robbin Laird, "Soviet Perspectives on 'The Scientific-Technological Revolution' and International Politics," in Laird and Hoffman, eds., *Soviet Foreign Policy in a Changing World*, 1986, pp. 125-141.
 56. This was a provision of "Measures to Improve the Management of Foreign Economic Relations" passed in August, 1986.
 57. Viktor Borisovich Spandaryan and Nikolay Petrovick Shmelev, "Problems of Improving the Effectiveness of the USSR's Foreign Economic Relations," *MEMO*, pp. 253-273.

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Global Capitalism and State Power

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I. Introduction

Capitalism's central organizing principle is to amass wealth. Its survival requires that capital expand by reproducing itself (Heilbroner 1985). Although the process of capital accumulation began inside the state system, capitalism's success does not depend on the preservation of the state system. Capitalism has its own structure of power, one which advances the pursuit of wealth through the effective use of profitable resources. In this respect, capitalism is a system in which the political, economic, and social dimensions of human relations form around the pursuit of wealth. Wealth and power are not just simultaneously pursued in the market system of capitalism; they are logically and naturally different dimensions of the same reality. Capitalism cannot separate these values.

Any tensions which may arise between capitalism and the state derive from power rather than from the relationship between wealth and power. Both capitalism and the state depend on and accept the principle of accumulation; yet, the ends of both result in "a conflict between two logics of power: economic and political." (Heilbroner 1985, p. 90). This representation of the relationship between capitalism and the state is not usually found in research on the political economy of the United States. Orthodox approaches to international relations conform the analysis to fit assumptions which misrepresent the actual state of current world political economy, particularly when they are applied to explanations of the post-World War II position of the dominant state in world affairs.

This misguided representation results from at least two assumptions which prevail in orthodox analysis of international relations. One assumption is that the current relationship between wealth and power is similar to the relationship which prevailed prior to the development

of markets during the mercantilist period of history. The assumption is that the political system pursues power through wealth. The analysis of power, therefore, entails a delineation of the ways in which the state achieves power through the authoritative allocation of or control over wealth or the resources related to its determination. The second, related assumption is that the state system provides a comprehensive framework in which to assess power. Consequently, power is not inherent to the economic system.

The recent works of Kennedy (1987), Nau (1990), and Nye (1990) build on both of these assumptions. Their debate concerns the relative importance of military, economic, and political sources of power in determining the status of United States power in the world. Nonetheless, all of them agree that the state controls its own fate. They claim that the position of the United States in the world has resulted from the misguided or wise ways in which the government has transformed wealth into military and political sources of power. None of them disputes that military strength, for instance, is an inherent source of power or that this source enhances the political prestige and status of the state in world affairs. Furthermore, they agree that to the extent systemic forces influence United States power, these forces derive from an inter-state system in which states alone, notwithstanding the presence of transnational corporations, are the decisive actor.

The realist, neo-realist, and regime-based paradigm is the source from which Kennedy, Nau, and Nye have derived their analyses. That paradigm is used both in general analyses of world power as well as in the analysis of the power position of the United States. Realist (Morgenthau 1948; Knorr 1975) and neo-realist (Waltz 1979) analysis of international relations is most immediately tied to the use of these assumptions. More recently, advocates of

a regime-based approach (Keohane and Nye 1970; 1977; Mansbach, Ferguson, and Lampert 1976; Mansbach and Vasquez 1981; Keohane 1984; Krasner 1985; Gilpin 1987) have attempted to overcome the limits of the state-centric assumption. This approach has introduced the importance of nonstate actors such as business and banking who, with states, collectively constitute a regime. Regimes are based either on specific issues (e.g., oceans, trade, money, food) or on a functional basis in which multi-issues are linked together (e.g., the N.I.E.O.). Capitalism is either fragmented into specific issue areas or treated functionally as the wealth-generating component of the regime. At the same time, since states permeate and are considered to be significant actors in all regimes, inter-state relations are given primary attention. Although such regimes are assumed to have characteristics which constrain the behavior of their members, the emphasis is nonetheless on the various components of the regime whose behavior can be explained by constraints from the "outside-in" and/or the "inside-out." Since states permeate all regimes and since power relations are assumed to be contained within these regimes, the analysis of fragmented or functional capitalism and the state sustains a mercantilist approach to political economy.

This penetration of regimes by the state is particularly evident in Keohane (1984), who adds a somewhat different twist by including rational-choice theory in the analysis. His work wedds the micro-foundation concept of bounded rationality with a state-based conception of hegemony and regimes to explain how cooperation and discord in the world political economy are rooted in these sources. This approach reasserts state control over the economy by underscoring the relationship at the rational and micro-level and by conceiving of hegemony in

such a way that power struggles between competing regimes in which the state is not necessarily a decisive actor are eliminated. Keohane's mercantilist approach is further confirmed by his theme that a reciprocal relationship between wealth and power is central to political economy. In general, regime-based approaches do not question the validity of the first assumption.

II. Alternative Assumptions

The first assumption does not take into account changes in the relationship between wealth and power and, therefore, between the market and authority, which emerged from capitalism. Power is the determination of outcomes. Humans have power when they get what they want and do so as a result of their own actions. Systems and institutions have power when only their presence can account for the conformance of human behavior to the procedures, norms, and rules which are unique to the system or institution. Power is present whenever a result follows from an initiative, even when the intervening period does not include contention over the disposition of stakes (Mansbach and Vasquez 1981). Power may be shared in a nonconflictual way to the extent that it is sought as a means through which to attain other, mutually compatible ends.

The pursuit of power as an end is not inherent to capitalism since its sole purpose is to acquire wealth. As long as capital continues to expand without preventing the satisfaction of other values, capitalism harmoniously shares power with other social institutions and groups. The state, which pursues power both as an end and as a means, may flourish while capital continues its own process of accumulation. The political system succeeds, as Kennedy (1987) has noted, by extending the scope of its military and administrative boundaries. A complementary relationship between wealth and power is always and immediately present in the sense that the state cannot maintain or amass power unless capital continues to reproduce itself.¹ Both the market and authority are organized around this point of reciprocity.

Tensions emerge, however, if the use of power to amass profits disrupts the state's ability to preserve or extend its bound-

aries. If a discord between capitalism and the state is possible,² it takes place within the parameters of power itself. Such contentions are not apparent. Capitalism is both independent from and dependent on the state's power just as the state, though separated from the market system, is nonetheless dependent on the expansion of capital for the satisfaction of its own ends. This reciprocal dependence and independence is complementary when capitalism and the state operate in overlapping yet different arenas. This reciprocity is also subordinate to the requirement that capital continue to expand. In the end, the self-expansion of capital guides the resolution of disagreements about power.

The prospect for tension is greatest in the global arena, where the power of capital encounters the power of the state. This tension escapes the analysis of those who hold the second assumption, that power is derived from a state-centric model of the international system. Since the Peace of Westphalia, the world has moved toward a political division into discrete, supposedly autonomous, and sovereign states. After the Thirty Years' War, the political division of Europe occurred within the context of mercantilism.

The development of markets³ planted the seeds for power conflicts by fragmenting the authority system (Lindblom 1977) from its prior centrality. This fragmentation did not become consequential until the 1960s. In the context of mercantilism and as a holdover from feudalism, power appeared to be indivisible because it remained fused with control over wealth. The market's pursuit of wealth was made subservient to the state's interest in enhancing its power position within the world (Gilpin 1975). Although capitalism displaced mercantilism during the Industrial Revolution, power continued to be viewed as indivisible even though the market removed itself from the state by developing its own system of authority.⁴

The mercantilist and realist presumption that the state is the ultimate center of authority has persisted since the 18th century, in part because the state and the market have exercised their power in mutually reinforcing and functionally overlapping ways (Heilbroner 1985). The two have assisted each other in the domes-

tic arena by occasionally enforcing each other's functions. The state, for instance, has protected property rights while the market has facilitated the creation of a "silent majority" to mask the coercive requirements of the state. This reciprocity does not eliminate the possibility of power conflicts in the domestic accumulation of wealth.⁵ It establishes, instead, that such tensions have always led to a reconciliation or accommodation which has not disrupted the domestic pursuit of profit and the international pursuit of power.⁶

This domestic accommodation cannot be transferred to the world arena where the exercise of power has become essential for capitalism since the 1960s. The self-expanding attribute of capitalism was present from the beginning of capitalism. The practice of colonialism during the nineteenth century was an early indication that this feature of capitalism could surmount the inter-state system of world organization (Wallerstein 1980; Alavi 1980). Despite its global feature, for almost two centuries capital was able to reproduce itself within the territorial boundaries of states. After World War II, the growth of capital became associated with a global accumulation process. The search for surplus necessitated the establishment of larger, integral markets for production and consumption. This necessity became an essential and apparent characteristic of capitalism.

Global growth has eventually replaced the local growth which occurred inside the nation-state.⁷ The number of multinational corporations has rapidly increased since the return to convertible European currencies in the mid-1950s. The scope of their production and marketing operations now encompasses all parts of the world. Banking has followed a similar pattern, particularly with the emergence of the Euromarket in the wake of the British balance of payments crisis of 1957. The internationalization of business and banking has occurred in the major centers of capitalism (e.g., the United States, Western Europe, and Japan). As capitalism has integrated the world into one economy, the reproduction of capital now occurs within a single world market of trade, finance, and investment.

The accumulation of capital on a global scale now impinges on the state's pursuit

of power. Why? The power of the state hinges on the preservation of inter-state boundaries. This preservation requires a greater abundance of capital for the state. At the domestic level, states have become more responsive to the demands of individuals and groups to fulfill the promise for a better life which capitalism held out but did not guarantee. The development of the welfare state has increased the state's support for the amassing of wealth. State support for the expansion of capital has also occurred in international affairs due to the costly proliferation of nuclear and conventional weapons and/or foreign aid. States perceive these programs as necessary to the maintenance or extension of military control over the greatest possible number of many parts in the world. Both capitalism and the state have acted, therefore, in support of a world order wherein the accumulation of capital can continue. The creation of the International Monetary Fund (IMF), the International Bank for Reconstruction and Development (IBRD), and the General Agreement on Trade and Tariffs (GATT) reflect this common interest. The success of these various mechanisms has been, however, contingent upon the emergence of a truly global order, one in which the whole operates not only as something greater than the sum of its parts but also as indifferent to the power interests of the parts.⁸ While both capitalism and the state have supported the globalization of capitalism, the state's capital needs have the potential to reduce the rate of profit. Rates of return on investments in transfer payments, welfare programs, defense,⁹ and foreign aid are lower than earnings from investments in the global private sector.

The prevailing paradigm in orthodox international relations theory is unable to address a fundamental problem which follows from the development of global capitalism. States need access to greater amounts of capital; yet, investing in these needs diminishes the rate of profit. This leads to a contradiction: the state must encourage an expansion of capitalism without which it can no longer have the resources it needs to pursue power; yet, the successful globalization of capitalism requires a global order that is antithetical to the interstate system of power. The nature of this contradiction leads to a

corollary proposition: the globalization of capitalism also reduces the basis for cooperation among capitalist states. Their common need for unprofitable investments further exacerbates the zero-sum conditions under which many states simultaneously compete for access to a market which itself is competing for the most profitable rate of return. This contradiction appears in the rising tension between capitalism and the state (and among states themselves) during a time of transition in world power.

III. International Liquidity and the Euromarket

The contradictory nature of relations between global capitalism and the United States, the dominant state in the postwar world of democratic capitalism, embodies this tension. The postwar development of systems for international liquidity and finance has led to at least three patterns which shed light on the way in which the power dispute between capitalism and the state appears to be reaching a resolution. First, a global system of capitalism is now in place and its fundamental structures are unique to the system as a whole. Secondly, this system and its characteristics are the result of the behavior of both capitalism and the state, although the system only enhances the further accumulation of wealth. Finally, global capitalism has diminished the overall power of the interstate system.

A. International Liquidity During the 1960s

International liquidity was one of three concerns (confidence and the adjustment of balance of payments disequilibria were the other two) addressed at the Bretton Woods conference in 1944.¹⁰ Governments of 44 nations met at Bretton Woods to create a postwar international economic order which would be led by those states who signed the Articles of Agreement of the IMF. While the United States and Great Britain were in fundamental disagreement about which liquidity mechanisms to include in the agreement (Solomon 1977), they had common reasons for concluding that the postwar international monetary system should be regulated by states. They believed that the international chaos which escalated

during the 1930s was caused by private sector behavior. In their view, the lack of state commitment to maintain an orderly regime allowed short-term movements in speculative capital to disrupt currency values and the flow of trade (Keohane and Nye 1977). Both governments, therefore, supported an international monetary order in which states created and regulated the liquidity which members of the IMF would need to facilitate trade and overcome temporary balance of payments deficits.

The views of Harry White, United States Treasury representative to the conference, prevailed in the final agreement. The liquidity system was based on the dollar rather than on a reserve unit which was not tied to any particular economy. Under this arrangement, growth in world trade and temporary balance of payments problems would not disrupt the economic order because dollars would be supplied to address these developments. As the key currency, confidence in the dollar was guaranteed by the United States' commitments to exchange the official dollar reserves of member states for United States gold reserves and to never devalue the dollar. All other currency values were pegged to the dollar which, along with gold, other foreign exchange, and IMF quotes, was part of the official reserves of the member states.

The United States supported the creation of a liquidity mechanism wherein one state held virtually all responsibility for the maintenance of a fundamental component of the entire system. United States economic, political, and military resources were far superior to those of any other states. The United States government had also enjoyed accommodative, albeit limited, relations with its private economic sector in pre-war international affairs. The United States, therefore, assumed a leadership position in the international economic order, fully confident that it could take a dominant position in the world economy. The liquidity mechanism was adopted with the expectation that the performance of the United States domestic economy would sustain, if not enhance, the state's comparative economic advantage (Maddison 1982; Kennedy 1987). Practically speaking, this meant that as world trade grew and as the balance

of payments adjustment needs of IMF members occurred, the United States would be able to supplement international liquidity by providing additional dollars to the system. The increased availability of these dollars would be backed by the growing strength of the United States economy.

This system began to manifest system-wide, structural problems in the early 1960s. Problems had occurred already in the 1950s, e.g., the chronic balance of payments deficits of Great Britain and pressures on the dollar when European currencies became fully convertible in 1958. These were viewed, however, as temporary problems which would be overcome after the system came into full operation. When Kennedy took office in 1961, his administration clearly perceived the liquidity problem as something other than temporary. Both his and, to a somewhat lesser extent, Johnson's administrations advocated "quick-fix" measures rather than major reform of the liquidity system. Kennedy's response to this trend entailed the adoption of a series of patchwork, "ad-hoc" measures, the most significant of which were the 1961 and 1963 balance of payments programs, SWAPs, the GAB, the creation of the Group of Ten, the Roosa Bonds, the Interest Equalization Tax (IET), the pattern of United States draws on IMF quotas, and the refusal to consider devaluation. All of these measures were efforts to prevent the collapse of a system in which the dollar's role guaranteed that the United States could control the IMF. With the exception of the IET, all of the measures required that other states or the IMF use their reserve assets to shore up the dollar.

While most states were willing to cooperate with the United States, France and other Group of Ten states continued to demand major reform of the monetary system (Solomon 1977). Unity among industrialized states had begun to erode.

While the immediate success of the IET was doubtful (Amen 1988), there was even less doubt that the state failed in the long-run to prevent the development of a global market for portfolio investment capital. But this was not the United States' intention in 1963. The Kennedy administration adopted the IET for two reasons: to limit the volume of already

overvalued dollars in the international system and to encourage domestic investment. The latter goal supported reciprocity between capitalism and the state since Kennedy actually sought to encourage domestic growth. The other objective of the IET, however, marked the initial point of over tension between the two in the world.

In respect to global relations between capitalism and the state, Johnson's policies differed fundamentally from those of the Kennedy administration. While the IET was continued, the Johnson administration also adopted voluntary (1965) and then mandatory (1968) government controls on the international movement of private capital for direct investment. Although Johnson's intent was similar to that of Kennedy's, his direct investment policies further escalated tensions between the state and the financial and nonfinancial corporate sector. The corporate sector responded to these regulatory attempts by expanding its operations in the Euromarket (see below). In effect, Johnson's policies spurred the development of global capitalism.

Johnson's administration also adopted a more accommodative position on the views of other states with regard to reform of the liquidity system. After Roosa and Dillon resigned, Henry Fowler, the new Secretary of the Treasury, encouraged Johnson to allow the United States to participate in discussions with other Group of Ten members on reform of the international monetary system. For three years the United States' nonetheless resisted efforts to change the liquidity system from its existing mechanism to the one Keynes had advocated in 1944, i.e., a reserve asset which would not be tied to any one member's currency. Other Group of Ten nations were equally insistent on a reform which was tailored to their particular interests (Solomon 1977, pp. 128-151). The Stockholm meeting in 1968 finally resulted in agreement to create Special Drawing Rights (SDRs). The first distribution of SDRs in 1970 resulted from an agreement which was a collaborative effort on the part of the industrialized world. In the end, the Group of Ten wanted to maintain a liquidity system within an institutional framework which it perceived to be individually and collec-

tively better than other alternatives which might have led to the collapse of state control over the international monetary system. This collaborative effort ended when, in the spring 1973, states abandoned fixed exchange rates and thereby gave up control of the liquidity system. In doing so, states opened the way for the private sector to take over their role in determining the SDR's value and in financing balance of payments deficits. They also set the stage for subsequent collaboration between international banking and the IMF to alter domestic economic policies of various IMF member-states. The emergence of the Euromarket provided banking the means with which to enter these areas.

B. The Euromarket

States who participated in the 1944 Bretton Woods meeting supported the adoption of a fixed exchange rate system to prevent disruptive private sector capital movements across state borders.¹¹ The sentiment during the meeting was that the political instability of the 1930s had been partially due to speculative capital movements. These movements were in response to the frequent devaluations states undertook to improve their trade position during the depression. The fixed exchange rate system was believed to be the solution to this problem. When the IMF was implemented, therefore, currencies were fixed relative to each other, using the dollar to establish parity. Initial valuations were roughly based on estimates of what the relative productive strengths of the participants would be after postwar reconstruction was completed. Once parities were established, they could not be changed more than one percent in either direction without the prior approval of the IMF. Since a weighted-voting system was adopted, this meant that larger changes in currency values could not occur without prior approval of the United States.

The rigidity of the fixed exchange rate system precipitated the kind of private capital movements which its creation intended to prevent. Chronic British balance of payments deficits were one of the more significant causes for these movements. In 1956 and 1957, after devaluations proved to be ineffective, the

British government instituted controls on capital movements to correct its payments deficits. British financial institutions responded to these controls by holding the dollar earnings of their clients outside British banks. This coincided with the Soviet Union's acquisition of dollars from gold sales. The Soviets needed hard currency and were unwilling to hold their dollars inside the United States out of fear that Cold War tensions might result in freezing these assets. Dollars from both British banks and the Soviet Union were deposited in European banks, thereby creating what is now known as the Euromarket.

Since its creation in 1957-1958, the Euromarket has become the major source of lending for both private sector and state borrowers (Spero 1990, p. 42). Among the latter, both industrialized and developing nations have steadily turned to the market for purposes of financing and refinancing everything from balance of payments deficits to development loans and long-term debts. The size of this market is unparalleled. No other unit in the international system has assets which match the magnitude of those inside the market (Bank for International Settlements Annual Reports, 1963-1990). The IMF, for instance, now finds itself in the position of having to negotiate with banks in the market who have the assets which far outweigh the size of those in the IMF quotas. The IMF's current ability to impose "conditionality" on member states is possible only with the consent of those banks whose assets are the source of lending (Cohen 1981). The Euromarket is, therefore, an international system of finance in which banks have created a number of mechanisms to facilitate private investment: the LIBOR, Eurobonds, and "parking" (Johnson 1990, p. 88).

The United States has tried but failed to control either the way in which the Euromarket functions or the capital movements which occur within it. The fixed exchange rate system was created to prevent private capital movements which would disrupt the inter-state system. This early effort was directed at stabilizing the international economic order rather than preventing the expansion of capitalism or regulating the specific directions in which

capital moved. By contrast, the IET and Johnson's direct investment regulations were unilateral efforts to regulate the locus of foreign investment between the United States and specific parts of the world. The Kissinger initiative to create a multilateral agreement, in response to the recycling of petrodollars in the 1970s, was an attempt to regulate private capital movements insofar as they influence the industrialized world. To date, none of these or other state efforts to regulate interbank and consortium lending (Strange 1986; Johnson 1990) have led to greater state control of international banking.

III. The Results

The relationship between the United States and global capitalism since World War II appears in the issue-areas of international liquidity and the Euromarket. This relationship entails a fundamental contradiction which orthodox international relations theory has been unable to address. The United States had to encourage an expansion of capitalism because it built its power in the inter-state system on a strong domestic economy; yet the strength of United States capitalism required that a global order be established which was antithetical to the interstate system of power. Furthermore, the globalization of capitalism has narrowed both the basis for cooperation among capitalist states as well as the sources of power on which the inter-state system depends. The tension between capitalism and the state which arises from this contradiction has led to a power struggle over the control of capital. The patterns which emerge from this struggle do not hold well for the future of the state system. First, a global system of capitalism is now in place and its fundamental structures are unique to the system as a whole. Secondly, this system and its characteristics are the result of the behavior of both capitalism and the state, although the system only enhances the further accumulation of wealth. Finally, global capitalism has diminished the overall power of the inter-state system. These patterns are derived from an analysis of relations between the United States and capitalism as the former attempted to address problems which appeared, beginning in the late 1950s, in both the international monetary system and the in-

ternational movement of capital.

Two major developments emerged from the liquidity issue during the 1960s. First, the policies of the United States underscored that changes in the distribution of inter-state power were occurring, and that these changes were not immediately related to conflicts between capitalism and the state. Kennedy's efforts to regulate portfolio investments and Johnson's efforts to regulate direct investment were undertaken to shore up the state's power over the international monetary system. This systemic source of power had been shaken by the failure of the United States economy to maintain its preeminence relative to the economies of other states. The failure did not result from problems between capitalism and the state (both presidents encouraged domestic economic expansion), but rather from a problem between states in the international monetary system. States could no longer maintain the original distribution of power among themselves. When this became apparent, their reactions proved to be ineffective.

As the inter-state problem surfaced, a second development occurred: capitalism took on irreversible, global proportions. Capitalism moved outward, beginning in the late 1950s, simply because domestic rates of return proved to be smaller than profits from investments in the international market. It did not move outward or change its movement outward in response to a struggle between capitalism and the state. Global expansion preceded the policies of Kennedy and Johnson. The relationship between these two developments indicates that the issue was not between wealth and power. Instead, wealth and power formed the basis for two independent, although related, issues: capitalism's pursuit of wealth and the struggle among states for control of the international monetary system. With the emergence of global capitalism, the further accumulation of capital now occurs through international banking activities which states had originally delegated to themselves (e.g., currency values in the world market, the financing of balance of payments deficits, and domestic economic policies). These and other developments have diminished the power of the inter-state system.

In the Euromarket case, the United States tried, yet failed, to control the private movement of capital. As the power position of the United States declined, its attempts to control private capital movements intensified and moved from unilateral to multilateral efforts. The globalization of capitalism accompanied this trend. While the simultaneous occurrence of these two patterns does not establish that they are causally related, they uphold the view that global capitalism has encroached on the inter-state system of power. As capitalism and the state pursue their respective goals in the same arena, the prospects for accommodation are reduced. The room in which to maneuver around each other becomes smaller. At some point, the different dimensions of wealth and power appear as a single phenomenon. This point is a discord between the state and capitalism which requires that each pursue wealth and power as one and the same. Subsequent tensions between the state and capitalism lead to a struggle for capital.

Why has the United States (or, for that matter, any group of states) failed to win this struggle? Strange (1986) claims that the Euromarket could be, but has not been, controlled by states because the United States has made inappropriate decisions and non-decisions (pp. 25-59). She assumes the mercantilist view that states can control markets. Furthermore, she assumes that only states can be the effective (i.e., stability, order, and psychological certainty) lender of last resort. Her analysis is hypothetical and prescriptive, i.e., what should or could be the case. Its plausibility requires a prior acceptance of the orthodox paradigm.

An alternative explanation is that the state has failed to control capital movements because the inter-state system is not based on the principle of capital accumulation. The globalization of capitalism requires a logic of power which differs from that of the inter-state system. In capitalism, boundaries must give way to profitability. The state system has no power without boundaries. The failure of the state to regulate international liquidity and capital movements underscores that the underlying, organizing principle of all human relations in capitalism is to promote the self-expanding capacity of

capital rather than the preservation of the state system.

Endnotes

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1. Such an assertion cannot, however, explain political economic relations because there is no variation in this complementarity. The insignificance of this approach is even more striking when only the state's pursuit of wealth and power is analyzed (Keohane 1984) since the assertion of compatibility is akin to saying that the state complements itself. The all-too-frequent occurrence of this kind of analysis (Kennedy 1987; Nau 1990; Nye 1990) is based on the supposition that the current relationship between wealth and power occurs within the context of mercantilism rather than of capitalism.
2. Marxist generally hold that such a discord is not possible.
3. The market system may have resulted from the authority system's yielding some portion of its sovereignty, as Heilbroner (1985) claims or it may have resulted from collective human and structural forces beyond the control of authority. While the origins of the market system are significant in delineating the current power relations between the state and the market, this question is beyond the scope of the current article.
4. While Lindblom (1977) claims this authority may reside within the relationship between consumers and producers at the point of consumption, it is also possible to conceive of market authority as residing exclusively within the production process, as Marxists do.
5. Such conflicts are at the heart of the "relative autonomy of the state" debate in Marxist analysis.
6. Bowles, Gintis, and Weisskopf (1986) refer to this as a "capital-labor accord" which the state has facilitated.
7. Some claim that capitalism remains a closed system and that there has been no structural change either with regard to the factors of production or with regard to the relative distribution of benefits for states from the economic system (Cho 1985; Gordon 1988). Others either assume that economies are open (Blecker 1989) or attempt to demonstrate that these economies are not only open but that specific dimensions of capitalism manifest a new structural, global economic power (Cypher 1979). Gill and Law (1989) contend, for instance, that such a global order is present in the case of capital. Others claim that the global dimension of capitalism is apparent from the development of the Euromarket (Moffitt 1983), the multinational nature of corporate fixed capital (Barnet 1974), the international division of labor (Frobel, Heinrichs and Kreye 1980), and the emergence of international consumer markets (Baran and Sweezy 1966).
8. The concept of global capitalism is compatible with Marxist theory (Tosh 1984). In particular, the core/periphery concept in world systems literature (Wallerstein 1979; Goldfrank 1979) conceives of global capitalism as an indivisible whole by viewing the concept of core/periphery as an integral phenomenon of capitalism which cannot be reduced to its particular components in either the core or the periphery.
9. Seymour Melman (1974) has concluded that the expansion of the defense sector in the United States actually lowered industrial efficiency and fueled inflation. If this is the case, domestic expansion of the defense sector may have been a contributing factor in the outward movement of capital.
10. Most accounts of the international monetary system since 1945 are primarily concerned with the role states have played in determining the characteristics of that order (Odell 1976; Solomon 1977; Gowa 1983; Strange 1986). Presumably, this emerges from the notion that states created the IMF and as its sole members are responsible for changes related to its functions.
11. Most research on United States foreign investments (eg., Gilpin 1975; Krasner 1978; Lipson 1986) is based on the state-centric assumption that the state, rather than the global order of capitalism, can control private capital movements. Even research on international banking approaches the Euromarket as a phenomenon controlled either by a group of private commercial banks or by a special relationship between banking and the state (Aronson 1977; Cohen 1981; 1986; Verluysen 1981; Wilson 1986). Some even hold that the Euromarket can be controlled by states. Strange (1986) takes this point of view when she holds that the chaos in the world of high finance has been due to the

decisions and "non-decisions" of the United States government.

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Election Structure and Black Representation in Southern Counties

C.E. Teasley, III

Introduction

The dramatic changes in southern black registration since passage of the Voting Rights Act in 1965 have been documented many times. The overall growth in the number of black elected officials in that region has also been observed, but concern still remains about the use of devices, such as at-large elections, which may minimize the impact of black electoral gains.

At-large election systems are a product of the local government reform movement at the turn of the century. Their theoretical purpose is to promote a community-wide perspective by having representatives elected at-large. One result, however, is that minority groups tend to be under-represented, since larger majority groups will normally prevail in jurisdiction-wide elections. At-large election systems have, therefore, been legally questioned as to whether they have been adopted or maintained with the intent or the effect of "diluting" the vote of minorities.

Most research on black representation has concentrated on the central cities of major metropolitan areas (Robinson and Dye, 1978; Taebel, 1978; Engstrom and McDonald, 1981 and 1982; and Vedlitz and Johnson, 1982). A substantial proportion of vote dilution litigation, however, has been brought against southern jurisdictions, especially county governments. It is reasonable to question whether the research results for cities are generalizable to southern county election systems. In addition, black percent of the population has been used as the primary predictor of black council percent. One should wonder, as well, what difference there would be between the use of black population percent and black percent of registered voters since blacks are still registered in lower percentages than whites in the South (and nationwide).¹ A study of these states allows a comparison of the results between the use of black

voting age population (BVAP%) percent and black registered voter percent (BREG%). Analyzing the actual percent of registered voters may offer insight into the impact that registering blacks might have on their representation.

Four questions are central to this research. First, what difference does election structure have on the representation of blacks on southern county governing bodies? Second, does the use of the black proportion of registered voters result in a higher representation rate than proportion of black voting age population (VAP)? More importantly, does election structure have the same impact on black representation when black proportion of voters is the independent variable as it does with black proportion of VAP? Finally, are the representation rates for the given election structures the same for counties as they are for the much more often studied set of major cities?

Methods

This study reports the analysis of data from counties in five southern states — Florida, Georgia, Louisiana, North Carolina and South Carolina. These five southern states were selected because they continue to register by race. They may be considered generally representative of the Confederate South, since they include three Deep South states and two peripheral South states. Analyses of census reports on voting show little difference between these states and the whole South (U.S. Bureau of Census, 1982; 1988).

The Study Group

Although studies of major central cities employed data for the 243 SMSA cities, they often used different subsets for their respective analyses. Earlier studies usually invoked a minimum threshold for black percent of population since, "it is unrealistic to include in any meaningful study those cities in which minority populations are so small that under even optimum

conditions minorities have no chance of electing any member of their group to the council" (Taebel, 1978:144). Typically, a minimum black population percent of 10 to 15 percent was required for inclusions, although Taebel (1978) included cities with 50 percent of the minimum black population percent required to elect a member of the council. Engstrom and McDonald (1981) observed that these minimum thresholds were largely intuitive, and they did not invoke a lower threshold because of their use of slope coefficients, but they eliminated those units with greater than 50 percent black populations because of the theoretical specification whereby a black majority should benefit from an at-large structure. Indeed, the inclusion of cities with over half black population results has a dramatic impact on the findings. On the other hand, Engstrom and McDonald (1981:346) report that when one uses a minimum threshold of percent black population, the issue of how one measures black representation (discussed below) is largely "moot." Thus, one particular measure of black representation would allow the inclusion of data for cities with no black population at all, although it would be theoretically meaningless to do so.

The data for these southern counties justify inclusion of those jurisdictions with up to 60 percent black populations (See Figure One) since, at that higher threshold, black council representation percent maintains a very consistent trend. Moreover, comparing counties with black populations of 50 percent or less to the expanded data set for counties with up to 60 percent black populations showed no significant differences in the findings reported in Table One.² It may be that the lower registration rates of blacks account for the inability of blacks to realize their representation advantage, even under at-large election systems, when they are the

majority. As such, this analysis will include the 382 counties with 60 percent or less black VAP populations and for which there were no missing data.

Black Representation Level

Black representation level has normally been measured in one of three ways. The first involved a simple ratio (Robinson and Dye, 1978) of black council percent to black population percent. This measure was criticized because every time the black council percent was zero, the ratio was zero even though the level of black representation should be decreasing as the percent black population increased. Taebel (1978) and McManus (1978) enlisted a subtraction method, where the level of black presentation was indicated by the difference between the population percent and the black council percent. The biggest concern with this measure is that it did not account for differences in maximum levels of underrepresentation. Engstrom and McDonald (1981:345) noted that:

one city's score on this index may register the maximum degree of underrepresentation possible for that city (e.g., council percentage = 0; population percentage = 10), yet be identical to the score for another city in which the underrepresentation may be quite removed from its theoretical maximum (e.g., council percentage = 35; population percentage = 45).

Consequently, Engstrom and McDonald (1981; 1982) argued that the most appropriate measure was the unstandardized slope coefficient, since it would indicate the conversion rate of black population percent into black council percent. Hence, a slope of 1.0 would indicate a perfectly linear relationship between black representation and black population, while a slope of zero would indicate no conversion of black population percent into black representation. Because of its straightforward interpretation and the ability to maximize the size of the study group, the regression coefficient is the indicator of representation employed in this study.

Black council percent has usually been measured at one point in time. Whether the membership of a council is representative of a community at any given time, of course, is a matter of some question. Members of governing bodies can be

elected or appointed to fill unexpired terms; they can also resign or die. The election process itself can be affected by a host of fickle factors, like the personal characteristics of candidates who seek elected office in their communities. Moreover, the difference in representation of just one seat often means a change of 20 percent in black council representation. In order to construct a more reliable measure of representation, the number of black office-holders on a county governing body over the 5-year period, 1982-1986, was compiled from the **National Roster of Black Elected Officials** for the years being studied. The county election structure and size of the governing body was provided by the various Secretaries of State and the National Association of Counties. The black council percent was then computed by dividing the total number of governing officials in the county by the total number of seats on the governing body during that period. For example, a five-member body over a five year period would have 25 seats. If blacks had held one seat over the 5-year period, the black council percent would equal 20.

Election Structure

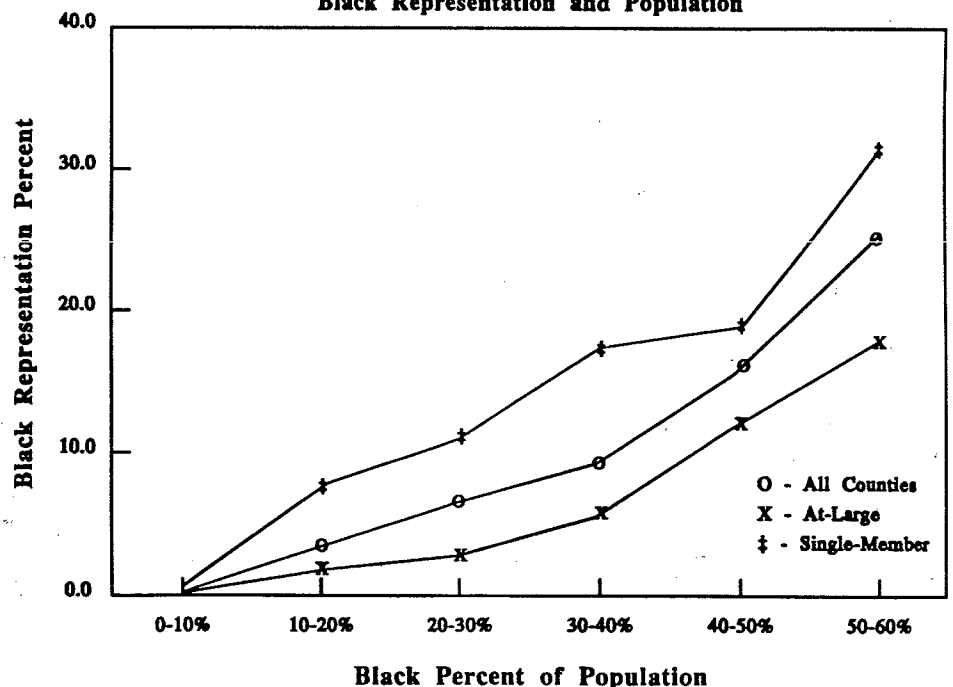
Contrary to the prevailing trend, election structure is reported here as a

dichotomy, at-large and single-member. Other studies have divided single-member systems into "pure" and "mixed" single-member systems, where some councilmen are elected at-large. In those systems, however, there is generally a minority of at-large seats, and the results have often shown similar representation rates for pure and mixed city single-member systems (Engstrom and McDonald, 1981; Vedlitz and Johnson, 1982; and Teasley, 1987). Finally, court challenges support a dichotomous view not only in terms of what type of election systems are challenged, but from the fact that mixed systems are often allowed as remedies for minority vote dilution. Moreover, there is only a small number (N = 23) of mixed system counties. Thus, it was decided to combine them with other single-member systems.

Findings

Figure One shows the mean black representation percent at various ranges of black population percent. Other research has presented this graphic based on predicted values (see Engstrom and McDonald, 1982), but this figure shows that the relationships are reasonably linear and consistent with black populations at 60 percent or less. When the black voting

Figure One
Black Representation and Population



age population percent is between 50 and 60, single-member counties reach an average maximum black representation percent on the council of 30.7, while at-large counties have a mean council percent of 18.6. Ironically, that represents the largest difference between at-large and single-member systems in black representation, although an at-large system should work to the advantage of blacks when they constitute a majority of the county. Since black registration rates are generally less than those of whites, blacks may still constitute a minority of the electorate. Yet, these subgroups are ignored by studies employing the 50 percent maximum black population threshold. Consequently, analyses will be made here using both black BAP percent and black percent of registered voters. Overall, however, there is a clear relationship between the use of an at-large election structure in southern counties and lower representation proportions for blacks. Table One reports the slope coefficients found for the counties in this study. Confirming the findings from Figure One, at-large election structure has a significant impact

on the representation rate of blacks in southern counties. Using the black VAP proportion (BVAP%), single member systems return over 22 percentage points more in council proportion than at-large systems. That difference between the expected representation rate provided by the two systems is increased to 31 percentage points as a function of the black proportion of registered voters (BREG%). Given the difference in intercepts, there is almost no difference between the expected black representation rates for at-large systems, but the predicted representation rate for single-members systems is six percentage points greater as a function of black registration. Thus, increased black registration appears to have a slight, but differential, impact on black representation in single-member counties.

The addition of other demographic variables in the regression model do not significantly effect the coefficient of determination. Including the black/white differences in income and education only increases the adjusted R^2 's to .270 and .305 when racial composition is measured by BREG% and BVAP% respectively.

The rather minimal contribution of demographic variables to the model is consistent with the findings of previous studies utilizing a national sample of cities. (See Engstrom and McDonald, 1981 and Teasley, 1987). A possible problem presented by using slope coefficients to measure black representation is that any measure of community racial composition so dominates the model that other demographic variables can have little additional impact.

How do these findings for southern counties compare with those for cities nationwide? The results are strikingly similar. Although with different indicators and scores, single-member systems produce nearly twice the representation rate for blacks that at-large systems do. (See, Robinson and Dye, 1978; Engstrom and McDonald, 1981; Vedlitz and Johnson, 1982; and Teasley, 1987 for comparison). While the conversion rates for these southern counties is lower than those found for cities as a whole, Engstrom and McDonald (1982) found that southern cities had lower conversion rates than non-southern cities. Moreover, using the central city data base, southern cities of 60 percent or less black populations showed virtually identical slope coefficients (.347 for at-large; .539 for single-member) to those found for southern counties computed using BVAP%.³ Thus, while at-large and single-member county systems maintain the same ratio of representation conversion found for cities, those conversion rates for both types of electoral systems are lower in the South.

Conclusions

A major purpose of this research was to analyze the impact of election structure on black representation to determine if the previous findings with regard to cities hold for southern counties, which are a major battleground of vote dilution litigation. Overall, the findings for southern counties are remarkably similar to those for cities, especially in the South. At-large election structure exerts a significant negative impact on black representation. These data imply that changing to a single-member system could nearly double the representation rate for blacks based on the difference between the slope

Table One

Black Representation on County Governing Bodies as a Function of Black Percent of Voting Age Population and Black Percent of Registered Voters

All Southern Counties

BVAP%BREG%	
Slope Coeff.	.434
Std. Error	1.157
Intercept	-3.397
R-Square	.249
N	382

Controlling for Election Structure

At-Large	Single-Member	
BVAP%	BREG%	BVAP%
Slope Coeff.	.316	.290
Std. Error	.037	.037
Intercept	-1.450	-2.243
R-Square	.236	.206
N	242	140

Source: National Roster(s) of Black Elected Officials, 1982-1985; U.S. Census 1980; and data provided by the National Association of Counties.

coefficients for at-large and single-member systems. Moreover, those representation gains would not be contingent on black voter registration, given the similarity of results based on population percent and voter registration percent. This research contributes information about county governments in the South that previously could only have been presumed true. In addition, the use of black registration data, which were unavailable in previous studies, does not change the results significantly. It should be remembered, however, that elections can be won or lost by a few, seemingly insignificant, percentage points.

This research cannot address when a county adopted an at-large system or whether that system was adopted for an invidious purpose. Black representation has been shown to have a positive impact on black political efficacy (Bledsoe, 1986) and black political trust (Howell and Fagan, 1988). Proportional representation, we are warned by congressional testimony and court decisions alike, is not guaranteed by the Constitution. If, however, proportional representation were the goal, the quickest gain would be found in the abolition of at-large election structures, but it would not be a total cure. Even single-member systems produce considerably lower black representation rates in southern counties than proportional representation would require. In the typical single-member southern county, blacks could expect only about 20 percent representation (one seat out of five), even when black registered voters exceeded 35 percent or when the black voting-age population exceeded 40 percent.

Footnotes

1. Voter Registration Rates in Southern Counties

1982/1988

White/Black White/Black

Florida 60.8 / 50.3 64.3 / 57.5

Georgia 59.7 / 51.9 63.8 / 56.8

Louisiana 67.5 / 68.5 75.1 / 77.1

North Carolina 62.5 / 43.6 65.5 / 58.2

South Carolina 54.5 / 53.3 61.8 / 56.7

Source: U.S. Bureau of Census 1982; 1988

Regression analyses with counties that had 60 percent or less black VAP population.

Where BC% = Black Council Percent,

BVAP% = Black Voting Age Population Percent, and BREG% = Black Percentage of

Registered Voters. OLS regression using black population percent and black registration percent produced the following equations.

Black Population Percent: $BC\% = .383 \cdot BVAP\% - 2.35; R = .184$

Black Registration Percent: $BC\% = .362 \cdot BREG\% - .914; R = .319$

3. Regression analyses with southern SMSA central cities that had 60 percent or less black VAP populations with different election structures.

At-Large Cities: $BC\% = .347 \cdot BVAP\% + 1.198; R = .255$

Single-member Cities: $BC\% = .539 \cdot BVAP\% + 2.58; R = .319$

Sources: Compiled from the 1976 Population-Policy Data Base (Dye and Robinson, 1978) and the 1980 U.S. Census.

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Public Funding of Political Campaigns: A Dissent

Stephanie D. Moussalli

Since at least the early 1970s, private funding of election campaigns has been the subject of intense suspicion and increasing regulation in the United States. As Common Cause organizer John Gardner put it, "There is nothing in our political system today that creates more mischief, more corruption, and more alienation and distrust on the part of the public than does our system of financing elections."¹

Congress and the state legislatures have responded with a combination of four types of regulation:²

- **Disclosure requirements** mandate that funding sources and/or expenditures be reported to the government.

- **Contribution restrictions** either limit or forbid campaign donations from various sources.

- **Expenditure limits** cap the amount of money which may be spent on a campaign.

- **Public funding** partially or totally finances campaigns.

At the federal level, the Federal Election Campaign Acts (FECA) and Amendments of 1971, 1974, 1976, and 1979 include all four types of regulations. These laws were designed to stop a number of campaign practices. For example, Congress enacted disclosure requirements to inhibit illegal corporate contributions of the sort that were made to Richard Nixon's 1972 campaign.³ Elaborate Congressional restrictions on campaign contributions were intended to eliminate "fat cat" donations such as W. Clement Stone's \$2 million contribution to Nixon.⁴

Reformers were concerned not only that large contributors might buy influence, but also that politicians might be able to compel such contributions. A number of corporations, for instance, accused Nixon's reelection committee of systematic "shakedowns,"⁵ and, more recently, former House Majority Whip

Tony Coelho is said to have garnered corporate contributions to the Democratic Congressional Committee through "a legal version of the old protection racket."⁶

In response to charges that campaigning has simply become too expensive, Congress also acted to limit "the evil of excessive money in politics,"⁷ through a number of expenditure restrictions. However, the Supreme Court struck down most of these limits in the most important decision rendered to date on the FECA legislation, *Buckley v. Valeo* (1976).⁸ On the grounds that the free political expression protected by the First Amendment requires the unregulated use of whatever amounts of money citizens care to devote to such expression, the Court forbade limits on personal contributions to one's own campaign, limits on expenditures that a citizen makes independently of the candidate's campaign committee, and limits on campaign expenditures in general, unless the candidate has accepted public funding.⁹

Despite (or because of) these various reform efforts, intense objections to privately-donated campaign contributions persist. The heart of the argument appears to be the fear on the part of many that privately-funded campaigns will allow special interests to control and corrupt government. FECA legislation inadvertently heightened this fear when it outlawed campaign donations of more than \$1000 from a single individual, because it then became more advantageous to organize political action committees (PACs). Each PAC contributor may give up to \$5000 to the committee, and the committee may then give \$5000 per year per candidate to as many candidates as it wishes.¹⁰ The public has responded with an explosion of PACs, from about 600 in 1974 to over 4200 in 1987.¹¹ PAC money, which provided 17 percent of Congressional campaign funding in 1978,

provided 28 percent in 1986.¹² This has alarmed some observers. "We are headed for government of, by and for the PACs of America," warns Common Cause executive Fred Wertheimer.¹³

Most reformers argue that, although contribution and expenditure regulations can partly eradicate the "vices" of private money in politics, there are simply too many unforeseeable loopholes in such efforts — thus the necessity for public campaign funding. "Ultimately," say state scholars David Adamany and George Agree, "only some kind of public financing shows any promise of providing enough fairly distributed and untainted money for politics."¹⁴

Yet public opinion polls consistently show that a majority (roughly two-thirds) of American citizens oppose public financing of campaigns.¹⁵ Despite this continuing public opposition, government has heeded the calls for public campaign funding. Since 1976, U.S. presidential races have been publicly financed in part, and over a dozen states, including Florida, have passed public funding laws.¹⁶ On the other hand, the extension of public funding to congressional elections has been repeatedly considered and rejected by Congress since 1973, and a number of states have either allowed their programs to lapse or declined to use them.¹⁷

Fear of the effects of private campaign financing spans the political spectrum. Senator Barry Goldwater said that "unlimited campaign spending eats at the heart of the democratic process. It feeds the growth of special interest groups created solely to channel money into political campaigns."¹⁸ Senator Ted Kennedy adds that "the interests of the average citizen, the ordinary voter, are in danger of being swamped by the rising tide of special interest groups."¹⁹ "What corrupts American democracy most these days," declares Amitai Etzioni, prominent sociologist and self-described political

Progressive, "is PACed interest groups, the old interest groups equipped with a new set of computer-age tools for cracking public safes."²⁰

Essentially, the argument in favor of public financing is based on the belief that wealth, which is unequally distributed, influences democratic government, in which electoral power should be equally distributed. The poor, in short, are disenfranchised. Public funding is believed to remedy the problem by equalizing the political purchasing power of all citizens and candidates.

This argument contains a number of assumptions which require examination. First, does greater wealth in fact buy greater political power? The evidence, presented in Part I below, indicates that campaign money does have some effect — albeit a small one — on the political process. Second, can the unequal power of private money be modified by public funding? In Part II, the focus is on some of the "intricate schemes" (to borrow a phrase from the *Buckley v. Valeo* decision) that have been proposed or enacted for campaign funding. The conclusion is that it is unlikely that such legislative efforts will, in fact, neutralize the power of private money.

Finally, a fundamental assumption of reformers is that it is appropriate that government provide and regulate campaign financing. This assumption requires critical examination. In Part III, the argument is that the intended results of current campaign finance policies run counter to the rational self-interest of the electorate, and that, in any case, such policies are incompatible with political freedom.

Part I

Political Integrity: The Evidence

It is commonly held that private money spent in campaigns causes inequalities in political power. If this hypothesis is accurate, it must be true that money can either "buy" elections or "buy" the votes of incumbent congressmen. In other words, it must be shown that: 1) the candidates with more campaign funds tend to win because of their financial advantage, and/or 2) heavy campaign contributions from a special interest group are likely to

cause a politician to vote for legislation supported by that group.²¹ An abbreviated review of the empirical studies of these two issues follows.

Can Money Buy Elections?

"Popular lore has it that the candidate who spends the most wins," writes eminent campaign finance scholar Herbert Alexander.²² But most of the popular discussion offers only anecdotal or, at most, correlational evidence.²³ Such evidence is methodologically questionable, since a high positive correlation between spending and electoral success does not demonstrate that the former causes the latter. It may be, for example, that the relationship is due solely (as it is certainly due partly) to a preference on the part of donors to contribute to candidates who are likely to win. In that case, it is predicted electoral success that causes large contributions and thus high campaign spending.²⁴ A second possible explanation of such a correlation is that high campaign contributions represent the desires of the electoral majority, which are later expressed more formally at the polls.

Some of the more methodologically rigorous studies provide useful information about the connection between spending and elections. By far the most extensive work has been done by Gary Jacobson. In studies of congressional elections from 1972 to 1982, he found that spending does sometimes affect votes.²⁵ In general, of course, incumbency is the best predictor of House election outcomes; over 90 percent of incumbent representatives who seek reelection win.²⁶ Consequently, incumbents are almost always better funded than challengers, since contributors donate very little to campaigns perceived as virtually hopeless.²⁷

However, if an incumbent's actions while in office are such that he appears weak at the next election, a strong challenger can attract substantial amounts of campaign money to oppose him.²⁸ Under these circumstances Jacobson found, using multiple regression analyses, that the positive effect of increased expenditures for the incumbent is low to non-existent, while the positive effect of increased challenger spending is relatively high.²⁹ In other words, higher campaign spending yields more extra votes for

the challenger than it does for the incumbent.³⁰ In 1980, for example, the vote gain was about 3.5 percentage points for each \$100,000 spent by House challengers.³¹ Furthermore, the positive effect of spending is greater for candidates who face an electoral disadvantage, such as Republicans in most Democratically controlled districts. That is, during the study period, Republicans generally gained more extra votes per dollar of increased spending than did Democrats.

This relationship holds up even when the analysis takes the possibility of simultaneous causation into account. The results are the same, in other words, even when we consider the possibility that "campaign spending affects the vote, but the (expected) vote affects campaign contributions (and thus spending)."³²

Interestingly, Jacobson reports a consistent, statistically significant inverse relation between incumbent spending and vote share.³³ That is, the more an incumbent spends, the smaller his percentage of the vote. Jacobson interprets this as a result of the fact that when weak incumbents encounter strong opposition, they react by trying to outspend the challengers. Since the incumbent was electorally weak in the first place, the effort is often made in vain, producing the reported inverse relationship. As Jacobson put it, "For incumbents, spending a great deal of money on the campaign is a sign of weakness rather than strength."³⁴

Most other careful studies of this question have found results compatible with Jacobson's.³⁵ There is, in short, some evidence that in the small percentage of elections where incumbents are weak, spending can affect vote percentages and, occasionally, electoral outcomes. This effect is stronger for challengers and weaker to non-existent for incumbents.³⁶

Can Money Buy Legislative Votes?

Most advocates of public campaign funding agree with Adamany and Agree that "private campaign financing . . . embodies powerful elements of undue influence, unequal access, extortion, and class bias."³⁷ Common Cause founder John Gardner has an even stronger opinion on this question. Referring to the 1976 races, in which the presidential campaign was publicly funded and the con-

gressional campaigns were not, he said, "the money-heavy special interests couldn't buy themselves a president so they tried to buy as many members of Congress as they could."³⁸

Often, those who contend that congressmen commonly sell their votes to campaign contributors cite only anecdotal evidence or are merely expressing partisan preference.³⁹ Such discussion does no more than restate the question; it does not provide the answer. Somewhat more useful are correlation studies. A number of these, notably those by Common Cause, have shown high positive correlations between campaign contributions and legislative votes.⁴⁰ However, as we saw earlier, correlations cannot determine causality, the claims of some of these authors notwithstanding. That is, as K. F. Brown points out, it may be that special interests contribute to given candidates because they believe these representatives will vote in their favor in any case. It may also be, as many observers have suggested,⁴¹ that money buys access, which sometimes affects legislative votes indirectly.

More sophisticated analyses than those which simply report correlations have yielded mixed results. On the one hand, Brown found that PAC campaign contributions had a large and significant effect on two roll-call votes in the House.⁴² Furthermore, J. B. Kau and P. H. Rubin found that PAC contributions influence legislative votes, with labor PAC influence exceeding that of business PACs, and ideological PACs having a smaller but significant effect.⁴³

On the other hand, Chappell found campaign contributions to have a small or insignificant effect on House votes, which were better predicted by representatives' ideology and constituency makeup.⁴⁴ J. R. Wright found the maximum effect of PAC spending to be quite small and speculated that this may be because PAC fundraisers have little organizational connection to PAC lobbyists, contrary to popular belief.⁴⁵ Chappell found that even legislators' personal financial holdings have no effect on their votes, while ideology, party, and constituency characteristics do.⁴⁶ J. E. Jackson found that Senate votes are influenced by characteristics such as the influence of party

leaders and constituency factors, and that the relevant reference group tends to remain stable from vote to vote.⁴⁷ Finally, A. Glazer and M. Robbins determined that senators' inclinations to change their voting patterns are very low, even in the face of clear evidence of changes in constituency preferences.⁴⁸

Perhaps Jean Schroedel's work best illustrates the mixed findings on this issue.⁴⁹ She found that both ideology and special-interest contributions affected House committee votes on three major bills, but that the more public interest there was in a piece of legislation, the less effect money had. Furthermore, ideology and money together fell far short of explaining all the variations in voting patterns. "Obviously," she points out, "a lot of other factors besides those tested are influencing voting patterns."⁵⁰

The evidence, then, suggests that the alarming vision of "the best Congress money can buy," or the common belief that special interests can simply "put the money in the slot and out [will come] a bill," as Elizabeth Drew put it,⁵¹ are, at best, imaginative exaggerations. Nevertheless, special interests often behave as though their contributions are intended to influence legislative votes, not electoral ones.⁵²

Part II Can Reforms Work?

There is, then, evidence that campaign spending sometimes affects electoral results in close races and may occasionally have an effect on legislative policymaking. Although such monetary influence is intermittent and small in its overall effect on our political system, it is sometimes decisive. Wealthy citizens probably do have a slight political advantage over poor ones, other things being equal.

Can the proffered solution, public funding of campaigns, eliminate that advantage? This is clearly the next question to consider, but the discussion here becomes complicated by the intrusion of multiple and sometimes conflicting reform goals. The list below contains the major purposes mentioned in the campaign-finance-reform literature, in roughly descending order of prominence:

1. To equalize the political purchasing power of the poor and the wealthy. This goal appears to be the most fundamental to the reform movement as a whole.

2. To increase electoral competition, in order to reduce what Common Cause calls the "Incumbency Party" of Congress.⁵³ In the elections since World War II, over 90 percent of House incumbents have typically been reelected, and well over half of Senate incumbents.⁵⁴

3. To reduce the amount of money spent on election campaigns. Many reformers would agree with a staff lawyer of the Senate Rules and Administration Committee who said that the committee's chairman at that time, Senator Charles Mathias, believed "it is not reasonable to have \$5 - \$6 million races. The process loses its virtue and dignity to have that much money lying around."⁵⁵

4. To increase the public's involvement in election politics, whether through small campaign donations, volunteered time, or viewing substantive debates and policy statements by candidates on television.

5. To free politicians of the burdens of fundraising, so they can devote more time to campaigning for votes, and to policymaking. Hubert Humphrey, for example, argued for public funding before Congress in 1973 on the grounds that "searching for campaign money is a disgusting, degrading, demeaning experience."⁵⁶

6. To get a legislative body which will pass the "right" kinds of laws.⁵⁷ Amitai Etzioni, for instance, believes government funding of campaigns would have the effect of eliminating pork-barrel bills, and that a side benefit would be that the savings from cutting out the "pork" would more than pay for the public funding of the campaigns.⁵⁸ Adamany and Agree explain that one problem with private campaign financing is that "historically it has . . . directed more money to conservative candidates and parties that speak for established groups and institutions than for those challenging the standing order of things."⁵⁹ The public funding program they later describe will, they believe, halt the pro-conservative funding skew.

In response to these varied goals, a plethora of plans has arisen. Some have

been enacted into federal or state law. For simplicity's sake, the discussion will be limited to: a) mixed public/private funding with expenditure limits; b) mixed public/private funding without expenditure limits, or "floors without ceilings," as campaign finance scholar Herbert Alexander calls them;⁶⁰ and c) purely public funding. All the proposals discussed include contribution limits and disclosure requirements.

Public and Private Funding With Expenditure Limits

Originally, the Federal Election Campaign Acts (FECA) set limits on contributions to presidential and congressional campaigns, limited total expenditures on federal campaigns, and provided public funding for the presidential race. In *Buckley v. Valeo*, however, the Supreme Court ruled that a candidate could not be forced to limit his total campaign spending unless such a limit was a condition of accepting public funds. Consequently, congressional candidates may now spend as much as they please, and debates on further campaign reforms almost always link public funding with spending caps.

Which of the six reform goals outlined above are satisfied by this sort of program? Many claim that the first goal, equality of political power among citizens, is achieved by forbidding huge donations by "fat cats," corporations, or special-interest groups through their PACs — and that PAC influence can be further reduced by providing public funds and then capping total expenditures, so as to prevent the infusion of too much private money. Yet, as we have seen, the target, the unequal power of money, is small. Money alone makes a difference in only a small minority of races. Furthermore, as long as incumbents have the public recognition of incumbency — and both incumbent and challenger have access to private funding and the benefits of independent private supporters — neither public funds nor limits on campaign spending will greatly modify whatever inequalities exist in the campaigns. Nevertheless, it is not impossible that this program would have a minor effect on political equality.

The second goal, more competitive campaigns, will be defeated by any pro-

gram with expenditure caps. As Jacobson and others have demonstrated, high spending is a necessary (though not sufficient) condition for successful challengers; it is not necessary for incumbents. Spending limits favor incumbents and lessen competition.

Expenditure caps clearly are intended to achieve the third goal, reduction of campaign spending. From 1976 to 1986, total congressional campaign receipts more than doubled in constant dollars.⁶¹ Senator Robert Byrd expressed an alarm about these rises that many in Congress echo: "It requires on the average of \$3 million a Senate seat on the basis of the 1986 election . . . that is \$10,000 a week for 52 weeks a year for 6 years if a Senator wants to continue in public service."⁶² The public agrees, by a margin of two to one in some opinion polls, that campaign spending ought to be capped.⁶³

It is not clear, however, that legal limits on campaign spending can restrain spending. For instance, in the 1980 campaign, when Reagan and Carter were both required to accept a \$29.4 million expenditure cap, they both greatly exceeded the limit. In the end, over \$60 million was spent for Reagan and over \$50 million for Carter. Moreover, this spending was legal; it included supplements for national party committee spending and for legal compliance costs, unlimited state and local party spending, and, for Reagan, millions of dollars spent independently of the candidate or the party.⁶⁴

A key problem with a program of public funding combined with expenditure limits is that, to the extent that the limits are effective, they will cause permanent shortages of campaign funds and result in inefficient fundraising strategies. In order to raise money from private sources, candidates must expend enormous resources in time and energy.⁶⁵ This has especially been true since the limits were placed on individual contributions. Obtaining public funding is much easier. The major party candidates receive it automatically, or after only token fundraising efforts. In other words, public money is cheaper than private money. As with any other good, when the price of campaign funds decreases, the amount candidates want will increase. Increases will be prevented by the spending caps,

and so the demand will always exceed the supply, the very definition of a shortage.

Shortages result in inefficient resource allocation. In political campaigns, the inefficiencies are likely to take the following forms, many of which have already occurred in recent presidential campaigns and in other countries using this system:

1. **Increases in non-monetary campaigning.** Litigation, for example, is now a major campaign tactic.⁶⁶ Since the legal costs of compliance with FECA are exempt from campaign spending limits, advantages won in court are effectively off-budget. Predictably, this results in situations such as that described by David Ifshin, Walter Mondale's legal adviser in the 1984 campaign. Speaking of the 1980 elections, he said, "presidential campaigns were shaped to a considerable extent by legal counsel."⁶⁷ The delegation of substantial control over elections to the judicial branch of the government is surely an undesirable step in a democracy.

Other kinds of non-monetary campaigning have also increased. Volunteered time has become, in some cases, more valuable than money, providing extra benefits to organized labor.⁶⁸ And pre-pre-primary campaigning sometimes offers a way of avoiding spending limits,⁶⁹ as do massive independent campaigns, over which the candidate has no control.⁷⁰

2. **Forcing campaigns to concentrate on the bare essentials** and de-emphasize grass roots involvement,⁷¹ to pay less attention to variations in campaign needs in different districts,⁷² and to shape spending decisions around Federal Election Commission definitions, rules, and funding periods.⁷³

3. **Causing, as in most prolonged shortages, a black market to develop.** A limited public-funding program might actually increase political corruption by encouraging illegal contributions and outright bribes.

In short, the inefficiencies created by campaign spending caps may well be more serious than the "excesses" the caps were intended to cure.

The fourth reform goal, an increase in citizen involvement in campaigns, may have been achieved in recent years, although it is uncertain that campaign reforms were responsible. From 1952 to

1956, according to Herbert Alexander, "from 8 to 12 percent of the total adult population contributed [money] to politics at some level in presidential election years," while "13.4 percent . . . gave to candidates and causes during the 1979-1980 election cycle." As some of the increase was in PAC giving, and PACs were a response to election-law changes, this could be an unintended success of the law, albeit one which has been greeted with dismay by most reformers.

Reformers are particularly distressed by the tendency of spending limits to impede another kind of citizen involvement. Since the dissemination of campaign messages costs money, a spending cap reduces the amount of information citizens will receive. The public cannot form opinions about platforms and personalities which have not been advertised. Since voters' knowledge of issues and platforms is widely considered to be vital to self-government, it is an unfortunate dilemma that a public/private funding policy with expenditure limits — designed to enhance popular political equality — can only be implemented at the expense of popular political awareness.

Finally, many reformers, particularly among legislative incumbents, hope to be freed of their fundraising chores. Ironically, contribution limits have rendered these more onerous for non-presidential campaigns, as more contributors must now be solicited. Congressmen, then, often support public funding for congressional races in order to make fundraising easier. Any public funding program will accomplish this goal to some degree, although in the presence of simultaneous private funding, particularly the unlimited independent expenditures, fundraising worries cannot be completely eliminated.⁷⁵

In summary, a policy that mixes public and private financing, and that limits campaign-controlled (but not independent) spending — that is, the program now used for presidential and some state and local races, and the one most often proposed for Congress — earns a rather poor report card. It may or may not whittle away at the marginal political advantage of wealthy citizens, and it may or may not stimulate grassroots campaign donations. It probably does not limit total campaign spending,

but to the extent that it succeeds at this goal, it introduces myriad undesirable distortions of the political process, including the reduction of public understanding of political platforms. Not only does the policy not stimulate electoral competition, it depresses it. However, it does make fundraising less onerous for the candidate. A cynic might remark that the two clear effects of this program — reduction of the likelihood of victory for challengers, and easing of the candidates' money chase — both operate to the advantage of incumbent legislators, who also enact these public-campaign-finance programs.

Public and Private Funding Without Expenditure Limits

In response to the inadequacies of public/private campaign financing with expenditure limits, many observers favor what Herbert Alexander calls "floors without ceilings."⁷⁶ A minimum public grant would be made to all significant contenders with no upper spending limits. The goal, according to Alexander, is to make all races competitive.

The overwhelming predominance of "safe" congressional races seems to horrify everyone except incumbents and voters. For example, Alexander, Jacobson, Adamany and Agree, Drew, and Malbin all consider the lack of serious competition in most elections a threat to the proper functioning of Congress. As Adamany and Agree put it, ". . . secure officeholders do not feel accountable to the voters in elections."⁷⁷ These reformers agree that if public funds were distributed in large amounts to challengers in "safe" races, the goal of intense competition in every election would be achieved.

Support for this belief comes from a study by the Harvard University Institute of Politics, which found that "the most competitive elections, where the voters have the most information about candidates, are those in which the most money is spent. Election contests in which spending is comparatively high are also those in which voter participation tends to be highest."⁷⁸ Reformers assume nearly unanimously that public funding can create electoral competition where it would

not otherwise occur. This causal relationship may well exist in weak-incumbent races, as Gary Jacobson's work suggests. When there is widespread voter dissatisfaction with an incumbent, large campaign donations to a challenger may be able to generate enough information and interest in the race to persuade the electorate to oust the incumbent. It is in these races that substantial private funds flow to challengers; public funding in such cases is unnecessary.

But in "safe" races, where voters are reasonably satisfied with the legislator, it is possible that high spending is an insufficient condition for strong electoral competition. This is particularly true in light of the fact that elections are most likely influenced by a number of variables other than spending and constituent approval of incumbent performance. If so, and if most voters are generally satisfied with most incumbents, then public funding of challengers in most races is a waste of money.

The effect of a floors-without-ceilings program on other reform goals would be secondary, at best. Since there is no ceiling on spending from private sources, it seems unlikely that this policy would help eliminate wealthy citizens' political advantage, which is the heart of the reform passion. Advocates commonly claim that floors without ceilings would increase voters' access to political information. Since spending would likely increase under such a program, this is probably true. It is less likely that voters, who believe that elections already take too much time and money, will appreciate the opportunity to use such information.

With regard to easing the money chase, the program is unlikely to do much for incumbents, since they would be compelled to raise private monies to attempt to offset challengers backed by the public funding. The challengers, on the other hand, should find it easier to get their campaigns off the ground, since the program is specifically designed to increase electoral competition by creating easier entry conditions.

An important criticism of the floors without ceilings plan is precisely its dismissal of the reform goal of placing ceilings on campaign costs. Making at least some of a campaign's money relatively easy to obtain through public funding

would certainly increase total campaign costs beyond the current level, which many already consider too high. Sweden, Finland, and Germany have all found that public funding leads to substantial increases in campaign expenditures.⁷⁹

In a program without ceilings, the pressure to increase the amounts provided by public financing would be nearly irresistible. For instance, a public-funding program which excludes the primary campaign period would be meaningless,⁸⁰ and most reformers consider it necessary to allocate funds to counteract independent expenditures, since the Supreme Court decreed they could not be limited.⁸¹ What would these plans cost? David Adamany and George Agree estimate that the first step of their public-funding proposal would have cost \$50 million to administer in 1975. The administration of the other steps in their plan would cost more, and then the actual campaign spending would begin.⁸² In the late 1970s, Representative Carroll Campbell, Jr. estimated that, with competition for every race, plus the costs of the FEC (Federal Election Commission) bureaucracy, plus primary funding, "taxpayer financing" of campaigns might easily reach half a billion dollars every 2 years.⁸³

On the other hand, when costs are calculated on a per voter basis, they may not seem so extravagant. Adamany and Agree estimate that \$3.04 per eligible voter was spent in all U.S. campaigning in 1972.⁸⁴ Alexander, among others, argues that a higher price tag than that would not be excessive, since it "should be considered the tuition the American people must spend for their education on the issues."⁸⁵

On the level of practical politics, discussion of a floors-without-ceilings policy is largely irrelevant. Public funding and expenditure caps are politically inseparable policies. Almost all of the groups interested in campaign finance reform agree on that point. To idealists, contribution limits alone are wholly inadequate to check the corruption of private campaign money, and both public funding and expenditure limits are essential to the reform battle. To reform-minded legislators, the need to moderate the fundraising requires expenditure limits. Fundraising would be even easier for the

politician if some of the money were available as a public grant, and since the Supreme Court forbade spending caps except as a condition of public funding, the legislator can, conveniently, argue for the public funding as a means of attaining the spending limits. Finally, the public simply wants less political campaigning.⁸⁶ They want spending caps, and although they do not want government funding for campaigns, the Supreme Court has ruled that the former cannot be had without the latter.⁸⁷

100-Percent Public Financing

The foregoing discussion suggests the extent to which the *Buckley v. Valeo* decision has come to be perceived as an impediment to campaign finance reform. It prohibits legislation that might effectively control candidates' use of private campaign funds unless the politically unpopular public funding carrot is attached. And it altogether forbids limits on spending which is independent of the candidate's campaign — that is, spending by private citizens who wish to oppose or support candidates. Furthermore, the Court explicitly couched its decision in terms of political freedom, forcing reformers to respond to charges that their aims are undemocratic.

Consequently, there have been repeated calls for a constitutional amendment to overturn the *Buckley* decision. Sociologist Amitai Etzioni, for example, sees the "Democratic Ideal" as excluding all private money from political campaigns. In 1982, Representative Jonathan Bingham introduced a proposed amendment into the U.S. House of Representatives which read in part, "The Congress may enact laws regulating the amounts of contributions and expenditures intended to affect elections to federal office."⁹⁰ Again, in 1988, Senator Ernest Hollings introduced a proposed amendment stating, in part, that "Congress shall have power to set limits on campaign expenditures by, in support of, or in opposition to any candidate in any primary or other election for Federal office."⁹¹

These are sweeping proposals, allowing government to pay all campaign costs and prohibiting all private spending associated with elections. They are the clearest expression of both the hopes and

the contradictions of the election reform movement.

Consideration of the possible effects of 100-percent public funding on the various reform goals also reveals how closely intertwined the goals are. Fundraising relief, for example, could be largely achieved with such a program, and is typically mentioned as a major goal by interested politicians. However, there are persistent difficulties in determining the proper allocation formulae, which in turn will affect the goals of political equality among citizens and electoral competitiveness. To illustrate this point, a policy designed to eliminate the overrepresentation of the political preferences of the wealthy must avoid similar overrepresentation of any other group when disposing of public monies. As David Adamany and George Agree point out, a "fair" distribution of public funds ought to reflect the current public support for each candidate.⁹² The problem, of course, is to find out what that current support is. Their proposed solution will serve as an example of the magnitude of the effort required under such election reform. It covers 22 pages, and includes: a) universal door-to-door voter registration; b) a system of mailing vouchers to every voter, which the voters mail to their preferred candidates, who present the vouchers to the FEC, which allocates funds to candidates proportionately upon presentation of certified bills for approved expenditures; c) distribution of public funds for primary candidates in amounts that match small private donations; d) direct grants to parties in proportion to their votes and indirect grants for nominating conventions to be disbursed by the FEC upon presentation of approved bills; e) prohibition of citizens' spending more than \$1000 to support or oppose any political candidate; and f) a requirement that media reduce charges for political advertisements.⁹³

One of the problems with this plan is that the massive pre-election process it requires is likely to be futile; the poor, uneducated, or uninterested are not more likely to go to the trouble of forming and indicating their preferences in a pre-election poll than they are likely, under the current system, to go to the trouble of voting. Funding allocations based on this

process will still be biased in favor of the non-poor, the educated, and the politically interested.

Other detailed plans for 100-percent public funding use small individual donations, petition collections, or past party vote counts as at least a partial basis for funding allocations. Each of these variables depends more heavily on the preferences of the well-to-do than the poor. In short, these plans do not, even theoretically, sever the link between private wealth and politicians. Instead, they 1) render the link indirect, 2) possibly weaken the link, albeit only within the regulated channels, and 3) transfer substantial power over campaign purse strings to government.

Despite these practical problems of implementation, reformers speak quite passionately of the goal of equal political power. Amitai Etzioni says, "although a person has the right to promote his or her 'speech,' there is no such right to promote by financial means (as distinct from advocating, say, by spelling out the merits of someone else's ideas) another person's speech to the detriment of still others who have fewer or no resources. Such a ban would be further justified if there were another source of funds, the public source...everyone's 'speech' would be ensured, on a more or less equal footing."⁹⁴

It seems odd that Etzioni objects to people using money to promote their favorite candidates on the grounds that money is unequally distributed, while he approves of people helping candidates by "spelling out the merits of [the candidate's] ideas." Surely Dr. Etzioni, a nationally prominent sociologist, prolific author, and highly experienced educator, would not argue that the ability to speak and write persuasively is equally distributed among people. Does he, then, favor free speech only when it is enhanced by the resources he commands, and oppose free speech when it is enhanced by resources commanded by others, i.e., money?

Another passionate advocate of equalizing political power through public funding is Senator Ernest Hollings. Speaking in favor of the constitutional amendment to permit spending limits despite possible First Amendment violations, he argued that expenditure limits would restore

freedom of speech, which he equated with "the amplification of speech," or access to television time. Without the "level playing field" which spending limits can provide, he said, the poorly-funded candidate has "only the freedom to shut up."⁹⁵ Elsewhere, he argues that private spending distorts the competitive balance in a campaign by forcing candidates to respond to attacks from many different sources: "In effect, a candidate budgets to fight one well-financed opponent but then ends up fighting many."⁹⁶

In arguing that private funding should be abolished so as to protect incumbents from too much opposition, Senator Hollings draws a clear line between his interests and those of the voters and vividly illustrates the hazards of giving control of election funding to elected officials. Democratic elections are designed precisely to expose representatives to all existing public opposition; that an incumbent U.S. Senator would propose to his Congressional colleagues the legal muting of some of his opposition suggests that even in a country with centuries of free elections, representatives are too easily prone to forget the real purpose of elections.

In these arguments, the goal of equalizing the political power of poor and wealthy citizens metamorphosizes into the goal of equalizing the campaign activities of candidates. Furthermore, in order to ensure that popular support of one candidate does not drown out the campaigns of opponents, the expression of opinions by citizens must also be equalized (at least in those formats, such as television, that cost money), by forbidding such expression. The camera of political equality focuses on the candidates, and the concern is that they have equal opportunities to run, not that citizens have equal influence on government. Indeed, it has been quite seriously argued that public funds ought to be disbursed to all primary candidates, no matter how frivolous the candidacy, on the grounds that the equal protection clause of the Constitution forbids giving public money to one candidate while denying it to others.⁹⁷

This chain of logic merits close attention. Beginning with the goal of equalizing the political influence of citizens, reformers choose the method of eliminat-

ing most such influence outside the voting booth. They then redefine the term "equality" (or "equal freedom of speech in Federal campaigns," as Senator Hollings calls it⁹⁸ in a particularly oxymoronic phrase) to apply to a different goal — that of increasing electoral competitiveness. By thus insulating political candidates from public pressure during campaigns, these proposals take a step towards shielding politicians' interests from citizens' interests, a move which is surely pernicious to popular sovereignty.

In any event, the "level playing field" which 100-percent public funding is supposed to create is a chimera. Under such circumstances, challengers would find it very difficult to overcome the advantages of incumbency. Challengers ordinarily require more money than incumbents just to mount a serious campaign, and it is surely unrealistic to expect incumbents to pass legislation funding challengers more heavily than incumbents themselves are funded.⁹⁹ The motive for legislators' calls for a "level playing field," that is, a cap on expenditures, is thus obvious. However, the motive of third parties, such as Common Cause, is not so clear. Perhaps it is just an aversion to "filthy lucre," in the anti-capitalist tradition; idealistically-minded campaign reformers tend to regard money *per se* as tainted.¹⁰⁰

Concerning these objections to money, many reformers regard 100-percent public funding as an opportunity to control campaign costs, which they, along with a majority of the public, consider excessive. An excellent rebuttal to this point appears in the *Buckley v. Valeo* decision: "The First Amendment denies government the power to determine that spending to promote one's political views is wasteful, excessive, or unwise. In the free society ordained by our Constitution it is not the government, but the people — individually as citizens and candidates and collectively as associations and political committees — who must retain control over the quantity and range of debate on public issues in a political campaign."¹⁰¹

Although it is intended to further the goal of reducing campaign costs, government control of campaign purse strings directly inhibits popular participation in electoral politics. A good example is the following incident, involving manipula-

tion of the funding disclosure requirements precisely for the purpose of protecting an incumbent from public opposition: Just before the 1976 elections, a group called the Central Long Island Tax Reform Immediately Committee (CLITRIM) printed and distributed a pamphlet listing the tax voting record of an incumbent congressman. Outraged, the congressman complained to the Federal Election Commission, which sued CLITRIM for not having disclosed the \$135 it had spent on the pamphlet. The case cost four years and thousands of dollars before it was thrown out of an appeals court as an infringement of CLITRIM members' First Amendment rights.¹⁰² The real possibility of such suits has a chilling effect on non-professional political group activities.

Gargantuan and Intrusive Programs

Given the plethora of pitfalls described above, regulation of campaign financing must be regarded as a mistake. To be sure, it is true that, as reform advocate Elizabeth Drew points out, "the mind of man can figure out some answer" to all these problems without entirely discarding public funding programs. If the programs are sufficiently gargantuan and intrusive, and if the reform efforts are unflagging in their scrutiny of the results, then constant reform efforts can indeed be made to handle problems as they arise.

However, the gargantuan and intrusive nature of reform policies introduces major flaws into campaign regulation that are inherent and ineradicable. The expense of public funding is likely to be quite high, for example, and the amount of campaign advertising is likely to increase. Voters dislike both possibilities,¹⁰⁴ an aversion that reformers commonly dismiss as evidence of public apathy or irresponsibility concerning self-government. But the acquisition of information about candidates and parties is costly to voters in terms of time if not money, and it is quite plausible that their aversion reflects a rational allocation of those resources. Of course, a small minority of the people rank politics very high in their use of time and money, but their claim that it is in the public interest for everyone to be forced

to adopt their value rankings confuses an idiosyncrasy with a collective good. If, on the other hand, spending on campaigns could actually be capped, a legitimate means of expressing dissatisfaction with government would be denied to the people. Thus, in attaching spending limits to public funds, government is, in effect, purchasing a waiver of candidates' First Amendment rights. Similarly, the reform effort to eliminate independent expenditures directly opposes popular political participation. The original FECA legislation strictly limited such expenditures, a limit that was abolished by *Buckley v. Valeo* as an infringement on First Amendment liberties. When Congressman Jonathan Bingham introduced a constitutional amendment to overturn the Court's decision, he characterized the proposed restrictions on independent spending as only a "slight interference with First Amendment freedoms."¹⁰⁸

Common Cause is probably the major group opposing independent expenditures. Their campaign has included court suits opposing such spending when campaigns are publicly financed and challenging their independent nature, support for limiting all such expenditures, proposals to increase public funding and lower the media fees for candidates who are attacked by independent spending, and a proposed definition of "independent" which would eliminate almost all such spending.¹⁰⁹ The reasoning, according to Fred Wertheimer, is that "independent spenders are unaccountable. They do not have to assume responsibility at election time, nor do they face the political impact of any misrepresentation they may make."¹¹⁰ Having defined the public expression of political opinions by anyone other than a candidate as irresponsible, Common Cause appears to hold the position that popular sovereignty can only be appropriately exercised in the voting booth.

Reform advocates frequently respond to these criticisms by claiming only to oppose the use of money to amplify free speech, and then only when the speech explicitly supports or opposes a political candidate. That is, it is not free speech and association *per se* to which they object, but only effective speech and association. If the citizens involved restrict themselves

to activities which cost no money, involve no professional skills, are not publicized, and are not coordinated with a candidate, public funders are willing to let the First Amendment stand.

Part III

Evaluating Public Campaign Financing

Public funding of political campaigns is an anti-democratic policy. Far from eradicating the power of special interests, it entrenches a few interests at the cost of silencing all others. It does not tend to enhance grass-roots political activity; it tends to chill voluntary participation and sever the control of people over their government.

Of course, most campaign-reform supporters do not intend their proposals to have such radical consequences.¹¹¹ Nonetheless, the FECA enforcement agency, the Federal Election Commission, is, as Congressman Bill Frenzel once said, "remorseless in trying to stifle politics,"¹¹² and the truth is that is its job. The agency cannot otherwise pursue the level political playing field that it was created to pursue. Similarly, public funding, which most reformers regard as FECA's most powerful weapon, is intended to be a disinterested source of campaign money — its use is inherently opposed to popular partisan politics.

The Assumptions of Public Funding

Public funding and related campaign restrictions are based on the assumptions that private money corrupts politics and that public money does not. However, the amount of campaign funding at the disposal of a candidate does not determine most election results, nor does it explain most legislative decisions. In other words, voters are not passive victims of expensive political campaigns, nor are politicians on sale to the highest bidder. All the rhetoric about the "corrupt" use of campaign donations refers only to a small and occasional edge in influence on the part of wealthier citizens over less wealthy ones. This is not to say that special interests are never able to exchange campaign contributions for favors — construction contracts or grants, for example,

come to mind. The point is that reformers' claims that the wealthy routinely purchase elections and legislative votes are so exaggerated as to be essentially false.

If it were true that election results and legislative decisions are commonly and decisively bought by wealthy groups or individuals, one would be faced with a choice between abandoning free speech or largely abandoning popular elections. In such a case, one might well be unwilling to sacrifice representative government in the name of free speech. Fortunately, the dilemma does not exist; on the contrary, freely-exercised political speech and association enhance popular political power. Public funding and other campaign regulations constitute an assault on this power; not coincidentally, the assault is often led by people who dislike or even fear the results of popular sovereignty.

Furthermore, the assumption that public monies do not corrupt politics is debatable. After all, as a representative of the Associated General Contractors of America pointed out in congressional testimony, "at some point, a Federal Election Commission staff member would be deciding which congressional candidate gets money and which does not."¹¹³ To believe that neither the staff member, nor his superiors, nor the incumbent congressmen who design the FEC and the laws it implements, will succumb to political pressure or personal preference in deciding how to spend the public's money on political campaigns, would be to believe that we have finally found the angels to govern us of whom James Madison spoke.¹¹⁴

In short, the danger reformers fear in private financing is actually shared by public financing, not corrected by it. Indeed, public funding lacks an internal check inherent in the private sector: incidents of improper influence by private donors tend to be checked by other private donors, a restraint to which a centralized public bureaucracy is not susceptible.

In addition to the possibility of corruption, public funding suffers from the same disadvantage, relative to private funding, that is present when any service is provided collectively instead of through the private sector — a paucity of information about individual preferences. As imperfectly as private funding patterns

reflect the will of the electorate, any conceivable public funding allocation rules would reflect a far less detailed view of that will, and be much less responsive to its changes during the campaign period.

Indeed, all of the distortions of public preferences that public funding entails are subject to the same criticism which originally inspired this reform. Certain groups and interests are given an electoral advantage which constituents would not give if they were free to donate money as they pleased.

Such coerced distortion of citizens' choices is intolerable when it is applied to elections. The electoral system is not a trivial component of government. It is not one of those policy areas in which the reduction in freedom of individual choice inherent in passing a law is justified by the advantages of the law. On the contrary, it is the one issue of state in which citizens' freedom must be absolute. Just as laws and coercion are the legitimate means of government control over the people, elections are the linchpin of the people's ultimate sovereignty over the democratic state. The expression of people's private interests is the purpose of the electoral system, not its failing.

The Assumptions of Private Funding

The proper relationship between private interests and the public good has been debated for centuries. Public funding is inspired by the utopian school of thought on this subject. In this view, people's self-interest is an object of distrust because it works against the group's welfare — that is, the public good. On the assumption that there exists a public interest which is susceptible to objective definition and which is not reflected in private interests, thinkers from Jean-Jacques Rousseau to Karl Marx to Ralph Nader have concluded that only the selfishly wielded power of elite groups has prevented governments from fulfilling the popular will and achieving the ideal society, or utopia.¹¹⁵

The opposite school of thought inspired the U.S. Constitution. It is assumed that man's nature is inherently selfish, so a worldly utopia will never exist. Furthermore, there is no such thing as an abstract

public interest, but only private interests, each of which represents a greater (majority) or lesser (minority) number of individual preferences. However, it is possible for a person's self-interest to work to the benefit of others. As Adam Smith put it in describing the market, "it is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity, but to their self-love..."¹¹⁶ In fact, it is not despite the grocer's self-interest that we get our dinner, but because of it.

In the belief that the free competition of ideas and interests would operate to the net benefit of everyone by forcing compromise and preventing the accumulation of too much power by any one faction, the politicians at the Constitutional Convention designed the pluralist system of checks and balances under which government in this country operates. It was their specific intent to "let [the special interests] flower," in Malbin's phrase,¹¹⁷ by establishing a strong national congress with numerous representatives. "Ambition," said James Madison, "must be made to counteract ambition."¹¹⁸

And the system does work as it was meant to. American politicians respond to lobbying, but few are obligated to only one special interest group.¹¹⁹ Interest groups have very diverse and often conflicting goals, each of which is aired in congressional negotiations. Hundreds of groups lobby the government constantly, representing the interests of enormous numbers of people.

As Congressman Bill Frenzel and scholar Gary Jacobson both have remarked, private campaign financing results in a free market allocation of funds.¹²⁰ When a candidate is successful in fundraising, it is because he is judged worthy of support by a number of citizens. If he cannot raise money, it is because no one is seriously interested in his candidacy. Public funding short-circuits the process by which candidates are forced to adapt their platforms to the views of constituents. It relieves politicians of the intense pressure to become competent negotiators and compromisers. Private financing, by forcing politicians to listen to and arbitrate diverse constituent views,

helps to ensure that incumbents will, while in office, be responsive to the people.

While public funding, expenditure limits, and contribution limits are a case of extreme legislative overkill, a reasonable argument can be made for strict disclosure laws. Such laws make information concerning candidates' finances and bases of support available to the public. Constituents have a legitimate interest in considering such information, if they wish, when they are deciding how to vote. As William Buckley put it, "just reveal everything, and let the voters decide."¹²¹

If voters really do believe that the massive corporate, or labor, or self-financing of a candidate constitutes undue influence, their opinions will show up at the polls. More to the point, their opinions will pressure the parties to select candidates and financing strategies which are more publicly acceptable in the pre-nomination campaigns. Disclosure laws are, as Warren Burger wrote in *Buckley v. Valeo*, "the salutary and constitutional remedy for most of the ills Congress was seeking to alleviate."¹²²

Conclusion: Utopic Corruption Versus Pragmatic Freedom

The rightful function of politics is exactly what FECA opposes — the expression of individual self-interest, "that the private interest of every individual may be a sentinel over the public rights," as James Madison said.¹²³ Attempts to eradicate self-interest from politics are not only futile but wrong. They undermine democratic government by silencing the popular will. That is far too high a price to pay for the appearance of cleaner campaigns.

Reformers, however, are convinced that in this unregulated and chaotic system, the poor do not speak loudly enough and the wealthy speak too loudly. Hence, public funding is necessary to force people to support certain platforms and candidates more than they want to, and contribution and expenditure restraints are needed to prevent people from supporting other platforms and candidates as much as they want to. In their advocacy of such sweepingly intrusive policies,

FECA supporters are implicitly claiming that only they have both the wisdom to discern the public good and the selflessness to prefer it. This is just another version of the elite's age-old distrust of the common man's judgment.

It is precisely such pernicious proposals that the First Amendment was intended to thwart, as the Supreme Court explained when it struck down parts of FECA. Noting that money is required for essentially all political expression, the Court reiterated that "it can hardly be doubted that the constitutional guarantee has its fullest and most urgent application precisely to the conduct of campaigns for political office."

In any case, the "cleaner" promise of publicly-funded campaigns is an illusion. The awesome magnitude of corruption inherent in such government control of elections renders the efforts of even the biggest "fat cat" donors feeble by comparison. The public financing of election campaigns is not a solution to political corruption, but a step towards the abdication of self-government.

The altruistic politics envisioned by many campaign reformers places them in the ranks of utopians. For many centuries, such dreamers have yearned for a simpler world, in which correct actions are always obvious and a selfless society is achievable. These quixotic quests for perfection have often led to a state of affairs which is more corrupt than the one from which the dreamers fled.

When the guidelines of democratic government are being shaped and reshaped, people must reject altruistic visions. It is not on such god-like heights that the greatest human freedom and justice lie, but in the real world of self-interested politics. Democratic manipulation of this hurly-burly world of conflicting demands, competition and compromise, back-scratching and incremental progress, is much more prosaic than a search for utopia, but it has the virtue of being realistic.

The correct understanding of campaign reforms such as FECA is most eloquently summarized in the dissenting opinion by Warren Burger in *Buckley v. Valeo*: "In my view Congress can no more ration political expression than it can ration religious expression; ...There are many

prices we pay for the freedoms secured by the First Amendment; the risk of undue influence is one of them, confirming what we have long known: Freedom is hazardous, but some restraints are worse."¹²⁶

Endnotes

1. Fred Wertheimer and R. Huwa, "Campaign Finance Reforms: Past Accomplishments, Future Challenges," *Review of Law and Social Change*, X, No. 1 (1980-81), pp. 43-44.
2. Herbert E. Alexander, *Financing Politics: Money, Elections, and Political Reform* (3rd ed.; Congressional Quarterly, Inc., 1984), p. 19.
3. *Ibid.*, pp. 61, 85-88; see also K. J. Fling, "The States as Laboratories of Reform," in *Political Finance*, Vol. V of Sage Electoral Studies Yearbook, ed. by H. E. Alexander (Beverly Hills: Sage Publications, 1979), p.245.
4. *Ibid.*
5. *Ibid.*
6. Brooks Jackson, *Honest Graft: Big Money and the American Political Process* (New York: Knopf, 1988), quoted in M. Stanton Evans, "How Incumbents Obtain 'Protection Money,'" *Human Events*, July 8, 1989, p. 8.
7. Jonathan Bingham, "Democracy or Plutocracy? The Case for a Constitutional Amendment to Overturn *Buckley v. Valeo*," *The Annals of the American Academy of Political and Social Science*, CDLXXXVI (July, 1986), 104. Bingham was a Democratic representative to Congress from New York from 1965 to 1983.
8. *Buckley et al. v. Valeo*, Secretary of the United States Senate, et al., 424 U.S. 1 (1976).
9. Michael J. Malbin, "Looking Back at the Future of Campaign Finance Reforms: Interest Groups and American Elections," in *Money and Politics in the United States: Financing Elections in the 1980s*, ed. by M. J. Malbin (Chatham, N.J.: Chatham House, 1984), p. 234.
10. Frank J. Sorauf, *Money in American Elections* (Glenview, Ill.: Scott, Foresman and Co., 1988), p. 396.
11. *Ibid.*, p. 78.
12. *Ibid.*, p. 55.
13. "Controversy Over Campaign Financing of House Elections: Pro and Con," *Congressional Digest*, LVIII, No. 12 (December, 1979), 300.
14. David W. Adamany and George E. Agree, *Political Money: A Strategy for Campaign Financing in America*, (Baltimore: Johns Hopkins University Press, 1975), p. 16.
15. Civic Service, Inc. "Attitudes toward Campaign Financing: A Nationwide Public Opinion Survey" (Washington, D.C., 1985), pp. 4-5.
16. Sorauf, *Money in American Elections*, pp. 275-277. See also Alexander, *Financing Politics*, pp. 173-176. Florida's law will go into effect in 1990 (Florida, *Florida Election Campaign Financing Act*, Statutes, secs.

- 106.30-106.36 (1986)). For a sympathetic account of the legislature's decision to enact FECFA, see Rand Hoch, "Campaign Finance Reform - Now More Than Ever," *Florida Bar Journal*, (April, 1987), 19-25.
17. Alexander, *Financing Politics*, pp. 174, 186.
 18. U.S., Congress, Senate, Committee on Rules and Administration, *Hearings on Campaign Finance Reform Proposals of 1983*, p. 50, quoted in Charles McC. Mathias, Jr., "Should There Be Public Financing of Congressional Campaigns?" in *Annals*, p.67.
 19. Gary C. Jacobson, *Money in Congressional Elections* (New Haven: Yale University Press, 1980), p. 221.
 20. Amitai Etzioni, *Capital Corruption: The New Attack on American Democracy* (New Brunswick: Transaction Books, 1988), p. 5. Emphasis in the original.
 21. My statement of these hypotheses was partly inspired by Herbert Alexander's illuminating discussion of "Integrity in Electoral and Legislative Politics" in his "White Paper on Public Funding of Political Campaigns," a *Public Affairs Council Monograph* (Washington, D.C.: Public Affairs Council, 1984).
 22. Alexander, *Financing Politics*, p. 20.
 23. See, e.g., Adamany and Agree, *Political Money*, 1975, and Elizabeth Drew, *Politics and Money: The New Road to Corruption*, (New York: Macmillan, 1983).
 24. Malbin, "Interest Groups and American Elections," p. 247.
 25. See Gary C. Jacobson: "The Effects of Campaign Spending in Congressional Elections," *American Political Science Review*, LXXII, (1978), 469-491; "Public Funds for Congressional Campaigns: Who Would Benefit?" in *Political Finance*, ed. by H. E. Alexander; *Money in Congressional Elections* (New Haven: Yale University Press, 1980); "Money in the 1980 and 1982 Congressional Elections," in *Money and Politics in the United States: Financing Elections in the 1980s*, ed. by M. J. Malbin (Chatham, N.J.: Chatham House, 1984); "Money and Votes Reconsidered: Congressional Elections, 1972-1982," *Public Choice*, XLVII, No. 1 (1985), 7-62; *The Politics of Congressional Elections* (2nd ed., Boston: Little, Brown and Co., 1987), especially Chapter 3.
 26. Jacobson, *Money in Congressional Elections*, p. 1.
 27. "1980 and 1982 Elections," p. 57.
 28. *Money in Congressional Elections*, pp. xvi-xvii.
 29. "1980 and 1982 Elections," p. 62.
 30. *Money in Congressional Elections*, pp. xvi-xvii.
 31. "1980 and 1982 Elections," p. 62.
 32. "Money and votes reconsidered," p. 9.
 33. *Ibid.*
 34. *Politics of Congressional Elections*, p. 52.
 35. See especially W. P. Welch, "The Economics of Campaign Funds," *Public Choice*, XX (1974), 83-97; W. P. Welch, "The Allocation of Political Monies: Economic Interest Groups," *Public Choice*, XXXV (1980), 97-120; and W. P. Welch, "Money and Votes: A Simultaneous Equation Model," *Public Choice*, XXXVI (1981), pp. 209-234. Also see K. F. Palda and K. S. Palda, "Ceilings on Campaign Spending: Hypothesis and Partial Test with Canadian Data," *Public Choice*, XLV (1985), 313-331, for confirmation from Canadian campaigns, and R. J. Johnston, "Campaign Spending and Votes: A Reconsideration," *Public Choice*, XXXIII, No. 3 (1978), 83-92, for a contrary view from Welsh and Scottish data.
 36. The existence of some effect of challenger spending, and the lack of such an effect for incumbent spending, was recently found in Senate elections as well (James J. Bason, "PAC Influence on Senate Incumbent Success: 1976 - 1988," paper delivered at the annual meeting of the Southern Political Science Association, Atlanta, Nov., 1990). Bason also found that PAC contributions had more effect than challenger spending in general; nevertheless, the seven variables he studied accounted for only 20 percent of the total variance in incumbent vote shares.
 37. Adamany and Agree, *Political Money*, pp. 41-42.
 38. *Dollar Politics* (3rd ed., Congressional Quarterly Inc., 1982), p. 17.
 39. See, for example, Adamany and Agree, *Political Money*, especially pp. 39-42; Drew, *Politics and Money*; and Wertheimer and Huwa, "Campaign Finance Reforms." K. F. Brown comments on the tendency to rely on anecdotal data in "Campaign Contributions and Congressional Voting" (paper presented at the meeting of the American Political Science Association, Chicago, Sept., 1983).
 40. Brown, "Campaign Contributions," p. 5.
 41. For empirical support for the hypothesis that campaign donations affect access to legislators, see L. I. Langbein, "Money and Access: Some Empirical Evidence," *Journal of Politics*, XLVIII (1986), 1052-1062.
 42. Brown, "Campaign Contributions."
 43. J. B. Kau and P. H. Rubin, "Economic and Ideological Factors in Congressional Voting: The 1980 Election," *Public Choice*, XLIV (1984), 385-388.
 44. H. W. Chappell, "Campaign Contributions and Congressional Voting: A Simultaneous Probit-Tobit Model," *Review of Economics and Statistics*, LXIV, No. 1 (1982), 77-83.
 45. J. R. Wright, "PACs, Contributions, and Roll Calls: An Organizational Perspective," *American Political Science Review*, LXXIX (1985), 400-414.
 46. H. W. Chappell, "Conflict of Interest and Congressional Voting: A Note," *Public Choice*, XXXVII (1981), 331-335.
 47. J. E. Jackson, "Statistical Models of Senate Roll Call Voting," *American Political Science Review*, LXV, No. 2 (1971), 451-470.
 48. A. Glazer and M. Robbins, "How Elections Matter: A Study of U.S. Senators," *Public Choice*, XLVI (1985), 163-172. The latter findings are a little startling. As Glazer and Robbins put it, "do senators indeed favor principled stands over remaining in office?" (p. 172). Such an interpretation would challenge long-standing rational-man models such as that of Anthony Downs (*An Economic Theory of Democracy*, New York: Harper & Row, 1957), which holds that "parties formulate policies in order to win elections, rather than win elections in order to formulate policies" (p. 28).
 49. Jean R. Schroedel, "Campaign Contributions and Legislative Outcomes," *Western Political Quarterly*, XXXIX (1986), 371-389.
 50. *Ibid.*, p. 386.
 51. Drew, *Politics and Money*, p. 78.
 52. U. Ben-Zion and Z. Eytan, "On Money, Votes, and Policy in a Democratic Society," *Public Choice*, XVII (1974), pp. 1-10; W. P. Welch, "The Allocation of Political Monies: Economic Interest Groups," *Public Choice*, XXXV (1980), 97-120; Welch, "Money and Votes."
 53. In Adamany and Agree, *Political Money*, p. 25.
 54. Jacobson, *Politics of Congressional Elections*, pp. 26-30.
 55. R. E. Cohen, "Costly Campaigns: Candidates Learn That Reaching the Voters is Expensive," *National Journal*, April 16, 1983, p. 788.
 56. In Adamany and Agree, *Political Money*, p. 8.
 57. Although obtaining legislative bodies which will pass "good" laws is a reform goal shared by many different political groups, it is a goal with a necessarily subjective definition. Analysis of the effects of various policies on this goal is therefore difficult, and will be omitted.
 58. Etzioni, *Capital Corruption*, p. 240.
 59. Adamany and Agree, *Political Money*, p. 27.
 60. Herbert E. Alexander, "Making Sense About Dollars in the 1980 Presidential Campaign," in Malbin, *Money and Politics*, p. 35.
 61. Sorauf, *Money in American Elections*, p. 53.
 62. "Election Campaign Financing: Pro & Con," *Congressional Digest* (August-September, 1988), p. 202. Senator Robert C. Byrd, from an address on the floor of the U.S. Senate, April 21, 1988, during consideration of S.J.Res. 282.
 63. Civic Service, p. 6.
 64. Alexander, "Making Sense About Dollars," pp. 20-21 and 34-35.
 65. See, for example, B. Keller and I. B. Arief, "As Campaign Costs Skyrocket, Lobbyists Take Growing Role in Washington Fund-raisers," *Congressional Quarterly*, (Special Report, May 17, 1980), 1333-1346.
 66. *Congressional Quarterly, Inc., Dollar Politics*, 3rd ed., (1982), p. 95.
 67. In Richard Smolka, "The Campaign Law in the Courts," in Malbin, *Money and Politics in the United States*, p. 229.
 68. *Dollar Politics*, p. 19; Malbin, *Money and Politics*, pp. 255-256.
 69. *Dollar Politics*, p. 95.
 70. J. E. Cantor, *The Evolution of and Issues Surrounding Independent Expenditures in Election Campaigns*, (Congressional Research Service, Library of Congress, Report No. 82-87 GOV, May 5, 1982), p. 38.
 71. D. Leonard, "Contrasts in Selected Western Democracies: Germany, Sweden, Britain," in Alexander, *Political Finance*, pp. 41-73.
 72. "Controversy Over Campaign Financing," *Congressional Digest*, p. 297.

73. *Ibid.*, pp. 303, 305.
74. Herbert E. Alexander, *The Case for PACs*, (Washington, D.C.: Public Affairs Council), p. 29.
75. For an excellent example of this argument see Mathias, "Public Financing," in *Annals*, pp. 64-75. Note Mathias is a U.S. Senator (R-Md.).
76. See, for example, Alexander, "White Paper," Alexander, "Making Sense About Dollars;" G. A. Caldeira, S. C. Patterson, and G. A. Markko, "The Mobilization of Voters in Congressional Elections," *Journal of Politics*, XLVII, No. 2 (1985), 490-509; and K. Z. Paltiel, "The Impact of Election Expenses: Legislation in Canada, Western Europe, and Israel," in Alexander (ed.), *Political Finance*, pp. 15-39.
77. Adamany and Agree, *Political Money*, p. 25.
78. Cited in *Dollar Politics*, p. 1.
79. Leonard, "Contrasts in Selected Western Democracies."
80. Adamany and Agree, *Political Money*, pp. 201-207.
81. *Buckley v. Valeo*, 1976.
82. Adamany and Agree, *Political Money*, p. 201. They explain that, with the possible exception of religion, only food, clothing, and shelter are more important for people than political campaigns. Given these values, and the unlimited ingenuity of people in finding ways to privately support and oppose politicians, one wonders how much they would have the public spend collectively to "correct" the effects of its "corrupt" individual spending.
83. "Controversy Over Campaign Financing", 1979, pp. 297, 299.
84. Adamany and Agree, *Political Money*, p. 19.
85. Alexander, *Financing Politics*, p. 196.
86. See Civic Service, "Attitudes Toward Campaign Financing," and Jacobson, *Money in Congressional Elections*, p. 224.
87. In a related point, Jacobson predicts that public funding without ceilings will never be enacted. (*Ibid.*, p. 226.)
88. *But the concept that government may restrict the speech of some elements of our society in order to enhance the relative voice of others is wholly foreign to the First Amendment, which was designed 'to secure 'the widest possible dissemination of information from diverse and antagonistic sources,' and 'to assure unfettered interchange of ideas for the bringing about of political and social changes desired by the people. ...The First Amendment's protection against governmental abridgment of free expression cannot properly be made to depend on a person's financial ability to engage in public discussion.'*
(*Buckley v. Valeo*, 424 U.S. 1 (1976), pp. 48-49, quoting *New York Times Co. v. Sullivan*, 376 U.S., pp. 266, 269, quoting *Associated Press v. United States*, 326 U.S. 1, 20 (1945), and *Roth v. United States*, 354 U.S., p. 484.
89. Etzioni, *Capital Corruption*, pp. 229, 230-232, 245-247, 266-267.
90. Bingham, "Democracy or Plutocracy?", p. 105.
91. In "Election Campaign Financing," p. 201. This was debated as S.J.Res. 282.
92. Adamany and Agree, *Political Money*, p. 199.
93. Adamany and Agree, *Political Money*, Chapter 11.
94. Etzioni, *Capital Corruption*, p. 245.
95. Hollings, in "Election Campaign Financing," pp. 204, 206, 208, 210, 212.
96. Hollings, U.S., Congress, Senate, *Congressional Record*, 99th Cong., 1st sess., 131(80):8268, quoted in Fred Wertheimer, "Campaign Finance Reform: The Unfinished Agenda," in *Annals*, p.96.
97. Fling, "States as Laboratories," pp. 266-267.
98. In "Election Campaign Financing," p. 212.
99. Interestingly, such legislation was once proposed, as an amendment to the 1974 revisions in the federal election campaign legislation, by Senator Buckley. It was debated on April Fool's Day and defeated 66-17. (Jacobson, *Money in Congressional Elections*, p. 187.)
100. For example, Adamany and Agree, *Political Money*; Drew, *Politics and Money*; Etzioni, *Capital Corruption*; Wertheimer, "Campaign Finance Reform."
101. *Buckley v. Valeo*, p. 57.
102. *Dollar Politics*, p. 32. Michael Berman, in "Living With the FECA: Confessions of a Sometime Campaign Treasurer" (*Annals*, 121-131) points out that his chores as Walter Mondale's campaign treasurer stretched out for years after the election was over, and that grassroots volunteer participation in the campaign was inhibited by the extraordinarily complex regulations to which it was subject. He concludes (p. 331) that "just maybe our campaign finance laws have gone too far."
103. Drew, *Politics and Money*, p. 151.
104. Senator Mitch McConnell, speaking in opposition to S.J. Res. 282, pointed out to his colleagues that it is not lack of money that keeps them from buying thirty-minute segments on television instead of 30-second commercials: "The reason the candidates do not buy 30-minute programs is nobody likes them and nobody watches them..." ("Election Campaign Financing," p. 221.)
105. See Downs, *Economic Theory of Democracy*, for an excellent discussion of this point.
106. Presumably, some of these are among the 4 percent of Americans who, according to Civic Service ("Attitudes Toward Campaign Financing"), "strongly approve" of total public financing of presidential, congressional, and state campaigns.
107. This point is made in Ralph K. Winter's excellent article, "Political Financing and the Constitution" (*Annals*, 34-48; see p. 46). Winter, now a U.S. circuit court judge, represented the plaintiffs in *Buckley v. Valeo*.
108. Bingham, "Democracy or Plutocracy?," p. 109.
109. Wertheimer and Huwa, "Campaign Finance Reforms," pp. 62-64.
110. Wertheimer, "Campaign Finance Reform," p. 96.
111. See Alexander (ed.), *Political Finance*, pp. 8-9; also see his very strong defense of PAC spending, *The Case for PACs*; also see Arterton's argument for a weaker FEC (*Dollar Politics*, p. 39).
112. *Ibid.*, p. 29.
113. "Controversy Over Campaign Financing," p. 305.
114. James Madison *The Federalist Papers*, No. 51. "If angels were to govern men, neither external nor internal controls on government would be necessary."
115. See R. J. Isaac and E. Isaac, *The Coercive Utopians: Social Deception by America's Power Players*, (Chicago: Regnery Gateway, 1983), p. 85, for a brief discussion of this point, and the entire book for lively examples.
116. Adam Smith *An Inquiry into the Nature and Causes of the Wealth of Nations*, Vol. I, 4th ed., E. Cannan (ed.), (London: Methuen, 1925), p. 16. Originally published, 1776.
117. "Thus, paradoxically, the way to decrease the power of the special interests may well be to let them flower. If this sounds a bit like *Federalist No. 10*, the similarity is intentional." Michael J. Malbin, "Of Mountains and Molehills: PACs, Campaigns, and Public Policy," in *Parties, Interest Groups, and Campaign Finance Laws*, ed. by M. J. Malbin (Washington, D.C.: American Enterprise Institute for Public Policy Research, 1980), p. 184.
118. James Madison *The Federalist Papers*, No. 51.
119. Malbin, "Of Mountains," pp. 177, 181.
120. In Jacobson, *Money in Congressional Elections*, p. 203.
121. William F. Buckley, Jr., "Representatives in Congress Should Think of the Commonwealth," *Pensacola News Journal*, Dec. 21, 1985.
122. Burger in *Buckley v. Valeo*, p. 236.
123. Madison *The Federalist*, No. 51
124. *Buckley v. Valeo*, p. 19.
125. *Ibid.*, p. 15, quoting *Monitor Patriot Co. v. Roy*, 401 U.S. 265, 272 (1971).
126. Burger, *Buckley v. Valeo*, pp. 256-257.

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FPSA PROGRAM

Changing Political Worlds April 5-6, 1991 Ft. Lauderdale, FL

Friday, April 5

11:30 a.m.-1 p.m.
FPSA Executive Council Meeting

Session I. 1:15-2:45 p.m.

Panel 1. *Oil, Iraq, and Bush:*

The New International Political Landscape

Chair: Charles MacDonald
Florida International University

Papers: Charles MacDonald
Florida International University
United States and Gulf Hostilities

Moheiddin Mesbahi
Florida International University
Soviet Union and Gulf Hostilities

Brad McGuinn
Florida International University
Israel and Gulf Hostilities

Brian Schriener
Florida International University
The Media and Gulf Hostilities

Discussant: Robert Bledsoe,
University of Central Florida

Panel 2. *Political Culture and American Politics*

Chair and Discussant: Philip H. Pollock III,
University of Central Florida

Papers: Michael Hoover
Seminole Community College
*Culture, Education, and Conflict:
The Last Temptation of Christ as
Contested Terrain*

Mark Padgett
Florida State University
*What the Popular Movements of
Today Can Learn from the Popular
Movements of Yesterday: A Model
for Success*

Session II. 3-4:30 p.m.

Panel 3. *Trends in Florida Politics*

Chair: Robert Huckshorn
Florida Atlantic University

Papers: Susan MacManus
University of South Florida
*Enough is Enough: Floridians'
Support for Proposition 3*

David Moon
University of Miami
Ethnic Differences in Greater Miami

Suzanne Parker
Florida State University
Trends in Florida Public Opinion

Discussant: Lance deHaven-Smith
Florida Atlantic University

Panel 4. *European Politics: East Side/West Side*

Chair: Lee Kendall Metcalf
Florida State University

Papers: Anthony N. Celso
University of Central Florida
*Evolution of Neoliberalism in Spain
and France in the 1980s*

Carol M. Glenn
Florida State University
*Peripheral Dependencies or Integrated
Partners: Mediterranean Expansion
and the European Community*

Robert V. Barylski
University of South Florida, Sarasota
*The Soviet Military and the General
Political Crisis of 1990-1991*

4:45 p.m.

**General Session
Cocktail Hour**

Saturday, April 6

8 a.m. Florida Consortium of Graduate Programs in
Public Administration meeting
Jim Bowman, Florida State University

Session III. 9-10:30 a.m.

**Panel 5. *Signposts on the Political Landscape:
Liberalism, Conservatism, and Public Policy***

Chair: Elliot Vittes
University of Central Florida

Papers: Michael Gibbons
University of South Florida
The Signposts of the New Economy

Dwight Kiel
University of Central Florida
*You've Got to Look at Those
Signposts*

Charles Barrilleaux
Florida State University
*Competition, Cleavage, and Public
Policy in the American States*

**Panel 6. *Changes in Governance in the U.S.:
Local, State, and National***

Chair: Bert Swanson
University of Florida

Papers: Robin Turner
Florida Atlantic University
*Political Regimes and Downtown
Development*

Kim Lanegran
University of Florida
*The Role of Political Mythology in
Governance*

Christopher Warren
Florida International University
*Local Government Reform in
Dade County*

Bert Swanson
University of Florida
*Governance in the Unincorporated
Area*

**Panel 7. *Gender and the Political Science Profession
(Roundtable)***

Chair: Dorothy McBride-Stetson
Florida Atlantic University

Participants: Joel Gottlieb
Florida International University
Anne Kelly
University of South Florida
Joyce Lilie
University of Central Florida
Rebecca Solokar
Florida International University

Session IV. 10:45 a.m.-12:15 p.m.

**Panel 8. *Changes in the Third World: National Political
Economics and International Relations***

Chair: Alfred G. Cuzan
University of West Florida

Papers: James Robinson
University of West Florida
Power Sharing in Developing Polities

A.G. Cuzan, S.D. Moussalli, and
C..M. Bundrick
*University of West Florida
Selected Factors in Political
Instability in Latin America*

Discussants: James L. Busey, Professor Emeritus
The University of Colorado
at Colorado Springs

Dorothy McBride-Stetson
Florida Atlantic University

**Panel 9. *Teaching Political Science: Do "Glossy"
Textbooks Help us Teach?* (Roundtable)**

Chair: Stan Melnick
Valencia Community College

Panelists: John Ambrose
McGraw-Hill Publishers
Cindy Benson
University of Central Florida
Susan MacManus
University of South Florida
Elliot Vittes
University of Central Florida

12:30-2:30 p.m. **FPSA Luncheon Speaker**