



**SOCIAL SCIENCES UNIVERSITY OF ANKARA
INSTITUTE OF GRADUATE STUDIES IN SOCIAL SCIENCES**

MEHMET METE ANAÇ

**THE ROLE OF WESTERN ALLIES ON THE RAPID REVIVAL OF
WEST GERMANY FROM THE PATH DEPENDENCE ANGLE**

**MASTER'S THESIS
MASTER OF ARTS PROGRAM IN
INTERNATIONAL RELATIONS**

AUGUST, 2020



**SOCIAL SCIENCES UNIVERSITY OF ANKARA
INSTITUTE OF GRADUATE STUDIES IN SOCIAL SCIENCES**

**MEHMET METE ANAÇ
170616005**

**THE ROLE OF WESTERN ALLIES ON THE RAPID REVIVAL OF
WEST GERMANY FROM THE PATH DEPENDENCE ANGLE**

**MASTER'S THESIS
MASTER OF ARTS PROGRAM IN
INTERNATIONAL RELATIONS**

AUGUST, 2020



To my İstanbul..

PLAGIARISM

I hereby declare that all information in this document has been obtained and presented in accordance with academic rules and ethical conduct. I also declare that, as required by these rules and conduct, I have fully cited and referenced all materials and results that are not original to this work.

Name and Surname: Mehmet Mete ANAÇ

(Signature)

ACKNOWLEDGEMENTS

At the very beginning, I had the aim of searching solely the key factors on the rapid revival of West Germany after the Second World War. However, as a student of international relations, this would make me to focus on economics and economic theories too much, which would turn this thesis into a study of economics. Thanks to the valuable suggestion of my academic advisor Assoc. Prof. Gürol BABA, this thesis was carried into the realm of international relations as he suggested me to take the subject in regards to the role of Western Allies from the angle of path dependence. I owe him a great debt of gratitude, without the insightful guidance and continuous support of whom this thesis would have fallen short of its goal and been hardly completed. I would also like to express my sincere thanks to Dr. Resul YALÇIN and Dr. Emre DEMİR for their valuable comments, which led me to evaluate this study from a different perspective.

TABLE OF CONTENTS

PLAGIARISM.....	i
ACKNOWLEDGEMENTS	ii
TABLE OF CONTENTS	iii
ABSTRACT	v
ÖZET	vi
LIST OF FIGURES	vii
LIST OF TABLES	viii
CHAPTER 1.....	1
INTRODUCTION	1
CHAPTER 2.....	7
2. PATH DEPENDENCE	7
2.1. The Concept of Path Dependence	7
2.2. Different Forms, Definitions and Uses of Path Dependence	11
2.3. Path Dependence and Historical Institutionalism.....	16
2.4. Critical Junctures in Institutional Path Dependence	20
2.5. The Role of Increasing Returns in Institutional Path Dependence	21
2.6. Path Dependence and Institutional Development.....	23
CHAPTER 3.....	26
3. PATH DEPENDENCE CASES IN THE WESTERN HISTORY.....	26
3.1. Historical Background	26
3.2. The Vienna Settlement of 1815.....	28
3.3. The Monroe Doctrine (1823)	32
3.4. The Wilson's Principles (The Fourteen Points)	34
3.5. The Atlantic Charter (1941).....	36
CHAPTER 4.....	39
4. REACTIVE SEQUENTIAL EVENTS LEADING TO THE RAPID REVIVAL OF WEST GERMANY	39
4.1. Negotiations Among Occupation Powers	39
4.2. Winston Churchill's (Iron Curtain) Speech (5 March 1946)	43
4.3. The US Secretary of State James Byrnes' Speech (6 September 1946)	44

4.4. The Fusion of the Occupation Zones of the US and Britain (Bizone - 1 January 1947)	45
4.5. The Marshall Plan (5 June 1947)	47
4.6. The London Six-Power Conference (February-June 1948) and Frankfurt Documents (1 July 1948)	48
4.7. The Currency Reform (20 June 1948)	50
4.8. The Berlin Blockade and the Western Airlift (24 June 1948 – 12 May 1949)	52
CHAPTER 5	55
5. THE RAPID REVIVAL OF WEST GERMANY	55
5.1. Economic Growth Models Explaining the Rapid Revival of West Germany	55
5.2. Other Factors Mentioned in the Literature About the Rapid Revival of West Germany	56
5.3. The Foundation of West Germany	61
5.4. The New Constitution of West Germany	63
5.5. The Occupation Statute (21 September 1949)	64
5.6. Economic Indicators Showing the Rapid Revival of West Germany	65
5.7. West Germany's Membership to International Organizations	70
5.8. The Franco-German Rapprochement	72
CHAPTER 6	76
CONCLUSION AND RECOMMENDATIONS	76
REFERENCES	80
BACKGROUND (CV)	84

ABSTRACT

THE ROLE OF WESTERN ALLIES ON THE RAPID REVIVAL OF WEST GERMANY FROM THE PATH DEPENDENCE ANGLE

This study aims to investigate how and why the Western Allies played a role on the rapid revival of West Germany and her transformation from a defeated and war-torn to a fully recovered country reintegrated into the Western alliance after the Second World War via path dependence. The US led international order after the Second World War was path dependent because it has its roots in the history going back to the 1815 Vienna Settlement. That path dependent process reinforced itself through an institutional understanding, which had adaptable and rule-based characteristics, which deterred the victors from their arbitrary acts as it put restrictions on their state power and domination over weak states, allowed states to negotiate each other and reduced instability. In the course of time, that institutional understanding was embedded in political, social and economic structure so much so that changing or totally abrogating it, would cause undesired additional costs. On the other hand, the sequential events that happened as a result of reactive attitudes of the Western Allies and the Soviet Union towards each other at the beginning of the post-war era led both sides enter in a path which they could not easily reverse and those sequence of events culminated in the rapid revival of West Germany. The rapid revival of West Germany after the Second World War was necessary for the reconstruction of Europe and the reconstruction of Europe was necessary for the reestablishment of a stable and peaceful international order based on institutional understanding.

Key Words: *Path Dependence, Historical Institutionalism, Institutions, Western Allies, West Germany. 11.08.2020.*

ÖZET

PATİKA BAĞIMLILIĞI BAĞLAMINDA BATI ALMANYA’NIN KISA ZAMANDA YENİDEN CANLANMASINDA BATILI MÜTTEFİKLERİN ROLÜ

Bu çalışmanın amacı, İkinci Dünya Savaşından sonra Batı Almanya’nın hızlı bir şekilde yeniden canlanmasında ve savaşta yenilmiş ve zarar görmüş bir ülkeden tam olarak toparlanmış ve Batıya entegre olmuş bir ülkeye dönüşmesinde Batılı Müttefiklerin nasıl ve neden rol oynadığının patika bağımlılığı kavramından istifade edilerek araştırılmasıdır. İkinci Dünya Savaşından sonra ABD önderliğinde kurulan uluslararası düzen patika bağımlılığı özelliğine sahipti çünkü söz konusu düzenin kökleri 1815 Viyana Düzenine kadar giden bir geçmişe dayanıyordu. Bu patika bağımlı süreç; uyumlu ve kural temelli yapısıyla galip devletlerin gücüne ve zayıf devletler üzerindeki baskısına bir sınırlama getirmesi sebebiyle keyfi davranışlar sergilemelerini engelleyen, devletlerin birbirleri ile müzakere etmelerine imkân tanıyan, istikrarsızlığı azaltan kurumsal bir anlayış vasıtasıyla kendini güçlendirdi. Bu kurumsal anlayış zaman içinde siyasi, sosyal ve ekonomik yapıya o kadar yerleşmişti ki bu anlayışı değiştirmek ya da tamamen ortadan kaldırmak, istenmeyen ek maliyetlere sebep olacaktı. Öte yandan, savaş sonrası dönemin başlarında Batılı Müttefikler ve Sovyetler Birliği’nin birbirlerine karşı takındıkları tepkisel tavırların sonucu olarak artarda meydana gelen olaylar her iki tarafı kolayca dönemeyecekleri bir yola sevk etti ve bu olaylar silsilesi, Batı Almanya’nın hızlı bir şekilde yeniden canlanması ile sonuçlandı. Batı Almanya’nın İkinci Dünya Savaşından sonra hızlı bir şekilde yeniden canlanması Avrupa’nın yeniden yapılanması için gerekliydi ve Avrupa’nın yeniden yapılanması da kurumsal anlayışa dayalı, istikrarlı ve barışçıl uluslararası düzenin yeniden kurulması için gerekliydi.

Anahtar Kelimeler: Patika Bağımlılığı, Tarihsel Kurumsalcılık, Kurumlar, Batı Almanya, Batılı Müttefikler. 11.08.2020.

LIST OF FIGURES

FIGURES

- Figure 1 The constitution of a path
Figure 2 Illustration of contingency in self-reinforcing sequence



LIST OF TABLES

TABLES

Table 1	Economic Indicators of West Germany
Table 2	Generation and Use of GNP (1950-80)



CHAPTER 1

INTRODUCTION

There are two distinctive common views about the general concept of history in social sciences: one is that history is a repetition of events, the other one is that history is a sequence of events. In both views, abstaining from presentism, that is, avoiding anachronistically interpreting past events with today's values takes an important place for an accurate evaluation of historical events. One must take into consideration the political, economic and social facts of the time, which he or she studies on. History plays a significant role not only for individuals but also for nations. Moreover, all nations are the subjects and objects of world history, which is shaped and evolved through their interactions.

As a history-related term, path dependence is utilized in this study to examine the impact of past events on future events. The literature on path dependence underline the fact that events, which happened in the past, certainly have an impact on future. As a theory, path dependence is built on the axiom of "history matters." Other terms related with path dependence such as positive feedbacks, self-reinforcement, increasing returns, lock-in, critical junctures etc. are helpful concepts to find out the answers of questions like how past events be effective on future events, why paths are dependent, what influences a path to start its route, when there is a break for a path to shunt and how it is related to historical sequential processes.

Although path dependence was first introduced in the field of economics, it has been used in other social sciences including international relations. In any field, when the concept of path dependence is used, the purpose is to underline the idea of continuity. However, path dependence does not always follow a linear continuity in the course of time. A path dependent process comprises of sequential events. Sequential events take place in two distinctive ways: one entails increasing returns and positive feedbacks characteristics in which dependent events follow one another and the other one is called

“reactive sequences,” in which each independent event is a reaction to the former and the cause of the following event.

A path dependent process can be briefly described as follows: The process starts with a contingent/stochastic event that happens at a point of time, which is called critical juncture. Critical junctures are mostly external impacts and they come exogenously. Through increasing returns, the actor obtains benefit and the process consolidates itself by self-reinforcement mechanisms. When other actors also make the same choice, the process generates positive feedbacks. In time, path dependent process becomes more and more acceptable as it is learnt and practiced by an increasing number of attendees. And when it reaches to sufficient number of attendees, the process locks-in. There are two basic factors sustaining path dependence. One is the advantage of maintaining the current situation, the other one is the potential disadvantage, in other words, the cost of changing it.

Historical institutionalism, which is interchangeably used with path dependence also frequently referred in this study. In this study, institutions are used in a broader sense that they do not refer only to organizations, which are gatherings established for some certain aims but also an understanding or an approach or a regulation about a case or an event that is adopted by its supporters or implementers. In this sense, not only concrete conceptions such as alliances or congress systems, but also abstract concepts such as democracy or law can thus be exemplified as institutions. Thus according to institutionalism, institutions become perpetual structures that can sustain without needing their implementers.

This study is specifically about West Germany’s rapid revival after the Second World War and how and why the Western Allies played a crucial role in this revival from the point of path dependence. As it is suggested by Smith (1994, 29), was it not for the United States (US) occupation of Germany after the Second World War, Germany would again be a democracy and a developed country however, the kind of its democracy would not be so liberal and its revival and integration would not be so rapid. This assertion underlines Western Allies’ crucial role in the rapid revival of West Germany. This role of Western Allies had a positive and supportive impact also on other factors regarding West Germany’s post-Second World War recovery, which are also mentioned in this study.

It is important to mention why the term “revival” is used in the title of this study. It is because West Germany experienced a rapid recovery not only regarding its economical but also from social and political realms after the Second World War. On the other hand, the term revival implies that Germany was once a developed country. In this study, the revival of West Germany is tried to be shown not only by some economic indicators and a series of economic developments such as the fusion of American and British occupation zones known as the Bizone, the Marshall Plan, the currency reform etc. but also through some political developments such as the issuance of new constitution, the foundation of West Germany, West Germany’s participation in international organizations etc. As a matter of fact, all those economic and political developments were accomplished under the supervision of the Western Allies.

With regards to its theoretical perspective and discourse, this study mainly focuses on the historical events, which were realized by the western states. Additionally, a western oriented literature has been referenced in this study. Besides, searching the role of Western Allies on the rapid revival of West Germany entailed a viewpoint, which evaluates the events from an affirmative approach. Because the case in point is a country’s rapid revival after a devastating world war. And that rapid revival has been shown through a set of historical events in the view of path dependence. Moreover, those historical events, which ended up with the rapid revival of West Germany, showed a gradual and positive progress. Therefore, this study brings up a Eurocentric narration.

The terms democracy and liberalism used in this study does not necessarily fall into the usage of this terms in the twentieth century but more into their interpretations during the eighteenth and nineteenth centuries. The main purpose to use these terms is to refer to the values such as the rule of law, respect to human rights, self-determination, civil society etc. On the other hand, during the 1940s when the Western Allies occupied Germany, the implementation of democracy was not as easy as its domestic implementation in the US at that time. The important point here is the fact that while the Western Allies playing a crucial role in West Germany’s rapid revival after the Second World War, they acted by taking into consideration the abovementioned values.

On the other hand, although the Western Allies globally referred to the abovementioned values in their statements, for example in the Fourteen Points or the

Atlantic Charter, those values could only have chance to grow within the West but not globally. Besides, the literature, which investigates the period of the 1815 Vienna Settlement, implies that the international order in the nineteenth century was a solid structure and controlled from a Western center. However, when the international order of nineteenth century is referred, the boundaries of that times' international order was not as wide as today's global world and was limited to Europe. This fact is another proof that shows why this study is bound to take the cases from a Eurocentric viewpoint.

The question here is that why did the Western Allies play a role in West Germany's rapid revival although it was expected to be the other way around? For example, for France, a strengthened Germany was not preferable as these two states have been at odds with each other in the course of history and France was seeing Germany as a threat to her territorial integrity. As for the US and Britain, the revival of Germany, was an undesirable situation as a strong Germany could reemerge as an aggressor. For all that, West Germany revived after the Second World War in a short span of time. There are some geographical and international facts explaining the reasons of the role of Western Allies on this rapid revival.

First, due to Germany's geo-strategic and geo-economic role, as being located in the heart of Europe, her instability would have a negative impact on Europe's stability. Second, at the end of the Second World War, the Soviet Union was already putting pressure on the Western Europe seeking for reparations and territorial gains to compensate her war losses, which entailed the Western Allies to take rapid precautions. Third, the Cold War was brewing up which could catch Germany in a weak position and it was not a preferable situation by the Western Allies since Germany was in the buffer zone bordering on the "Iron Curtain." Fourth, establishing and maintaining a stable and peaceful international order was vitally important for the national interests of the West.

The aim of this study is to try to exhibit the above-stated role of the Western Allies via path dependence in its historical development process. Chapter 2 lays out the theoretical framework, explaining the concept of path dependence, its emergence, the way that it works and generates stability. Different meanings and uses of path dependence are also given in this chapter. Historical institutionalism and its nature of interchangeability with path dependence is also explained in Chapter 2. The relationship between

international order and institutions is addressed to explain the historical institutional path dependence and its development in the course of time. As a reminder, the concept of international order mentioned here does not represent the entire globe.

Chapter 3 introduces the historical background and cases of how the Western states established an international structure, which have survived for centuries due to its path dependent characteristics. The concepts of democracy and liberalism are also mentioned here for the purpose of explaining the goals of Western states, especially the US and Britain, how they made use of these concepts in their efforts in establishing an international order supporting their national interests. It is also explained how the Western states voluntarily restricted the use of their power and dominance over weak states in order to establish and maintain the abovementioned international order. It starts with the Vienna Settlement of 1815 by which an institutional understanding started to take shape.

Chapter 4 explains how some reactive sequential events, which are also called reactive sequence as a kind of path dependent processes, led to the rapid revival of West Germany. It starts with international negotiations such as the Teheran Conference, London Conferences, Yalta Conference. It tries to present the process of how the Western Allies eventually dissented from the Soviet Union about their views on their respective occupation zones in Germany and the consolidation of the Western Alliance in the way of supporting and integrating their zones of occupation, that is, the western part of Germany and afterwards founding West Germany. The speeches made by Winston Churchill and the US Secretary of State, James Byrnes, the Bizone, the Marshall Plan, the London Six-power Conference, the currency reform, the Berlin Blockade and the Western Airlift occurred within this period are also given as the examples of other reactive sequential events.

Chapter 5 analyses the rapidity of the revival of West Germany in the light of economic growth models and economic indicators. It also covers a literature review that explains other factors and historical developments contributed to the recovery of West Germany. Besides, some political developments such as the new constitution of West Germany, the Occupation Statute and West Germany's membership to international organizations take place in the Chapter. On the other hand, the growing relations with France, in other words, Franco-German rapprochement and the particular role of France

in the rapid revival and integration of West Germany with the Western Europe is also evaluated in the light of political events.



CHAPTER 2

2. PATH DEPENDENCE

2.1. The Concept of Path Dependence

Path dependence was first introduced by Paul A. David (DAVID 1985) and Brian W. Arthur (ARTHUR 1994, Chapter 3) from Stanford University during the 1980s. To explain path dependence, Arthur conducted an experiment by using an urn full of two different colors of balls in equal sizes and numbers. At every turn, one ball is drawn from the urn and when it is put in the urn back, another ball with same color is also added in order to increase the probability of drawing the same color of ball in the next turn. After a series of turns, one color will prevail over the other color as this process generated positive feedback (EBBINGHAUS 2005, 7).

On the other hand, David cited QWERTY keyboard as an example, which became the most known exemplary case for path dependence on this subject. In QWERTY keyboard (designed by Christopher Sholes in 1868), the keys were arranged in order to prevent key jamming that occurred because of fast typing in mechanical typewriters. Although there have been technological developments and electric typewriters or even computers have been invented later, QWERTY keyboard has continued to be used. This continuity is called path dependence and is explained by its self-reinforcing process as the more people learnt to use this keyboard, the less they prefer to replace it with other types even if other types of keyboards are more functional. Besides there is a sunk cost, which would cause an additional cost in case the path is changed. And thus the chosen path sustains and becomes locked in (EBBINGHAUS 2005, 7-10).

Path dependence is a process based on continuity and resistance against change. A path dependent process starts with a contingent, in other words, stochastic event. The point at which that contingent/stochastic event occurs is called critical juncture. After a contingent/stochastic event starts a path dependent process, it sustains although there are

reasons to change. Changing a path dependent process is not attractive because of two basic reasons. First, an advantageous structure to sustain the process occurs in the course of time. Second, any change in the path dependent process involves expenses because of the sunk-cost of the process.

Here, contingency or stochasticity has a meaning more than accidental or incidental. It means that before a path dependent process starts, all other choices stochastically and conditionally have the same chance to be chosen until a choice is made at the critical juncture. Unfolding of the following events is unpredictable and they have their own way of evolution in their idiosyncratic history. On the other hand, in all path dependent processes, the past has an effect on the future. This fact is represented by the phrase “history matters” as it can eloquently express the meaning of path dependence.

As the most prominent argument of path dependence, namely, the phrase “history matters” is mentioned in path dependence literature. Liebowitz and Margolis (1999, 981) while explaining the meaning of path dependence in the introduction part of their article they put emphasis on the impact of past over now by referring to the phrase “history matters.” As an idea borrowed from other sciences like physics, mathematics and biology, to economics, path dependence is a process determined by a contingent or stochastic event that happens at the beginning of the process and starts it (LIEBOWITZ and MARGOLIS 1999, 982-983).

According to Page’s explanation (2006, 87-88), the course of history can be changed by small choices made at the very beginning but historical events does not always unfold in a linear way. He puts forward four interrelated causes in a path dependent process, namely, increasing returns, self-reinforcement, positive feedbacks and lock-in, which are deduced from a research of the literature about path dependence. In increasing returns, the more a selection is made or a move is started, the more benefit is derived. In self-reinforcement, making a selection or starting a move activates some factors to support that selection to be persistent. If the same selection is made by other people, it generates positive feedbacks. Lastly, as a result of lock-in, a selection or action is favored among others because that selection has already been made by enough number of people.

In Figure 1 (SCHREYÖGG & SYDOW 2010, 8.) the process of path dependence is explained in three phases. Phase I is the pre-constitution stage where there are many options of decisions, which are also affected by prior events. A decision that is made contingently within this phase, triggers self-reinforcing processes and the point of stepping in the mobility of a self-reinforcing process is called critical juncture. Phase II, which starts with the critical juncture, is the constitution stage of path dependence. In this phase, the scope of options gradually becomes tight and turning back becomes more and more difficult. The motion of self-reinforcing processes, which are also called as increasing returns and positive feedback, pave the way for a particular outcome, that is a choice or an action, among other possible outcomes. Yet, decision processes, which are made in this phase are still contingent. This means the processes are not previously established or they are not accidental but are evolved in their own history. Lastly, Phase III is the lock-in stage where the particular model becomes stable and inflexible to change thus path dependence process is constituted (SCHREYÖGG & SYDOW 2010, 5-8).

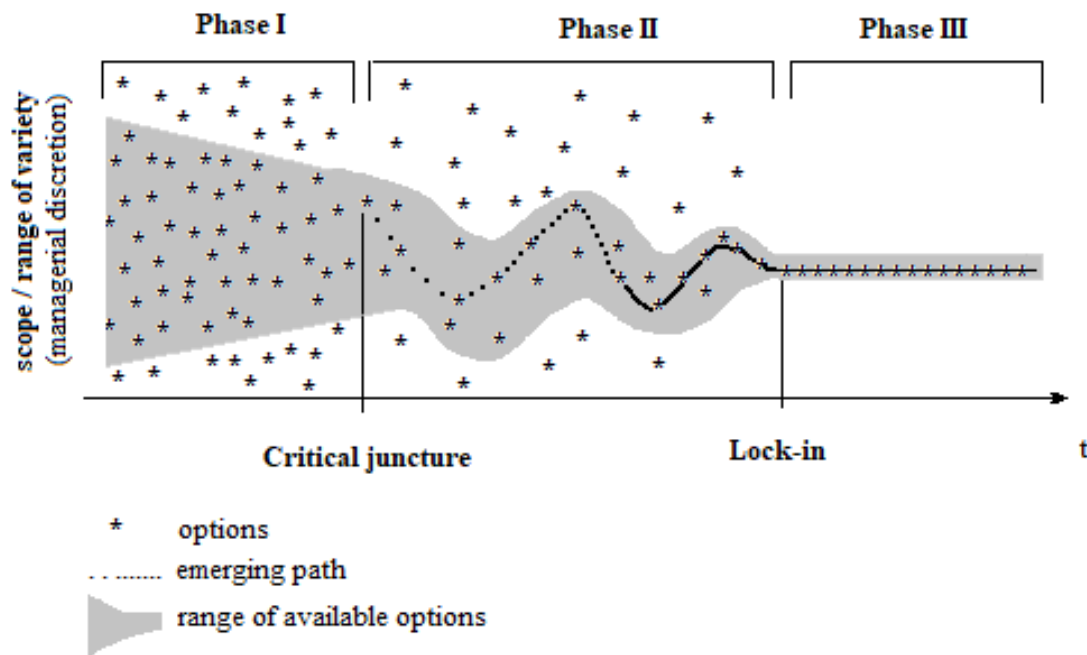


Figure 1 The constitution of a path

(Source: SCHREYÖGG & SYDOW 2010, 8.)

According to Arthur (1994), David (1985) and Pierson (2004), path dependence is closely related to the concept of positive feedbacks and increasing returns. As a result of positive feedbacks or increasing returns characteristics, once a path dependence process starts towards a direction, it is more likely the following events be evolved in the same direction. And in the course of time, it is difficult to divert the march of events. According to this perspective of path dependence, initial steps taken by the unit is crucial and following steps support, in other words, reinforce the existing path to continue its direction. Furthermore, initial steps potentially block alternative paths. According to Capoccia and Keleman (2007) and Soifer (2012) this importance of initial steps bring about the concept of critical junctures (FIORETOS, FALLETI and SHEINGATE 2016, 82).

David (2007, 92) comments that the change in a path dependent process is managed by its own history and social scientists who deal with dynamic processes deem path dependence as an important concept. He also claims that the concept, by having a wide field of application in both physical and social sciences, is formed by two significant notions, that is, positive feedbacks and self-reinforcing dynamics. Referring to Benjamin Franklin's advice of "a little neglect may breed great mischief" deduced from the well-known tale narrating how the loss of a horse-shoe nail caused respectively the loss of a horse, then the loss of a rider, then the war, and then even a kingdom. David thus puts emphasis on the effects of initial and following steps on the final outcome (DAVID, 2007, 94).

A path dependent process comprises of two aspects as contingency and determinism. Contingency is involved at the beginning of a path dependent process as it starts with a stochastic event and determinism steps in the process afterwards once path dependency is established. Figure 2 (WIMMER & KÖSSLER, 134) shows how contingency and determinism take place in path dependency. At the very beginning (Time 1), there are three options as A, B and C that have equal potential to be selected. At Time 2, the option B is randomly selected which is called a contingent event. Finally, at Time 3+ while this selection generates increasing returns, which come to mean self-reinforcement at the same time, is determined to continue in the same path (WIMMER and KÖSSLER 2006, Chapter 9, 132-133)

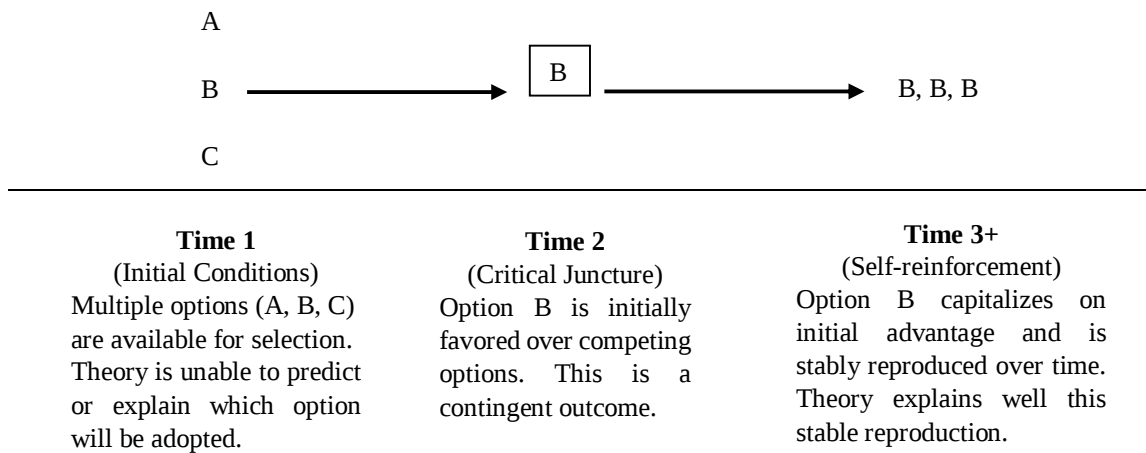


Figure 2 Illustration of contingency in self-reinforcing sequence

(Source: WIMMER & KÖSSLER, 134)

With a wide scope of application from economics to politics, path dependence is a helpful concept that can give implications for consistent behaviors of states in the course of history. Why states repeat and sustain a behavior and keep to making a choice in a certain way is related to increasing returns. Because making the same choice brings benefit to states. When other states also make that same choice, it generates positive feedbacks and constitutes a common path of conduct. Both increasing returns and positive feedbacks consolidate the path dependence and make it a self-reinforcing process. When states reach to the level of lock-in in a path dependent process, it is not possible to change or reverse the path, because sustaining the very same path is advantageous and changing it arises unpredictable costs for the states.

2.2. Different Forms, Definitions and Uses of Path Dependence

According to some researchers, not all path dependent processes are triggered by increasing returns or positive feedbacks mechanisms. Such processes are not self-reinforcing, either. In those forms of path dependent processes, which are called reactive sequences, there is causal connectivity between independent events. An event occurs as a reaction to the previous event and becomes the cause of the following event. Therefore, they are also called reactive sequential events. Same as the other form of path dependence, initial events occur contingently in this form of path dependence. Besides, the course of events is unpredictable, too.

Mahoney (2000) calls this form of path dependence as reactive sequences. Reactive sequences are sequences of independent events that are ordered temporally and connected causally. In this sequences, each event is a reaction to the previous event and a cause of the following event. Here, initial events are also important as they have important effects on the following events. But it differs from increasing returns because subsequent events do not reinforce previous or initial events, but transform, or can even reverse them. Sequences of events are determined by firmly connected reactions. Mahoney, by citing from Isaac et al. (1994), gives the example of how the death of Martin Luther King as an initial event, affected subsequent events, such as mass riots for the welfare system, increasing the number of verdict and applications about the social aid program, more liberal amendments made on the program etc., which were reactions and tightly connected to each other (WIMMER and KÖSSLER 2006, Chapter 9, 135-136).

Mahoney and Schensul (GOODIN and TILLY, Chapter 24, 2006, 454) hold the Industrial Revolution as an example to show different meanings and uses of path dependence. By referring to Jack Goldstone's (1998a, 2005) argument they state that Britain's Industrial Revolution occurred as a consequence of a path dependent process. The Industrial Revolution was a result of the aggregation of relatively small events occurred in the eighteenth century such as the invention of first steam engine by Thomas Newcomen in 1712, and subsequently, the production of more efficient steam engines, improvement in the coal extraction and decline in coal prices as a result of effective coal extraction. Then cheap coal brought cheap iron and steel which pave the way for constructing railways and ships. Consequently, all these sequential events opened the way for distributing the products internationally. Thus they deduced from Goldstone's approach that path dependent processes might be initiated by a contingent event and culminate in an outcome after a sequence of different events that occur as reaction-counter-reaction to each other.

There are various definitions and uses of path dependence given by some scholars in different areas such as Paul David, Brian Arthur, Giovanni Dosi, and Douglass North in economics, Paul Pierson, Kathleen Thelen, Ruth Berins Collier and David Collier in political science, Jack Goldstone, Margaret Somers, and William Sewell in sociology and Charles Tilly in interdisciplinary studies. These scholars are on the same page about the belief that past events that happened even in olden days can have significant influence on

future events, in other words, history matters. However, these scholars have different opinions about what path dependence is and the way how history matters in some ways. Their disagreement on this issue manifests itself on six assumptions of path dependent events as below:

- * Past events influence future events.
- * Initial circumstances are causatively important. / Critical junctures are causatively important.
- * Stochastic/contingent events are causatively important.
- * In the course of history lock-in happens.
- * Sequential events that have self-reproducing / increasing returns characteristics happen.
- * Reactive sequential events happen (GOODIN and TILLY, Chapter 24, 2006, 456-457).

Mahoney and Schensul argue that although all scholars share the same viewpoint as past events influence future events in path dependence, those scholars, at the same time, agree on the inadequacy of this approach and use some complementary and supportive concepts to explain it a bit more. For this purpose, for example, Sewell (1996, 264) sees path dependence as one of the factors of temporal events and along with other concepts such as temporally heterogeneous causalities and global contingency, which characterize social relations. Mahoney and Schensul also refer to some concepts as increasing returns, nonlinear dynamics, and chaos, which are used by Castaldi and Dosi (2005) as accompanying concepts for their describing of path dependence, which they see formal definition of the argument “history matters” (GOODIN and TILLY, Chapter 24, 2006, 458-459).

The second assumption on which scholars disagree is whether initial circumstances have influence on the final outcome in a path dependent sequence of events. According to Somers (1998) initial circumstances are causatively important and they have influence on final outcome. On the contrary, some other scholars like Arthur (1989, 1994), David (1985), Goldstone (1998b), and Mahoney (2000) defend that initial circumstances are not causatively efficient, rather, the period of subsequent events that happened right after initial circumstances have causatively important effects on the final

outcome. They use the term critical juncture to describe this period. Critical juncture represents a period that is selected among other alternatives and determines the subsequent events. Mahoney and Schensul give example for critical juncture by referring to the famous hypothesis of Lipset and Rokkan (1967) by which they argue that modern political system in Europe has evolved through three cleavages as state-church, party-church and state-labor (GOODIN and TILLY, Chapter 24, 2006, 459-460).

When it comes to contingency, some scholars like Arthur, David, Goldstone, and Mahoney assert that it is one of the essential qualifications of path dependence. They defend the idea that final outcome as a result of sequence of events cannot be predicted by given initial circumstances. As an example, the invention of the first steam engine in England as explained by Goldstone (1998a, 2005), led to the sequences that culminated in the Industrial Revolution. In this sequence of events, it was unpredictable that the invention of the first steam engine would pave the way for the events to end up with the Industrial Revolution. Scholars who attach importance to contingency also associate it to critical juncture periods and emphasize that the options selected in critical juncture periods are random, accidental, insignificant, and cannot be theoretically explained or predicted. They evaluate David's (1985) famous example about the selection of QWERTY format for typewriter keyboard from their point of view in terms of contingency. (GOODIN and TILLY, Chapter 24, 2006, 461-462).

Some other scholars ignore contingency in their definitions of path dependence. One of them is Pierson (2000; 2004) and he doesn't regard contingency as *sine qua non*. Same as Pierson, others like Collier and Collier (1991), Thelen (1999; 2003) and Schwartz (2004) do not deem contingency as a necessary component for a path dependent sequence. However, three of the four assumptions what Pierson (2000, 253; 2004, 18) calls as interesting consequences of path dependence, are not free from contingency. Of these four consequences, unpredictability, non-ergodicity and path inefficiency except inflexibility impose the existence of contingency (GOODIN and TILLY, Chapter 24, 2006, 462).

Similar to contingency, researchers disagree about historical lock-in. According to Mahoney and Schensul, units in path dependent processes have chance to change path. The argument of lock-in has been brought into path dependence studies by Arthur (1994)

who influenced also other scholars like Goldstone (1998b), Mahoney (2000), and Pierson (2000) by one version of his Polya urn experiment. This experiment is about randomly removing a ball from an urn that initially have one red and one black ball in it and returning the ball to the urn with an additional ball having the same color with the removed one until the urn is full of balls. In this experiment, the final content of the urn cannot be predicted and recurrence of the experiment in time will generate a stable equilibrium. This stage where a significant change in ball composition is next to impossible is called lock-in (GOODIN and TILLY, Chapter 24, 2006, 463).

Mahoney and Schensul while explaining the sequential events that have self-reproducing characteristics, mention about three important matters. First, they refer to the arguments expressed by David (1986), Arthur (1994) and Pierson (2000) who regard self-reproducing sequences as essential circumstances for path dependence. These scholars also describe path dependence as increasing returns. On the other hand, some other scholars like Goldstone (1998b) and Mahoney (2000) differently comment that self-reproducing sequences can be a condition for only one of the various potential kinds of path dependence. Second, they handle the increasing returns processes from the point of their two potential types of ending periods as forever increasing returns and equilibrium. In forever increasing returns, a certain result is reproduced in the process of time with a high degree of probability. But in equilibrium, there is an unlikelihood to have the same result. Third, they assert that scholars in this field have no common idea about the incentives that keep self-reproduction going. Some scholars think that increasing returns processes are guided by decisions of rationally thinking actors. Rational actors either seek for benefits from self-reproduction or abstain from losses that might be a result of path shift. However, some scholars refer to functionality or legitimation as incentives of self-reproduction in path dependence. (GOODIN and TILLY, Chapter 24, 2006, 465-467).

Final assumption of the six assumptions of path dependence is the occurrence of reactive sequential events. In reactive sequence of events there is a strong link between each event and each event is both a reaction to the previous one and a reason of the following one which in turn constitutes an interdependent series from beginning to end. For the sake of a concrete example, Mahoney and Schensul refer to the appearance of constitutionalism in Europe explained by Ertman (1997). There is a series of interconnected events that culminate in the development of constitutionalism. It starts

with the fact that there were acentric lands the owners of which were not as powerful as the king who was at the head of local government. The king then requested assemblies to be formed. As a result, land based assemblies convened which caused the development of constitutionalism. Same as other assumptions of path dependence, whereas some scholars argue in favor of reactive sequences as a requisite for path dependence, some others disapprove (GOODIN and TILLY, Chapter 24, 2006, 467-468).

The vagueness or generality of the phrase “history matters” causes researchers to have different ideas about the necessary components of path dependent processes. While some researchers argue that initial circumstances significant in path dependent processes, some others claim that critical junctures in processes play an important role on the final outcome. This different approach of researchers is valid also for other assumptions, that is, the importance of contingency, occurrence of lock-in, and the types of sequential events. Although researchers have different ways of defining path dependence from each other, they all agree on the assumption that history matters, which postulates that past events have impact on future events.

2.3. Path Dependence and Historical Institutionalism

Probably historical institutionalism has the closest meaning to path dependence that let this notion to be used interchangeably with path dependence. Since path dependence is introduced by David (1985) and Arthur (1994) in economics, it has been widely associated with historical institutionalism in quest of finding answer to the reason of persistence of institutions even after losing their efficiency in the analysis of comparative politics. Scholars have different approaches to explain this persistence of institutions and why it is difficult to change the existing path in the course of time. Some scholars claim that the reason of this dependency is current institutions producing positive feedbacks and self-reinforcing processes, which make political actors have no heart to change the existing path. Some others defend that contingent or insignificant events that happened at a time have great effects on the process in the course of history (FIORETOS, FALLETTI and SHEINGATE 2016, 12).

Institutions or institutionalism are the notions widely used in path dependence processes. According to Encyclopedia Britannica (WEB_1), path dependence, as a

concept, is the inclination of institutions or technologies towards becoming dependent to progress in a definite route by virtue of their constitutive properties or their values. As a concept generally used in political science, path dependence has been used in the explanations of how and why institutions become persistent although they are expected to change in time. A path dependent institution or technology, is initiated by an event occurred stochastically, should follow to some extent an unchanging path and has the potential to deviate from the existing path. Lock-in, a widely used term in path dependence studies, in order to show that path dependent institutions are stuck in a certain route, is not always interpreted in negative meaning and path dependent institutions continue their existences because they generate positive feedbacks.

While North (1990, 3-6) defines institutions, he underlines two terms: rules and constraint. He regards institutions as constraining organizers of human relations. Another important point that North underlines about institutions is their role of reducing uncertainty and instability. Institutions set up a system that regulate human relations in a more standardized way. Besides, he mentions about two forms of constraints of institutions as formal and informal. He, then gives written rules as the example of formal constraints and unwritten customs, traditions and codes of behavior/conduct as the examples of informal constraints. North also claims that while change in formal constraints can be in a short period of time as a result of political decisions (exogenous impact), informal constraints are more resistant to change.

Fioretos, Falleti, and Sheingate (FIORETOS, FALLETI and SHEINGATE 2016, 4) stated that historical institutionalism deals with how temporal processes and events affect the emergence and development of political and economic institutions. It is also mentioned that historical institutionalists make effort to improve the view of political scientists from temporal and spatial aspects regarding the emergence, development and results of institutions. According to Mahoney (2000) strictly adhered reaction and counter-reaction events that happened at a stochastic moment (critical juncture) in the history shape the sequence of events which can be the source of path dependence. What is important here is that the close connectivity between events derives from the reaction and counter reaction between stochastic events, not due to the sequence of events. As suggested by McAdam (1982) and Riofrancos (2014), many examples in history show

this kind of events like a social movement reaction triggering counter-reaction of the government. (FIORETOS, FALLETI and SHEINGATE 2016, 12).

It is suggested by Ikenberry (FIORETOS, FALLETI and SHEINGATE 2016, 538) that historical institutionalism can have some implications to explain the historical process of international order as he sees a simple theory asserting distribution of power among states is insufficient to clarify the transformation of international order. It is an indisputable fact that leading states reestablish or at least give form to international order in parallel to their understanding at certain times in the course of history. As aforementioned simple approach of power distribution is not enough to explain this phenomenon, there is a need to benefit from historical institutionalism and assumptions of path dependence.

It is difficult to change existing international order but not impossible. In order to understand the nature of change in international order, it is inevitable to take into consideration how the international institutions of world politics are formed and consolidated. International system is not simply anarchic as realists claim. It is a system that comprises of international institutions and states that have relations with each other based on competition and cooperation. Throughout world history, international order has reshaped after great wars by victorious states through institutions. Each reshaping of international order had its own characteristics in terms of geography, rational of organization, rules, institutions, the method, duration and how effective was compulsion, consent, law and justice (FIORETOS, FALLETI and SHEINGATE 2016, 538-539).

At this point, an approach based on historical institutionalism is very helpful to understand the transformation of international order, in terms of sources, causes and consequences. This transformation of international order happens as a result of transformation of institutions, which particularly takes place in the wake of major wars. Path dependence is one of the concepts which are used by historical institutionalists to explain the reasons of change in international order. Another concept is critical juncture which is referred as a turning point that enables victorious power/powers to set the rules and reorganize institutions and thus reshape international order. By the time of progress, however, those rules and institutions as they start to generate positive feedbacks will

prevent the change and force to proceed on the same path (FIORETOS, FALLETI and SHEINGATE 2016, 540).

Krasner (1984, 235) defends the idea that if the cost of changing a set of institutions is more than keeping it, then there is no reason to change it. As great powers knew the persisting character of institutions, they were eager to put some regulations and arrangements that could defend their interests. In the course of history, the extent of postwar settlements has been broadened. While the Westphalian settlement in 1648 revolved around only continental Europe, Utrecht settlement also covered Britain to form a system in Europe. The settlement of Vienna in 1815 concerns with a wider perspective as it includes non-European world in the scope. Finally, the settlements of 1919 and 1945 in the twentieth century were entirely global as they involved in a wider realm in terms of scope and territory. When the period of the last two centuries is taken into consideration, it is seen that Britain and the US have aspired to make institutional arrangements in order to maintain their interests (FIORETOS, FALLETI and SHEINGATE 2016, 543, 544).

Historical institutionalism, as the synonym of path dependence, has the same characteristics with the latter but pays more attention to institutions and institutionalism, thus, takes the case into consideration from the point of view of institutional consistency. Institutions are consistent because they either reinforce themselves as they generate positive feedbacks and increasing returns. Or contingent events that happened at the critical junctures in the course of history trigger reactive sequences that necessitate to sustain institutions. Historical institutionalism is a helpful concept to understand the establishment and development of international order for the last two centuries. Because, for the last two centuries, especially after great wars, international order has been shaped and maintained by victorious states through an institutional understanding.

Yet, it is a historical fact that the concept of international order of the last two centuries does not literally cover the entire globe. As the nations in subject were European states, the order, which is being talked about was limited to the sphere of influence of the European great powers of their times. However, as the sphere of influence has developed in the course of history, the limits of international order have widened accordingly. Institutions and institutionalism have also developed in the course of history in the same

manner. For the period of the nineteenth century, code of conducts, traditions and unwritten implementations could be regarded as institutions, therefore, it is more accurate to call these abstract concepts as institutional understandings rather than institutions. Within the same period and especially during the twentieth century, concrete forms of institutions such as international organizations emerged. Whether abstract or concrete concepts are used to describe institutions, the important point is the consistency of institutions with the lapse of time.

2.4. Critical Junctures in Institutional Path Dependence

Ikenberry (FIORETOS, FALLETI and SHEINGATE 2016, 540-541) refers to Max Weber's famous argument about 'tracks' to draw attention to how effective critical moments in the history of a country would be. Tracks on which politics and society proceed, begin with critical moment and after that critical moment, actors in society follow their interests on that track through political institutions. Critical moments are critical because they establish a basic structure that have potential to impact and shape subsequent events. Another characteristic is also mentioned by Ikenberry as previously stated by Capoccia and Kelemen (2007) and Pierson (2000) as the past has an impact upon the present but this impact does not necessarily follow an uninterrupted course.

The question of how the victorious states decide to protect and improve their interests in the aftermath of war by which they have a unique opportunity to shape international order is the most important problem to be resolved otherwise, according to Ikenberry (FIORETOS, FALLETI and SHEINGATE 2016, 541-542) that opportunity given by the critical moment (here, it is a major war) might be swept away and the international order relapse into its previous circumstance. Ikenberry calls this ability of making bargain among winning parties to limit their powers as strategic restraint. He claims that this restraint has evolved in the course of time while states share power among themselves initially, they afterwards started to use power to balance each other in the wake of a major war to rebuild international order. In more recent times, states have tended to resolve their disputes through institutional strategies which determine the use of state power (IKENBERRY 2001, 50-79).

Abovementioned institutional strategies begin to be practiced with the 1815 Vienna Settlement and aftermath of the 1919 and 1945 which are regarded as critical junctures, established a path dependent international order, by which the state power has been restricted, more clearly, states became more open to cooperation, for the sake of a stable international environment. These postwar international orders were pioneered by Britain in the nineteenth century and by the US in the twentieth century. In the twentieth century, the second world war which was the critical juncture for the following era enabled the US to reestablish the international order with a more effective capability in comparison with previous critical junctures such as 1815 and 1919. It is most probably that old institutions fall into discredit with the advent of a new international order that constitutes its own institutions. This fact indicates that processes, which follow critical junctures tend to form new institutions (FIORETOS, FALLETI and SHEINGATE 2016, 542).

As starting points of path dependent processes, critical junctures have great impacts on following events within the process. In political history, critical junctures are generally major wars, which radically change international order. As a matter of fact, disordered post-war structure enables victorious states to reshape international order. Until 1815, states were maintaining their relationships through balance of powers. 1815 Vienna Settlement was a critical juncture, by which the international order was transformed through an institutional understanding in addition to the balance of powers. That new international order began under the guidance of Britain and has continued up to the twentieth century. The critical junctures of 1919 and 1945 in the leadership of the US, followed the same path with the 1815 Vienna Settlement in terms of institutional understanding.

2.5. The Role of Increasing Returns in Institutional Path Dependence

Ikenberry (FIORETOS, FALLETI and SHEINGATE 2016, 545) sees increasing returns to institutions as an important reason for the path-dependent characteristics of political order. Referring to Arthur's (1989) statement, Ikenberry mentions that there are various aspects to increasing returns. First of all, while new institutions are formed for the first time there can be great amount of initial costs. Although there can be existing institutions which operate in accord with the interests of leading states more effectively,

the gains from new institutions are much more than the sunk costs of the current institutions. Secondly, while in operation, existing institutions might generate learning effects that prevail over the new institution. Finally, institutions have tendency to enter into relations with other institutions and actors which help to make the institution more sustainable and increase the costs of change.

Ikenberry (FIORETOS, FALLETI and SHEINGATE 2016, 545) claimed that after the Second World War, the US, the dominant victor, established an international order which displayed the characteristics of increasing returns to institutions. He added that at the very beginning of the postwar times, there were several options in front of the top officials of the US and Britain. However, they chose the option that imposed cooperation among states through institutions. And, once institutions were established, it became harder to deviate from the path. Because changing the existing path and being in search of alternative ways would be costlier due to the increasing returns phenomenon. Unless there is a big effect like a global war or a worldwide economic crisis, it is way too difficult to replace the existing institutions with new ones.

Postwar periods provide winning states with a chance to reshape the following era. The firmness of American-led postwar order of institutions was due to the adaptability and legitimacy of those institutions and the liberal characteristics of the international order. It is less likely alternative institutions to emerge because institutions were so deeply embedded in political, social and economic structures that emergence of alternative institutions would entail new and additional costs and thus the international order becomes stable. This stableness is based on two rationales. On the one hand, institutions restrain states from acting arbitrarily, on the other hand they reduce the risk of instability (FIORETOS, FALLETI and SHEINGATE 2016, 546-547).

While critical juncture takes an important place at the beginning of a path dependent process, increasing returns plays a significant role in sustaining it. Post-war eras provide the victors with opportunity to reshape the international structure. The post-Second World War was such a period that followed the institutional understanding, which had been lasting for more than a century. During that post-Second World War period, victorious states under the leadership of the US found an opportunity to reshape the international structure for their common good based on institutions. Once institutions are

established, a change is less likely to occur in the course of time due to the increasing returns effect. Thus, a path based on institutions becomes sustainable, because, institutions provide a stable international structure. Besides, institutions constrain states to sustain the structure in order not to be exposed to the cost of change.

2.6. Path Dependence and Institutional Development

Institutions are founded when a sufficient number of actors agree on a common benefit. As an important characteristic, what makes institutions sustainable is legitimacy, in other words, the common belief on the necessity of sustaining institutions. Once institutions are settled in a structure, they both influence and are influenced by that structure. On the world stage, institutions provide a stable international environment for cooperation among not only major states but also weak states. On the other hand, institutions may undergo some changes by virtue of exogenous impacts or actors' decisions in the course of time, in order to sustain the stable international environment.

A study by Ebbinghaus (2005), which tries to explain whether path dependence can explain institutional change, introduces two main and different approaches regarding how past events affect future events. The first approach asserts that individuals maintain the very same path, which had been previously chosen by their predecessors. The second one claims that there are several path choices and a new path is chosen to proceed. In both approaches, self-reinforcement plays a significant role on the persistence of institutions. He also puts forward four differentiated mechanisms to shed light on the process of stabilization of institutions. Firstly, a sufficient number of actors come to agree on something for common good. Secondly, actors seek for their interests in society, yet politics and political institutions found the structure in which actors act, thus have influence on actor behaviors vice versa. Third, some institutions are part of an overall institutional system, which necessitates the endurance of those institutions. Finally, institutions persist because they are deemed as legitimate regardless of their efficiency.

It is asserted by Alexander (2001, 253-254) that while some political institutions are not path dependent, some others are. Some institutions persist because rational actors do not find change preferable as this change causes a cost and it would be next to impossible to make a cost-benefit analysis in the long term. That's why they prefer status quo. In his study, Alexander handles path dependence from two different aspects with

respect to how actors make cost-benefit analysis as homogeneously and heterogeneously. In both cases, change takes place with a high degree of probability when there is exogenous impact. It is also stated by Greener (2005, 62) that once an institution is formed or a policy is pursued, there is a substantial impact needed to change their current paths. However, according to Greener (2005, 67), this change can be exogenous or endogenous, or both. Moreover, he also states that path dependence has significant potential for explaining not only the consistency of policies and institutions but also the change and even interaction between them (GREENER 2005, 69).

In international cooperation, institutions play a significant role. Institutions enable states to meet on a common ground thus pave the way for a cooperative relationship amongst them. Through international institutions, states frequently come together to discuss their shared interests. It is difficult to form international institutions in an anarchic world, however, once they are established and become functional, they can continue to operate even after a structural change. Frequently, such international institutions are formed under the tutelage of a hegemon. On the other hand, leading powers may form alliances to protect their national interests. Moreover, international institutions provide a stable international order where even weak states also have opportunity to express their opinion. Thus, institutional stability forms a path dependent international order, which major states do not want to change easily (HARRISON 2004, 7-8).

Andersson-Skog (MAGNUSSON & OTTOSSON 2009, Part 3, 70-86) discusses the institutional change and path dependence issue through railway history. She argues that previously formed institutional structures have impacts and restrictions over the future policies in the railway sector as this process generates increasing returns and path dependency is more likely to prevail in strictly adhered systems such as railways. She emphasizes that path dependence does not refuse institutional change but generally constitute significant impediment. Change is subject to several factors. Timing, when sequence of events happen is of prime importance as this determines the course along with other determinants such as self-reinforcing processes, lock-in situation, exogenous impacts and decisions of actors. Path dependence effect was explained by an example of transport systems in Britain and Germany and the reason why Germany surpassed Britain although the latter begun the transport innovations earlier is because of the difficulty to make an immediate change as it would cause huge cost.

By referring to Büthe (2002), it is asserted by Zürn (RIXEN, VIOLA and ZÜRN 2016, 202) that path dependence is a process in the course of which changing the institutional structure becomes increasingly costly therefore it can give idea about stableness which is not explained in most of the international relations theories. However, it is also stated by Rixen and Viola (2016, 12-13) that path dependence should not be understood as there is no institutional change as on the one hand it enables us to have opinion about the increasing stability of institutions, and on the other hand, it implies the concomitant consequence of the dissolution of institutions as a result of decreasing returns. Critical junctures, which are exogenous impacts are also important in the development of institutions and as they affect the actors and make them to take decisions, they have the potential of interrupting the stability of institutions.

Path dependence is a toolbox to provide an explanation for institutional stability. The assumptions of path dependence are also valid in historical institutionalism, which is a concept that is used almost the synonym of path dependence. Institutions persist because they generate increasing returns and positive feedbacks or the cost of change is very high. International order based on an institutional understanding obligates states to conduct relationships more cooperatively rather than competitively. Moreover, the more relationships are institutionalized, the more they become path dependent. After critical junctures, which are not necessarily but generally great wars, victorious powers have the chance to reorganize the international order through an institutional understanding according to their interests.

The western states reorganized the international order (to be more precise, the order in Europe) after the critical juncture of 1815 Vienna Settlement and started to restrict their powers through an approach based on both a balance of power and an institutional understanding. That new approach to the international order has generated increasing returns by offering a stable order, which was favorable for the western great powers. Two important critical junctures happened in 1919 and 1945 followed the path of 1815 and these international orders were tried to be reestablished based on the same approach, especially on its institutional understanding aspect. Cases that took place in the Western history throughout the nineteenth and the twentieth centuries, consolidated that institutional understanding and constituted path dependence.

CHAPTER 3

3. PATH DEPENDENCE CASES IN THE WESTERN HISTORY

3.1. Historical Background

Liberal's ideal of the international order underwent a radical change in the last two centuries. This liberal international order had not been formed in Europe abruptly but gradually by the virtue of historical events of the eighteenth and nineteenth century. The 1688 Glorious Revolution in England, the 1776 Declaration of Independence in the US, and the 1789 French Revolution in France amplified the importance of liberal thinking by the beginning of the nineteenth century. Nevertheless, the impact of imperialism and colonialism was also prevalent in that period. Therefore, it is factually inaccurate to say straightforwardly that the international order was liberal at the beginning of the nineteenth century.

While investigating the evolution of international order, Ikenberry (FIORETOS, FALLETI and SHEINGATE 2016, 548-550) puts forward two long-term projects: The Westphalian and the liberal internationalist. The Westphalian project established the norms and principles such as sovereignty, territorial integrity, non-intervention, self-determination which underlined states' status as the legitimate authority within international order. The liberal internationalist project, on the other hand, again based on the approach of state sovereignty, but this time for a more collective understanding through institutions especially in the twentieth century under the leadership of the US. They drew out the reasons for institutions' persistence relying on the state power behind them.

Liberalism contributed to democracy via institutionalism aiming to restrict state power. The idea of liberalism can be traced back to the seventeenth century, the time of British philosopher John Locke, who is known as the father of liberalism and also to the Glorious Revolution, also known as the Revolution of 1688, which restricted the king's authority by the establishment of an aristocratic parliament in England. The American

and French Revolutions happened in the eighteenth century were also significant steps in the course of liberal tradition. British thinkers such as Adam Smith, John Stuart Mill and Jeremy Bentham contributed much to the liberal thinking and practice. (SMITH 1994, 14).

The struggle of liberation in thought and science from the dogmatic domination in seventeenth and eighteenth century paved the way for the Enlightenment as well as liberal and democratic political and social life in Western Europe (MUREŞAN 2014, 17). Doering-Manteuffel (BAVAJ et.al. 2015, 82) claims that by the Enlightenment, liberal thought progressed in the US, Britain and Europe after 1815 and it was the origin of building the national identity in the Western Europe and the North America in the nineteenth century. Many significant transformations in social life that occurred towards the end of nineteenth and at the beginning of the twentieth century as a result of idealistic thoughts of the Enlightenment (GLOSSNER 2010, 110).

According to the understanding of the nineteenth-century Britain and France, liberalism could be described with four components. First component was an effective government that did not act in a way to restrict the development of commerce and industry. Second one was about legislative regulation, which arranged the interests of citizens and let them to be represented in the government. Third component was a peaceful foreign policy supporting free trade. Fourth one was the support to individualism and to the arguments of classical economics. Throughout the nineteenth century, liberal revolts took place in Europe and they were severely suppressed. However, after adopting legislations, liberalism settled in Britain and France after the middle of the nineteenth century (LERNER et.al. 1993, 751-752).

On the other hand, the nineteenth century was a period during which the international order started reflecting some of the arguments of liberalism such as free trade and freedom of the seas. Although the order of 1815 Vienna Settlement was not based on a liberal understanding, it settled an institutional understanding aiming a continual peace and stability in international relations. That institutional understanding paved the way for an environment of negotiation and consultation for the following decades, thus prepared the ground for the development of liberalism in Europe. For the nineteenth century European international order, it is more accurate to say that it was

composed of an institutional understanding with having some of the assumptions of liberalism but also coexisting with imperialism and colonialism.

3.2. The Vienna Settlement of 1815

The Vienna Settlement which ended the Napoleonic wars in Europe initiated an understanding to reorganize the international order based on an institutional understanding. The Great Britain, one of the great powers of the time, pursued a policy of institutional strategy. In this context, what newly proposed was to put restrictions on the power of states through an institutional understanding. Britain's purpose by the proposal of institutional mechanism was to manage international order in accordance with her interests. From the point of view of path dependence, it caused a lock-in in the international system. Britain, as a country having the most advanced economy and the best naval power of the time, formed this balance by maintaining the consultation mechanisms with other major states. Besides, Britain prevented Russia and Austria from behaving France punitively which could have jeopardized the alliance in Europe towards the end of the Napoleonic wars. What Britain was seeking in Europe was not gaining territory or dominating the continent, but establishing a consultation platform through institutional mechanisms in order to keep the wartime alliances and handle the potential conflicts with other European states (IKENBERRY 2001, 80-82).

After the Napoleonic Wars, Britain became an unrivaled global power and Russia emerged as the leading power in Eastern Europe, which made them relatively stronger than the other European powers such as France, Austria and Prussia. The problem was how to maintain the order among leading states in Europe and how to inhibit France from its imperial ambitions. Aftermath of the war, Britain came into prominence on the western side and Russia on the eastern side. As a leading economic power, Britain was pursuing a policy to reorganize the order in Europe on the basis of peace and stability, in other words, equilibrium. Russia's goal was not being excluded from the European system. Relatively smaller states in central Europe did not want to be dominated by neither of these great powers. Considering the power asymmetries, European states were like-minded in establishing a balance in power distribution and stability in security relations in the post-war Europe. However, because of the asymmetry in power distribution in

Europe, the post-war settlement of Vienna was based on restricting great powers' arbitrary acts in order to reach the desired concert (IKENBERRY 2001, 83-89).

The Vienna Settlement of 1815 established a managed balance of power in place of a free balance of power that had been previously applied during the eighteenth century in Europe. The main concern of victorious powers was security. Therefore, they settled down to establish a stable and peaceful order, which was known as the Concert of Europe. What the Vienna Settlement newly brought was the aim of sustaining the state of peace. While the previous post-war settlements had been about solving the existing conflicts among states, the Vienna Settlement aimed at not only solving the existing conflict but also preventing the future possible disputes. This was managed by an understanding of cooperation and acting in concert. That understanding of concert in Europe, the great powers, Britain, Austria, Russia, and Prussia had to keep informed each other of their intentions (LAMB et.al. 2017, 76-77).

When the aim of each power at the Congress of Vienna is taken into consideration, each of them had complex and different goals. Each power was seeking for territorial gains but they commonly agreed upon a balance of power, which would prevent any power to dominate or threaten the other. For Britain, it was a stable and peaceful order. For Austria, similar with Britain, it meant a "just equilibrium" that would prevent any possible attack especially from Russia. France also saw the balance of power necessary for a collective security and for her own position in Europe. Therefore, the understanding of balance of power among European powers after the Vienna Settlement was seen as a compromise made by not only the victors but also the vanquished (CHAPMAN 1998, 16-19).

The foreign policy of Britain as the leading trading nation of the nineteenth century was shaped by two significant priorities. These were security and economic interests, which were strictly connected with overseas trade. Achieving those primary goals, Britain supported liberal ideas in economics and politics during the Congress of Vienna. In this direction, Britain supported free trade regulations to be settled and constitutions to be adopted by European countries. By this, Britain was looking for a transformation that made the political and economic implementations of European powers similar to Britain, and thus an international environment fertile for free trade would be easily established. (CHAPMAN 1998, 20-21).

During the Congress of Vienna, as a weak power threatened by Russia and France, Austria was expecting a just equilibrium, in other words, a strong balance of power. Since Austria was a multi-national/ethnic empire liberal or nationalistic ideas were threatening its national integrity. France was threatened by Prussia therefore she supported a strong balance of power. Security was also a particular concern to Russia and Prussia. In the end, what influenced the decisions of each power in the Congress was their own strength and weakness and a balance of power was agreed upon for the security and interests of each power (CHAPMAN 1998, 22-26).

Britain was in the opinion of establishing a long-term, comprehensive and detailed settlement based on the institutional model to secure her interests. This institutional model was hinged on rules and institutions on which all parties agreed to some extent and restrain major powers aiming to prevent the rivalry among them. Although Britain had the opportunity to gain her targets during the war, she preferred to negotiate them during the post-war period to build a more stable peace order that maintain the wartime alliance. The treaty both regulated the post-war order and guaranteed to hinder the revival of France as a threat for minor states. Three most significant institutions restraining great powers' dominance, were the alliance, the congress system that served as a mechanism of institutional consultation and discussion among European powers and the dissemination of European public law, which led great powers to put their post-war arrangements on a legitimate base. (IKENBERRY 2001, 90-98).

In the post-war era, the alliance itself was the most prominent institution. The alliance that sustained the war against France, handled the peace settlement after the war. While reconstructing the post-war order, Britain referred to the notion of balance but the order that the allied states aimed to form was more than a simple balance of power of the previous era as the aim was securing smaller countries from French domination, mainstreaming the secured environment and rebuilding a system based on European public law. This new balance of power additionally accommodated legal and institutional mechanisms. In the alliance, allies would conduct all negotiations by mutual reconciliation. This new system is based on mutual restrictions imposed by allies to control each other for not to letting any of the members of the alliance to jeopardize the security and interest of others (IKENBERRY 2001, 99-103). To an extent, it was a checks and balances system.

The mechanism of negotiations among European powers to settle the post-war era had its roots in the wartime. Quadruple Alliance of Britain, Russia, Austria and Prussia, were also conducting negotiations during the war to resist France. This alliance formation based on mutual consensus led a new way of conference diplomacy in Europe. Until the Vienna Settlement, peace conferences had been focusing solely on establishing peace. After the Vienna Settlement, states started to seek solutions through conferences where they exchanged views via consultative processes by taking the general interests of Europe into consideration. This new system of concert of Europe gave great powers the opportunity to control one another according to mutually agreed duties and responsibilities. It especially helped great powers resolve their territorial disputes after the war through peaceful ways that harbored commitment, compromise, consultancy, reciprocity, good will and legitimacy (IKENBERRY 2001, 104-107).

The new system in Europe, which combined the old system of balance and new institutional mechanisms, tried to handle the issues among European states through negotiation processes and restrictions on their powers. Britain's, and to an extent Russia's aim by the Vienna Settlement was to form an advantageous post-war order for their interests and to reach a stable and extensive order to maintain their influence. However, the underlying feature of the postwar era was power asymmetry amongst its actors. In such circumstances, great powers had to make some compromises. Moreover, Britain was looking the new peace order after the war to be consistent and require less intervention, which meant the new order to be based on institutional regulations (IKENBERRY 2001, 114).

Another prominent issue was that Britain financially supported weak states during the war and led them take side against France. This strengthened Britain's hand in drawing up the post-war agreements. Britain's above-mentioned standpoint of the post-war order resembles the American standpoint and activities after the Second World War. The US also constructed an international post-war order based on institutions that required less intervention and also supported its allies during the war and thus had an enormous influence on the consequence of the war and the re-structuring of the post-war order. (IKENBERRY 2001, 115-116).

Great powers, especially for the last two centuries, have deemed a stable international order indispensable for sustaining their interests. After great wars, they

embarked on forming an international order of stability and peace. When the developments that took place after the 1815 Vienna Settlement was taken into consideration from Britain's point of view, it is seen that the goal of establishing a stable order forced Britain into joining alliances with those European powers with which she had different political views. As a country completed her liberal development by the seventeenth century, Britain was compelled, to be more precise, saw fit to her interests to agree upon a balance of power in Europe with other powers such as Austria and Russia that regarded liberal ideas as a threat to their integrity.

For Britain, however, it was inevitable to support a peaceful international order that was fit for free trade and free navigation in the seas through a consultation mechanism with other European powers so as to obviate any potential conflict, which threatened the stability and order. This conflict solution and prevention understanding brought by the Vienna Settlement was not applied through institutions or organizations but through an institutional understanding. Therefore, the 1815 Vienna Settlement can be described as a critical juncture where some liberal implementations and an institutional understanding came together under the guidance of Britain. On the other hand, the obligation of convening regularly and keeping informed each other of their policies, European powers of the nineteenth century paved the way for the establishment of future international institutions of the twentieth century.

3.3. The Monroe Doctrine (1823)

The Monroe Doctrine was the foreign policy of the US based on the American President James Monroe's statement given to the Congress in 1823 rejecting any external interference in Western Hemisphere. It was also a mutual acceptance of no American intervention in the internal affairs of Europe. The doctrine arose because of the apprehension that Spain could be dominant again in Latin America. As the American and British interests regarding the Western Hemisphere were overlapping at the time, the Vienna Settlement of 1815 under the guidance of Britain and the Monroe Doctrine were deemed as two developments supporting each other in terms of sustaining the existing international order (PLANO 1988, 393).

According to Morgenthau (1948, 139-140), European nations were the main actors of the balance of power, which had been maintained or reestablished through

forming alliances and counter alliances from the beginning of the fifteenth century to the end of the Napoleonic Wars in 1815. Morgenthau asserts that the balance of power gradually extended its sphere of influence from Europe to the world within the period from 1815 to the outbreak of the First World War and the Monroe Doctrine announced by the President Monroe in 1823 could be deemed as the starting point of that period. The Monroe Doctrine thus established the basis of a worldwide balance of power.

Shepherd (1924, 36-38) indicates that the Monroe Doctrine includes three main assertions to be applied to three events. First, it brings forward especially against Russia's demands for the northwestern parts of North America that the American continents should not be seen as colonies by any European country anymore. Second, the declaration stipulates that only in case of the rights are in question or they are seriously threatened, defensive measures would be taken. Third, it states that the US would not intervene in the colonies of European powers. The Monroe Doctrine's purpose was defending the US against extra-continent threats.

Smith (1994, 65) states that by the announcement of the Monroe Doctrine the US declared that she did not allow any dominance in Latin America as she deems this area vital for her national interests and security concerns. The US expressed determination not to allow Spain regain control over her area of influence. President Woodrow Wilson proposed in 1917 the Monroe Doctrine was the doctrine of the world as it advised nations not to seek any domination over other nations and set people free in the quest of their own way of development. Within and after the Second World War, the US declared a globalized Monroe Doctrine encouraging great powers to renounce their gains for the benefit of their colonies and establishing a world order based on independent states, peace and free trade through international institutions (SMITH 1994, 113-114).

On the other hand, Gilderhus (2006, 16) by referring to Gaddis Smith's book "The Last Day of the Monroe Doctrine, 1945-1993," claims that the time of the Monroe Doctrine came to its end by the collapse of the Soviet Union as it caused the very rationale to protect the Western Hemisphere because the threat to the sphere of influence of the US was thus disappeared. He asserts that the Monroe Doctrine had been used in the foreign policy of the US as a justification for a wide variety of policies ranging from intervention to non-intervention and from oppression to cooperation to maintain and act according to her self-interest and self-defense in the Western Hemisphere for years.

The Monroe Doctrine was the critical juncture within the path dependent process, which was commenced by the 1815 Vienna Settlement that merged the old balance of power system with an institutional understanding. The balance of power, which had been prevalent in the continent of Europe, became worldwide with the announcement of the Monroe Doctrine. On the other hand, it contributed to the institutional understanding as it was supporting the ideas of non-intervention and restricting the domination of great powers over weak states. Also the Monroe Doctrine stipulated the measures that should be taken in case there would be any threat against the stable and peaceful order in the Western Hemisphere. Another important point of the Monroe Doctrine was its guidance in non-colonization and self-determination as the US President Woodrow Wilson referred to the Monroe Doctrine when he announced the fourteen points after the First World War.

3.4. The Wilson's Principles (The Fourteen Points)

In 1918 President Woodrow Wilson declared fourteen principles for the purpose of establishing a peaceful world order aftermath of the war. The Fourteen Points contained idealistic principles such as self-determination, open diplomacy, disarmament, freedom of the seas, establishing equal trade conditions by removing all economic barriers. These principles had a great effect on European publics and encouraged allied powers to defeat Germany towards the end of the war. By receiving the support of millions President Wilson strengthened his hand to convince other allied powers, (Britain, France and Italy) to come to an agreement at the Versailles Peace Conference to mitigate their retributive plans over Germany. The establishment of the League of Nations, as one of the Wilson's principles, also attracted so much attention that nearly all countries participated (PLANO 1988, 77-78).

Smith (1994, 5) regards Wilson's principles as a significant step to form a Europe composed of democratic and self-determining states at the Paris Peace Conference after the end of the First World War. Smith (1994, 7) also argued that even though the idea of liberal democratic internationalism had been put into action during the presidency of Wilson, it goes back to the Monroe Doctrine and even before, to Thomas Jefferson. American President Franklin D. Roosevelt praised Wilson's Fourteen Points in one of his press conferences in December 1944 when he was asked to explain the purpose of the Atlantic Charter. He stated that the Fourteen Points were a momentous step which had

made a great contribution to reach a better life for all people in the world and the Atlantic Charter was another important step that contributed lot in the way to realize the aims of the Fourteen Points (SMITH 1994, 119).

Within the institutionalization of post-war settlements, the settlement of 1919 after the First World War was another step. Compared to the institutional solutions that were offered by Britain in 1815 Settlement, this time, institutional proposals were far more comprehensive with the help of Wilson's principles. Again there were great powers in the heart of international community, but this time their relations would be maintained by mechanisms, which were more legal and rule based rather than power balancing. As a newly emerging world power, the US offered to put constraints on her own power and establish an international order that would bind all states. In the settlement after the First World War, major winning states acted democratically for the first time (IKENBERRY 2001, 117-119).

Wilson's view regarding the post-war order was based on a world-wide democratic revolution. He described the war as a struggle between the old autocracy and the new democracy. He also emphasized that both the US and Europe should support the principles for freedom, which for Wilson are American principles. He asserted that these principles would solve all problems such as not only how to establish and sustain peace but also how to alleviate European concerns about dominance of great powers. In one of his speeches, Wilson explained that the US was not intervening in European politics but was offering a partnership to establish a peaceful settlement together. Wilson's view of revolution in Europe let him harmonize American isolationism and his approach about establishing a system of collective security (IKENBERRY 2001, 127-128).

Through the League of Nations suggested in Wilson's Fourteen Points, European states were locked in a new path and that was the main institution to maintain the path through promoting democratic governance and assuring conflict resolutions peacefully. Based on the anticipation of the restrictive and binding role of institutions, Wilson aimed to monitor Germany to let her become a member of the League of Nations. Wilson's view of revolution in Europe was based on institutions that would help to bring democracies together and a world order comprising like-minded states without intervening too much in European politics. In Wilson's mind, the post-war era was an opportunity to put the US in a status based on power and fairness in the world order that will last long as he

placed great importance on principles and values more than territorial or material gains. And the League of Nations was a lock-in mechanism to reach this goal (IKENBERRY 2001, 139-140).

The international order that was tried to be built in line with President Wilson's principles aimed to bring democratic states together through institutions and to maintain their security collectively. However, the order that was thought to be based on institutions could not be achieved as it was planned. Several reasons can be put forward for this underachievement. First, the US was in search of establishing the post-war order without too much interference in Europe's affairs, which hindered the US from exploiting her preeminence efficiently. Second, European major powers such as Britain and France felt uneasy about the dominance and abandonment of the US because of the unequal power capacities. For all that, the Western powers were still on the same path that was following an institutional bargaining (IKENBERRY 2001, 160-162).

Based on the principles such as self-determination, open diplomacy, disarmament, freedom of the seas, free trade and through the establishment of the League of Nations, President Wilson aimed to establish a legitimate, secure and consistent international order through institutions after the First World War. Because through institutions, states would become more dependent and could not have chance to act arbitrarily. Besides, as sets of rules, institutions would constrain state behaviors and thus form a more stable and standardized relations among states.

However, what was aimed by the President Wilson, could not be properly put into practice in Europe. Because the US did not pursue a foreign policy of intervening in the affairs of Europe due to the non-intervention understanding in her foreign policy. This abstention of the US caused her not to have a full influence on Europe. Therefore, an international order based on institutions could not be completely established after the First World War as desired, but the efforts to follow the path for a peaceful and stable international order through an institutional understanding continued.

3.5. The Atlantic Charter (1941)

In the context of following the path to form a stable international order, the Atlantic Charter has an important place. In August 1941, the US President Franklin Roosevelt and British Prime Minister Winston Churchill jointly issued a declaration

releasing the principles for a peaceful international post-Second World War order. These principles were: “(1) the Four Freedoms—freedom from fear and want, and freedom of speech and religion; (2) the application of the principle of self-determination in all territorial changes; (3) the right of all peoples to choose the form of government under which they live; (4) equal access to trade and the raw materials essential to prosperity, and economic collaboration among all nations; (5) peace with security for all states; (6) freedom of the seas; and (7) renunciation of the use of force, establishment of a permanent system of general security, and (8) disarmament of all nations that threaten the peace.” By the Atlantic Charter, the Allies targeted to gain public support for their objectives in the course of the Second World War and led states to embody the ideal principles through establishing international institutions such as the United Nations after the war (PLANO 1988, 43-44).

President Wilson enunciated with his principles to lock in European democracies to form an institutionalized order after the First World War. The Atlantic Charter, declared by President Roosevelt, had the same US post-war goal to form a multilateral order after the Second World War based on institutions collectively conducted by democratic states. Such a goal could only be attained through a cooperation with Britain and other continental European states. (IKENBERRY 2001, 165). By the Atlantic Charter, Roosevelt and Churchill wanted to share their experiences with the rest of the world that they had gained during interwar years. They also aimed at declaring the efficacy of an international order based on political and economic openness (IKENBERRY 2001, 173).

Signed on 26 August 1941 as a declaration for the new international order which would be established after the Second World War, the Atlantic Charter was endorsed on 1 January 1942 by 26 countries, which met to sign the Declaration of the United Nations. According to Evans (STONE 2012, 486), the right to choose the form of government was at the heart of the Charter. The allied powers who had different interests but a common goal as preventing the reemergence of dictators like Hitler were obligated to act in a legal and institutional frame. The Atlantic Charter and the Declaration of the United Nations had important effect on the institutionalization of the international order to be formed after the war (LEWKOWICZ 2010, 162).

Williams (2012, 86) claims that there is a close resemblance between the Atlantic Charter, Wilson's Principles and Kant's perpetual peace as they all defend common principles such as self-determination, disarmament, trade liberalization, freedom of navigation and the Atlantic Charter, per se, is the peace declaration of the allied powers in the Second World War. Biltoft (REINERT et.al. 2016, 278-279), advocates that the Atlantic Charter was the revised version of the Fourteen Points according to the necessities of the post-Second World War era. Besides the resemblances between two declarations, the Atlantic Charter brought novelty to the Fourteen Points by guaranteeing the social, economic and labor issues from a more global perspective, which paved the way for the establishment of the United Nations.

The Atlantic Charter was a path dependence case as it defended the principles of self-determination, free trade, freedom of the seas, disarmament, which were also stipulated in the Fourteen Points. Besides, it was also the continuation of the Fourteen Points from the viewpoint of a secure and stable international order as it paved the way for the establishment of the United Nations. On the other hand, the Atlantic Charter was an example of positive feedbacks in the path dependent process. Along with the US, Britain also declared her support, in other words, provided positive feedbacks for the establishment of a stable and peaceful international order by the Atlantic Charter.

Towards the end of the Second World War, the declaration of the Atlantic Charter was a consolidating step for the path dependent process, which had been continuing since the 1815 Vienna Settlement. Western great powers have adhered to that path dependent process, which was composed of the balance of power in Europe and an institutional understanding that started to become worldwide by the announcement of the Monroe Doctrine. The Wilson's Fourteen Points made tangible contribution to that path dependent process by pronouncing the principles. Because of all these developments, the Western Allies found themselves in such a position that influenced their behaviors and decisions regarding Germany's situation during the post-Second World War period.

CHAPTER 4

4. REACTIVE SEQUENTIAL EVENTS LEADING TO THE RAPID REVIVAL OF WEST GERMANY

4.1. Negotiations Among Occupation Powers

Germany was heavily devastated during the Second World War. Factories, one-fifth of the houses were destroyed, communication and power supplies were disrupted, towns were damaged by air raids. There was also food shortage aggravated by the negative effects of millions of refugees (KLOSS 1990, 113). Despite these facts, some parts of economic and social realm in Germany were still standing. There was still some level of industrial production capacity, a well-structured banking system, entrenched local authorities, an effective public service, an industrious middle class. These helped the Western Allies in implementing a rapid recovery program in Western Germany (LAYTON 2009, 260).

The Grand Alliance, termed by Churchill, consisting of the US, Britain and the Soviet Union, took effect between 1941 and 1945. As the US and the Soviet Union did not willingly enter the war, the Grand Alliance came together to protect their military existence. In line with this objective, in the very first gathering, Roosevelt and Churchill announced the principles in the Atlantic Charter to end the Nazi dictatorship and to form a peaceful world order based on political freedom, self-determination and liberal market. Within this direction, they came together in Casablanca in January 1943 to announce their warning to Germany to surrender unconditionally. The Teheran Conference, which was held from 28 November to 1 December 1943, was the first meeting of the Big Three, that is, the US, Britain and the Soviet Union, to plan the final stage of the war. However, they did not agree on territorial arrangements. This conference unveiled the mistrust and the

difficulty of rapprochement between the Western Allies and the Soviet Union (LAYTON 2009, 261).

The European Advisory Commission (EAC), the foundation of which was confirmed at the Teheran Conference, was composed of the US, Britain and the Soviet Union and was responsible for studying the post-war problems of Europe (SZANAJDA 2015, 11). During the London Conferences held in 1944, the Allies came to an agreement on the protocols of the EAC regarding the division of Germany into occupation zones. According to the First London Protocol of 12 September 1944, three occupation zones were allocated to the US, Britain and the Soviet Union. However, the Second London Protocol of 14 November 1944 revised the first one and France took share from the zones of the US and Britain thus the southern part of Germany was given to the US, the eastern part to the Soviet Union, the north-western part to Britain and the south-western part to France. Also Berlin, that was completely located in the Soviet Zone was split into sectors among the four Allies (O'DOCHARTAIGH 2004, 4-5).

The Yalta Conference convened on 4-11 February 1945 with Stalin's invitation. Some events before the conference, set the tone of negotiations between the Allies. First of all, with the declining power of Britain, the US and the Soviet Union began to steer the events. Besides, the Soviet Army had progressed into Germany, but the Western Allies could not reach the Rhine by the time of the conference. Apart from this, the impact of the Soviet Union on the Eastern European states had not been welcomed by the Western Allies. Roosevelt was ready to make compromises to cooperate with the Soviet Union with the intention of establishing a peaceful world order (LAYTON 2009, 262).

At the Yalta Conference, the three powers agreed on the following issues: The European peoples would be allowed to reestablish their countries democratically. The Soviet Union would become a member of the United Nations and go to war against Japan. Poland and the Soviet Union would gain some territories. The control of the four occupational zones would be under the respective occupying powers, that is, the US, Britain, France and the Soviet Union, but the Allied Control Council (ACC) composed of the high commanders from each occupying powers would be entitled to make decisions only for whole Germany. The Allies would form a commission that would take care of the reparations (LAYTON 2009, 263).

The Berlin Declaration, which formally declared the end of the Third Reich, was signed by the four military commanders, that is, Dwight D. Eisenhower for the US, Bernard Montgomery for the United Kingdom, Jean de Lattre de Tassigny for France and Georgy Zhukov for the Soviet Union on 5 June 1945. It was stipulated in the Berlin Declaration that the Allies had supreme authority over Germany. That supreme authority was exercised by the Allied Control Council, consisting of the three (later four) commanders-in-chief, began its operations within Germany on 30 August 1945 and operated until March 1948. According to the Berlin Declaration, Germany was split into three (afterwards four) occupation zones based on the borders of Germany in 1937. A special Berlin area was established and divided into sectors among the Allies. And a governing authority named Kommandatura was formed for Berlin area (KLOSS 1990, 1-3).

Three months after the Yalta Conference, Germany surrendered. Yet in the meantime relations between the Western Allies and the Soviet Union worsened. Besides, Truman took over the task after Roosevelt had died on 12 April. Neither Truman nor Churchill had sympathy for Stalin because of their contradicting views about democracy. Moreover, Stalin, as the leader of a country that had been badly damaged by war, had lost at least 20 million of her people, and was destitute of her agricultural and industrial production capacity, was interested in the reparations and reaching to the industrial areas in the western part of Germany. In the light of these developments, three powers convened at the Potsdam Conference from 17 July to 2 August 1945. As the decisions taken at the Potsdam Conference, which was not a peace treaty but a protocol of proceedings, it procrastinated over some issues such as the borders, the territorial and administrative structure of Germany. Besides, it proved the difficulty of interpreting the four Ds, that is, de-Nazification, demilitarization, decentralization and democratization (LAYTON 2009, 264-265).

The Western Allies faced many serious problems regarding their respective zones of occupation. Some of the problems they faced within the zones under their responsibility were the severe winter, the need of food, shelter, heating, medical services etc. To cope with these problems, the US and Britain focused on crisis management. France was looking for territorial gain from Germany especially the Saarland. The Soviet Union was interested in the reparations to compensate for its war losses. The US and

Britain, in order to solve these fundamental problems and reconstruct Germany, were in the opinion of establishing closer cooperation among the occupying powers. The main concerns of these two states by suggesting close cooperation were to eradicate the worsening humanitarian crisis due to the millions of refugees. Besides, Germany's economic integration was inevitable for the reconstruction of Europe. And the Soviet threat of reestablishing the economy in its occupation zone according to socialist lines, was inconsistent with the economic approaches of the Western Allies (LAYTON 2009, 282-284).

The four occupation powers, as stated in the Berlin Declaration, had supreme authority over Germany and used that authority through the Control Council. However, in the course of time, the Control Council became ineffective and this caused the rules to undergo a major change in each occupation zone. On the other hand, all four-occupation powers started to implement their programs of democratization in their respective zones of occupation. Elections for parliaments held in 1946. At the beginning, occupation powers established limited central administrations and did not hand over too much authority to those administrative units in their zones of occupation. Within this direction, Zonal Advisory Council was established in British zone of occupation. Also a permanent conference of prime ministers was established later. In the US occupation zone, a permanent secretariat was formed for the purpose of facilitating coordination between the administrations of the states (KLOSS 1990, 3-4).

Meetings and conferences, which were held between the Western Allies and the Soviet Unions after the Second World War were reactive sequential events as they were parts of a series of independent events that causatively connected to each other. On the other hand, the conferences were parts of a wider path dependent process, because, during the meetings and conferences, the Western Allies, especially the US and Britain were in the opinion of reestablishing the stable and peaceful international order through consultation based on an institutional understanding. That stable and peaceful international order had been the goal of the Western great powers since the 1815 Vienna Settlement for the sake of protecting their interests.

At the beginning of the post-war conferences, the Western Allies and the Soviet Union came together to find a solution for the German problem. Nevertheless, due to its path dependent characteristics, neither side had any idea about the incoming sequence of

events. Both sides had several meetings however, they could not come to a solution-oriented agreement regarding the post-war status of Germany. After a while, the process was locked-in and the course of events brought both sides to such a point from where they could not return. From the viewpoint of the West, reestablishing a stable and peaceful international order was of primary importance, because it was necessary to sustain the path dependent international structure, which was serving for free trade and unrestricted economic relations among nations.

4.2. Winston Churchill's (Iron Curtain) Speech (5 March 1946)

Winston Churchill gave his famous "Iron Curtain Speech" at the Westminster College in Fulton, Missouri on 5 March 1946. British historian Robert Rhodes James pointed out that this speech is regarded as one of the most important speeches delivered by Churchill that had a great impact on the international community. Besides, in his speech, Churchill used some expression such as "the sinews of peace," "the special relationship," "the iron curtain" that became generally accepted expressions in international relations and have been still in use. Another significance of this speech, according to James, is the overarching acceptance of Russian historians as they see this speech as the beginning of the Cold War. On the other hand, evaluated from various aspects, the speech is deemed as a technical classic by James (WEB_2).

Iron Curtain, the most remarkable phrase in Churchill's speech had been previously used by German officials during the Second World War however it did not have global impact. By this expression, Churchill had the intention of warning his Western Allies about the Soviet communist threat. Although Churchill was not the Prime Minister during the speech as he had been defeated by Clement Attlee in the elections, he greatly managed to persuade the US officials on the idea that the Soviet Union divided Europe through an iron curtain. On the other side, Stalin took offence with this speech and blamed him for speaking unreasonably but Stalin himself made a speech about a global socialist triumph and an inescapable war against capitalist imperialism (SMITH and DAVIS 2017, 4-5, 81, 158).

Churchill's "Iron Curtain" speech was a reactive sequential event, which reflected the adverse outcomes of the conferences held between the Western Allies and the Soviet Union. This speech also had an impact on the speech made by the US Secretary of State

James Byrnes. Same as the conferences held in the post-war period, the impact and consequences of Churchill's speech was also unpredictable. Addressing the communist threat and drawing the boundary between the west and the east, Churchill's speech reflected the security concerns of the Western states, which had been at stake since the announcement of the Monroe Doctrine. Besides, this speech can also be deemed as a harbinger of the bipolar balance of power system, which would be prevalent throughout the Cold War period.

4.3. The US Secretary of State James Byrnes' Speech (6 September 1946)

The US Secretary of State James Byrnes gave a speech about the reconstruction of Germany in Stuttgart on 6 September 1946. At the beginning of his speech, Byrnes stated that he had come to Germany to see the problems regarding the reconstruction of Germany on site. He also declared that the favorable solutions to be found to the problems would be related to not only the prosperity of Germany but also the prosperity of Europe. He also emphasized that the US would not make the same mistake that it had made after the First World War and should be involved in European affairs. Besides, he pointed out the role of the US in the establishment of the United Nations which could prevent the outbreak of wars in the future. Referring to the Potsdam Agreement, Byrnes not only acknowledged the necessity of demilitarization of Germany but also pointed out the vitality of her economic recovery. (WEB_3).

In his speech, Byrnes advocated the view that Germany should be treated as an economic unit and the zonal barriers, which should only be considered as the lines drawn for security purposes, had to be removed. Praising the willingness of Britain to unite its zone of occupation, he stressed that the unification proposal was open to any government and expressed the intention of the US about the unification of Germany would not be limited to economy. Interpreting the Potsdam Agreement, Byrnes professed that the Agreement had assigned the occupying powers the responsibility to form a democracy in Germany profoundly. He asserted that demilitarizing Germany should not hinder its democratization. Byrnes also underlined the importance of other institutions such as local government, the national council, and the federal constitutions (WEB_3).

With the speech of the Secretary of State James Byrnes, it was made public that the Western Allies, especially the US treated Germany more tolerantly from that day on.

Then, some other events such as the establishment of the Bizone, enunciation of the Truman Doctrine, implementation of the Marshall Plan, and the currency reform supporting that approach ensued. The US support for the recovery of Western Europe and particularly Western Germany was not only for furthering US economic interests, but also for the benefit of her political aims. A strong West Germany could be a shield against the Soviet communist expansion. Taking into consideration these facts, the US officially started to adopt a policy that supported the development of Germany. Byrnes' speech was the first official explication that the Western Allies would no more follow a retributive policy towards Germany (FULBROOK 2015, 134, 137).

It is asserted by Kitchen (2006, 320) that Ernest Bevin, the foreign secretary of Britain persuaded the US Secretary of State James Byrnes to support each other in resisting against the Soviet Union and induced him in this way in his Stuttgart speech. In his speech, Byrnes declared that American military presence would continue to stay in her occupation zone and the Soviet Union's view about rigorous limitation on Germany's industrial production for internal consumption would be disregarded (KITCHEN 2006, 321).

The speech made by the US Secretary of State James Byrnes was an explicit declaration of the Western desire for reconstructing Germany based on peace and democracy. Byrnes' statement about not repeating the same mistake that the US had done by not intervening in the European affairs after the First World War was a commitment for a full involvement after the Second World War. This commitment and change in the US foreign policy was reflecting one of the features of path dependence as change in a path dependent process occurs by exogenous impacts, which are generally great wars. Moreover, the US acknowledged pursuing a more cooperative policy towards Germany and disregarding the fait accompli policies of the Soviet Union. Thus, the speech of the US Secretary of State constituted another important step in the sequence of events and in the path of seeking for a stable and peaceful international order based on cooperation.

4.4. The Fusion of the Occupation Zones of the US and Britain (Bizone - 1 January 1947)

Kloss (1990, 4) stated that the Western Allies, after seeing the unsatisfactory progress in Germany, decided to change their policies, which they had implemented in

their zones of occupation up to that time. In line with this purpose, the US was the first side among the Western Allies to assume positive attitude towards Germany. The US, now wanted to pave the way for economic recovery in Germany rather than decentralize or disintegrate. Within this direction, the US and the British zones of occupation were economically united on 1 January 1947 and afterwards the Economic Council, through which the participating states were represented was formed in the same year.

After the US and Britain united their zones, they invited other two occupation powers, that is, the Soviet Union and France to unite their zones of occupation with the newly established Bizone (also known as the United Economic Area). However, the Soviet Union declined this suggestion. France was reluctant to that suggestion at the beginning as she was supporting the idea of decentralization of Germany. What caused France to change her mind to attach her zone of occupation to the Bizone, was the increasing tension between East and West and the fear that France would become isolated in such a circumstance when American and British zones made progress (KLOSS 1990, 4).

By merging their two occupation zones as an economic union, the US and Britain presumably were not intended to turn it into a political union. However, these two Western Allies started to have more disputes with the other occupying powers, the Soviet Union and France, in the meetings they had during 1947. Soon after, the US and Britain opened the way to hand over the authority to Germans gradually and formation of an administrative government. For instance, the aforementioned Economic Council, established as an administrative institution, had the power to pass laws regarding economic matters. When considered from this point of view, establishment of the Bizone had a very significant influence on the formation of the new state in West Germany. Its importance was also mentioned by the historian Eschenburg. He deemed the Bizone as the germ cell of the Federal Republic of Germany (LAYTON 2009, 284-285).

As part of reactive sequential events, the fusion of the American and British occupation zones was one of the concretization steps of the idea previously put forward by the speeches of Churchill and Byrnes. It was not only a step, but also a keystone for the foundation of West Germany. Although the Western Allies agreed upon disintegration and decentralization of Germany right after the Second World War, they, especially the US and Britain, afterwards started to pursue a policy in the direction of uniting their

occupation zones. The fusion of the American and British occupation zones shows how contingently occurring reactive sequential events unpredictably influence each other. However, it should always be kept in mind that the Western Allies were bound up with the path dependent process, the aim of which was establishing a stable and peaceful international order.

4.5. The Marshall Plan (5 June 1947)

Right after the Second World War, the US immediately started to support the ruined Europe by providing with vast amount of funds, products, raw materials. However, it was still far from reaching the expected achievement by 1947. This deterioration in Europe's situation became a great concern for the US as it could cause the European states to be vulnerable to the Soviet communist threat. Within this framework, the European Recovery Program (ERP), also known as the Marshall Plan, was offered the Congress by the US Secretary of State George Marshall on 5 June 1947 for the purpose of stabilizing and reinforcing the economy of Europe. Marshall Plan was not only offered to the Western zones but also to the Soviet Union, her satellites and her occupation zone of Germany. However, Stalin, expectedly rejected this plan to be implemented in his country and in his zones of influence (LAYTON 2009, 285-286).

The Marshall Plan was the economic recovery program applied between 1948 and 1952 and the amount provided in this program as a grant and loan to seventeen countries was 15 billion US Dollars. These countries were Austria, Belgium, Denmark, France, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Sweden, Switzerland, Turkey, the United Kingdom including West Germany. The Organization for European Economic Cooperation (OEEC) was established to manage the plan. The significance of the Marshall Plan was its conducive role for European countries to collaborate in harmony through the establishment of institutions. Such institutions were the OEEC, and later the European Economic Community, one of the founding countries of which was West Germany (PLANO 1988, 392).

The political impacts of the Marshall Plan were more persistent than its economic achievements. It first helped to foster the waning democracy ideal in Europe. Second it was a means for the US to implement her foreign policy pursuant to her national interests and security goals. Third it paved the way for an integrated Europe through institutions

as the Plan stipulated the establishment of the OEEC through which countries cooperated together in the management of the aid. Fourth, the Marshall Plan was the key point to reincorporate West Germany to western European structure and convince France to back down from her tenacity on the war reparations of Germany. On the other hand, the division between the US and the Soviet Union became more apparent through the Marshall Plan and the division could be best observed in West Germany (PRENTZAS 2011, 87-89).

The Marshall Plan was an economic recovery program offered by the US for the war-torn European economies. It was implemented due to the imperativeness of the continuation of the institutional structure that had already been in the Western political, economic and social life. Not only the post-war situation in Europe, but also the Soviet communist threat was posing danger for the continuation of that institutional structure. Therefore, the US gave direct support for the economic recovery of the European countries on the one hand, and she took the lead in establishing the OEEC to make the institutional structure permanent on the other. The establishment of the OEEC was a proof of the desire for sustaining the international order based on institutional understanding.

4.6. The London Six-Power Conference (February-June 1948) and Frankfurt Documents (1 July 1948)

In 1947, there had been two failed conferences held in Moscow and London, which paved the way for the London Six-Power Conference. Foreign ministers of the four occupying powers met in Moscow in March and April 1947. The Soviet Union Foreign Minister Vyacheslav Molotov fiercely opposed to the proposal of the US about founding a German government comprised of the German state governments since the Soviet Union was in favor of a strong central government in Germany. This objection expressed by Molotov caused the Western delegations think that the Soviet Union was in the opinion of enticing Germans for an easy government changeover in favor of communism. This led France to give up her obstructiveness against the US and Britain. The other conference held in London in November and December 1947 also failed. Afterwards, the Western Allies took steps to implement their policy that was about making Germany a political federation. But this time the next conference would convene without the Soviet Union (VALI 2019, 17-18).

The Western Allies were aware of a more profound and comprehensive reconstruction was necessary in West Germany. In accordance with this purpose, the representatives of the US, Britain and France including delegates from Benelux countries (Belgium, Netherlands and Luxembourg) came together in a series of meetings held in London from February to June 1948. The first session of the London Conference was held between February 23 and March 6 and the second session was held between April 20 and 2 June 1948. Meanwhile, the Soviet boycott and her withdrawal from the Allied Control Council were the incidents that considerably helped the London negotiations to proceed on the advantage of Western Allies. At the end of the Conference, Frankfurt Documents was issued on 1 July 1948. And these documents were delivered to the prime ministers of the eleven West German states. (KLOSS 1990, 5).

Frankfurt Documents, consisting of four documents, stipulated the organizational structure of the new state, West Germany, that would be founded soon. Very briefly, the First Document of the Frankfurt Documents was about a democratic constitution to be drafted by an assembly, which would be convoked by the prime ministers of West German states. At the beginning, the prime ministers of the states were a bit unwilling to draft a constitution as they knew such an initiative would pose an obstacle for a united Germany. To alleviate prime ministers' anxiety, the Western Allies called the constitution as a temporary Basic Law. The second document was about redrawing state borders. The third document regulated the authorizations of the Western Allies during occupation. And the fourth document stipulated the principles that would be implemented by the military governors (KLOSS 1990, 5).

Rupieper (JUNKER 2004, 85-86) states that the US Secretary of State, George Marshall claimed that the division of Germany had actually been completed by the Soviet Union. He stated that there was no other chance than integrating Western Germany with the West economically and politically. At the London Conference, the Western powers came to an agreement on the establishment of West Germany. The final documents of the London Conference were about the constitution, borders and the occupation statute and were seen as a reconciliation between the federalism visions of the US and France. The US favored a more equable federalism, which prescribed a balanced power division between the German states and the central government whereas France defended a tighter form of federalism because of her security concerns.

In the conference, the delegates agreed on that the three Western zones should collaborate more closely as a part of the European Recovery Program. The delegates also took decision about the Ruhr area that it would be internationally controlled, which would lead its sources to be used for the recovery of Europe rather than for aggressive purposes (SZANAJDA 2015, 84). On the other hand, it is asserted by McKittrick (2016, 159) that there were some outcomes of the London Six-Power Conference other than authorizing West German officials to begin establishment of a temporary state within the territory of West Germany. One of the consequences of the London Conference was the establishment of the NATO. According to McKittrick, the London Six-Power Conference laid the foundation of the Western views to establish the North Atlantic Treaty Organization (NATO) in 4 April 1949. Another institution the establishment of which was the consequence of the London six-power Conference was the European Coal and Steel Community (ECSC) that would be founded in 1951.

The series of conferences held in London in 1947 and 1948 were another signals that revealed the deep dissidence between the US and the Soviet Union. The contradicting interests of the US and the Soviet Union caused these two states to follow completely different policies about Germany. The Soviet Union was in the quest for her security and compensation of her war loss, whereas, the US pursued containment policy against Soviet aggression and was seeking to establish a peaceful international order based on institutions. The Western Allies under the leadership of the US, compromisingly negotiated the future of Germany at the London Conferences with an institutional understanding. In this respect, London Conferences are of similar nature with the 1815 Congress of Vienna, while which the Western powers compromisingly negotiated the future of France and a balance of power to establish a stable order with an institutional understanding.

4.7. The Currency Reform (20 June 1948)

After the Marshall Plan and merging Western occupation zones it became inevitable for the Western Allies to make reform on the currency to maintain the economic revival in Germany. Because of Nazi policies and the war, German currency (Reichsmark) had been seriously lost its reliability. The main reason behind the deterioration of the currency was inflation. This problem was not only an impediment to

production, but also to trade (LAYTON 2009, 286). On the other hand, people in Germany were suffering from scarcity of commodities because of inflation. Currency devaluation was needed in such a circumstance in order to normalize the economy and to put it on a safe ground. After all, Western Allies agreed on making a currency reform in their zones. The monetary reform was “the spectacular début of an economic renaissance in Western Germany.” Application of a new currency in the East, right after the currency reform in the West, deepened the gap between two sides. Each side introduced their new currencies also in their respective sectors in Berlin, which speeded up the process of forming two separate administrations in Berlin (KLOSS 1990, 5-6).

The advent of new currency (Deutsche Mark) on 20 June 1948, along with its economic consequences, had also political impacts such as Soviet objection and increasing rapprochement between the US and the Western zones. This deepened the gap between the east and west. German citizens were given 60 Deutsche Mark per-person, some income and expenditure items such as wages, pensions and rents were revalued, market forces were freed from state pressure and let to be set by supply and demand equilibrium. Although the introduction of new currency, because of the devaluation, had adverse impact on small savers, it generally had positive developments as it caused the black market to collapse, prompted people to work harder, reinvigorated the economic life and supported the implementation of the Marshall Plan. In short, the currency reform was an undeniable fact on the way to revive West Germany in both economic and political aspects. This incident happened in the western part of Germany naturally disturbed the Soviets and led to an outbreak of crisis in Berlin (LAYTON 2009, 286-287).

Along with the fusion of the American and British occupation zones, the currency reform was another very important step solidifying the idea announced by the speeches of Churchill and Byrnes. On the other hand, the currency reform was not only an economic but also a political decision that was taken in a path dependent process. That path dependent process was locked-in by the events, which had previously happened. Because, those events provided a favorable environment for the Western Allies by the impact of increasing returns. The fusion of the American and British occupation zones, the Marshall Plan and the London Conferences were such events, which were not also for the good of West Germany’s revival but also in the interest of the Western Allies.

The abovementioned events, on the other hand, had a disadvantageous side, which left the Western Allies without any other choice than making the currency reform. This was because of the impact of sunk cost as any change on the path would cause undesirable cost. All these developments finally obligated the Western Allies to make a currency reform, otherwise the Western Allies' efforts for West Germany's economic revival would become a futile attempt. However, the Soviet Union took the currency reform made in the western part of Germany as a threat to her authority. In addition, the currency reform, while consolidating the stance of Western Allies, paved the way for another very important and unpredictable event, which obviously proved the deep discord between the US and the Soviet Union, i.e. between the west and the east: The Berlin Blockade.

4.8. The Berlin Blockade and the Western Airlift (24 June 1948 – 12 May 1949)

The Soviet Union deemed the currency reform by the Western Allies as a direct action to weaken the eastern zone. As a reaction, the Soviet Union introduced its new currency (in German: Ostmark) in eastern zones and planned to block all entrances to West Berlin for the purpose of forcing the Western Allies to step back from circulating the new currency in their zones and to renounce their rights on their respective sectors in Berlin (LAYTON 2009, 288). Then, the Soviet Union started a blockade on Berlin on 24 June 1948 by gradually closing all roads to West Germany. However, Western Allies did not leave more than 2 million West Berliners alone in the blockaded city and started an airlift, by which they delivered foodstuff, consumer and industrial goods weighing approximately 12 million tons through nearly 200.000 flights. The Berlin Airlift was an event showing that Germany inevitably became the center of the Cold War in Europe (KLOSS 1990, 6).

By the Berlin blockade, Stalin wanted to extend his influence over the whole Berlin and retrieve the political influence over Germany. On the other hand, the US did not want to lose its position in Berlin and the good relationships formed with the Western zones of Germany. The airlift started by the Western Allies was in accordance with the Potsdam agreement, therefore, there was no choice left for the Soviets other than shooting down the planes of Western Allies if she wanted to stop the airlift. In the end, the Soviets understood the blockade did not serve the purpose, therefore was ceased on 12 May 1949. The Berliners were grateful to the Western Allies for the airlift through which million

tons of supplies provided throughout 11 months. The airlift also contributed a lot to the already existing coherence between the Western Allies and Germans in the Western Zones. (LAYTON 2009, 289-290).

The Western airlift carried out against the Berlin blockade, was reflecting the contingency and unpredictability characteristics of path dependent processes. In path dependent processes, reactive sequential events are naturally independent but causatively dependent to each other as they occur in a sequence in which, each event is the result of the previous and the cause of the following event. The currency reform annoyed the Soviet Union and caused her to start a blockade on Berlin to dissuade the Western Allies from implementing their currency reform policy and their claims on Berlin.

However, as a contingent and unpredictable event, the reaction of the Western Allies to the Berlin Blockade was more striking as they started an airlift through which they provided million tons of goods that were needed by the Berliners. Besides, this reaction of the Western Allies was influenced by the previous events that were carried out within the path dependent process, because the Western Allies had already started to pursue a policy of supporting the recovery of their occupation zones in the western part of Germany. The Western airlift then also led to other unpredictable and important events such as Germany's division and the foundation of West and East Germany. Thus, the main assumption of path dependence, that is, history matters, worked and past events revealed their impact on future events.

Each reactive sequential event mentioned in the Chapter consolidated the path dependent process in which the Western Allies were acting. The Western Allies were locked-in that path dependent process on the purpose of reestablishing a stable and peaceful international order through an institutional understanding, which had been the goal of the Western great powers since the 1815 Vienna Settlement. In the path, which goes towards the rapid revival of West Germany, abovementioned events gradually increased the dependency of the Western Allies to act in a certain way. It was unpredictable which concrete steps would be taken by the Western Allies. While the speeches made by Churchill and Byrnes were such developments occurred in the preparation phase; the fusion of American and British occupation zones, the Marshall Plan and the currency reform, the Berlin blockade and airlift were the events that

narrowed down the path, which led the Western Allies move in the direction of the establishment and the revival of West Germany.



CHAPTER 5

5. THE RAPID REVIVAL OF WEST GERMANY

5.1. Economic Growth Models Explaining the Rapid Revival of West Germany

During the 1950s West Germany economy made a splendid leap which was called as “economic miracle” (in German: Wirtschaftswunder). Although the pace of the economic development had decreased in the following decades, the overall growth in West Germany continued. There are several models which can give idea about the growth in West Germany in 1950s and following periods. Three significant models are “the structural change model”, “the long wave model” and “the reconstruction model”. While the structural change model argues that new factors were influential in the growth of West Germany, the two other models claim that it was the continuation of an economic development process since the 1870s (BRAUN 1990, 165).

Braun (1990, 165) while explaining the structural change model, states that this model attributes West Germany’s post-war recovery to the favorable environment provided by the social market economy. He states that the supporters of this model see the market as the best place for an optimum distribution of economic resources. They also defend the minimum government intervention in the economy. Braun considers that the structural change model is inadequate because the government in West Germany gradually increased its expenditure and enhanced its interference to the market.

The long wave model is examined by Nikolai Kondratieff, Joseph Schumpeter and Leon Dupriez. According to this model, the development of capitalist countries starting from the beginning of the nineteenth century is based on successive growth fluctuations each of which lasted for a period of 40 to 50 years. New periods can start by new technological innovations. Thus, the rapid revival of West Germany can be explained by the aggregation of developments such as a reconstructed post-war economic environment and a liberal world trade that took place soon after the technological innovations of 1930s and 1940s. Braun also finds the long wave model inadequate due to

the difficulty of proving whether there had actually been fluctuations of economic development (BRAUN 1990, 166).

According to the reconstruction model by the Hungarian economist Ferenc Janossy, economic growth in West Germany can be traced back to the 1870s as this growth proceeds on its normal path however encounters with interruptions from time to time and makes a jump to return to its normal path. In the case of Germany's growth, there were three interruption periods as the First World War, the Great Depression and the Second World War. According to Janossy, West Germany tried, to return to its normal path after the Second World War so rapidly because she had been severely damaged by the war. This model is also seen problematic by Braun as he finds it too deterministic and its assumptions deficient. Braun claims that other factors such as liberalization of the international economic system and the integration of West Germany into that system as one of the factors in the rapid revival of West Germany (BRAUN 1990, 166-168).

Of the three economic growth models, two models, namely, "the long wave model" and "the reconstruction model" can offer supportive explanations for the revival of West Germany from the point of path dependence. Because these two models have commonalities with path dependence, since their supporters claim that there was a continual process in the history of West Germany's economic development. As the supporters of the long wave model claim that new periods can start by new technological innovations, they fall in with the assumption of critical junctures. The reconstruction model's similarity with path dependence is its claim that the economic growth of West Germany occurred on the continuation of a historical path.

5.2. Other Factors Mentioned in the Literature About the Rapid Revival of West Germany

Several reasons are mentioned in the literature on West Germany's rapid revival. Some of them are skilled and hardworking labor force, modernized plant and machinery, West Germany's acquisition of industrial areas after the division, cheap labor force coming from East Germany, West Germany's disinterest in rearmament, the Marshall Plan, population increase by a rate of nearly 20% as a result of the refugees coming from Poland and Russia (EICHENGREEN and RITSCHL 2008, 9), institutional stability in West Germany, a quick return to the west European industrial core area, the

codetermination of labor, high number of undamaged factories, the positive role of the government in fostering private investment, the contribution of moderate political parties and the stable party system to the democratic stability, West Germany's economic integration into the Western bloc by becoming member of international and European economic organizations as an equal partner.

The study by Alt and Schneider (1962, 46-57) about West Germany's economic revival emphasizes that Germany's economic recovery was not a surprise, and asserts that rapid recovery of the destroyed economies is a rule rather than an unexpected result. This study links the rapid reconstruction of Germany, as "an impoverished developed country," with her "skilled labor force", modernized plant and machinery, cheap labor force coming from East Germany, which allowed German capitalists to exploit cheap labor force and increase profits and culminated in new plants and equipment. It also adds that the division after the war was in favor of the Western side as that part included the industrial areas. Another advantage of West Germany, according to the study, was her disinterest in rearmament whereas the Western countries were ready to buy the products manufactured by West Germany as they were pursuing a policy of rearmament. Finally, it underlines foreign aid, that is, the Marshall Plan Aid as one of the factors that affected Germany's steep growth in economic activity.

Eichengreen and Ritschl's (2008, 1-56) article argues that West Germany's 8% rise in annual GDP and becoming Europe's largest economic and financial power in 1950s, can be explained by three types of explanations. The first one explains the growth in terms of achieving the productivity. The second one underlines institutional reasons through which West Germany was integrated into the European and world market. The third one, which was called the negative output shock, says that the more a country suffered between 1938 and 1950 in terms of its output, the faster it grew in the following years. According to the article, based on the third explanation, institutional arrangements were still stable in West Germany after the Second World War, and that facilitated the rapid recovery of West German economy. On the other hand, returning soldiers from the war and refugees from Poland and Russia increased the population nearly 20% which was a serious contribution to West Germany's labor force. This approach asserts that there had been no radical change in German economy, rather, after a stagnation the economy returned to its normal pace.

Grotewold's (1973, 353-365) study describes West Germany's 'economic miracle' as "a quick return to the vacuum of her former position within the (west European industrial) core area." By referring to Predöhl's model, which made distinction between "industrial core areas" and "peripheral regions," the study describes industrial core areas as "a complex of integrated factories," where intermediate goods are converted into more highly fabricated intermediate goods. It asserts that in order to re-function this integrated economy, it was necessary to let Germany recover economically and take its place once again in the industrial core area. For that purpose, it is mentioned that some institutions and programs such as European Recovery Program (ERP), OEEC, European Payments Union (EPU), European Coal and Steel Community (ECSC), European Economic Community (EEC) were established. They allowed the free movement of commodities, labor and capital among the member countries. Acknowledging the beneficial effects of regional integration to West Germany's economic revival asserted by Predöhl, Grotewold's study argues that the effect of "a more general liberalization of international trade" has to be taken into consideration.

Reich's (1955, 47-64) study talks about the contribution of the labor in West Germany's economic recovery from different aspects. Accepting the fact that economic recovery is a result of several factors such as liberal economic policies, currency stabilization, foreign aid etc., the study draws attention to the "skill", "hard work", "sense of duty" and "social discipline" of the labor in West Germany as the German workers had the longest working hours when compared to other Western countries. Moreover, it emphasizes the development in legal status of labor that allowed the codetermination of labor, which is called "Mitbestimmungsrecht" in German. In order to give more information about the inside story, it is also explained that German workers see themselves equal to capital for a sustainable economy.

One economic growth study by Roskamp (1961, 10-14), questions whether the German "miracle" was a result of "an orthodox monetary policy" and "the restoration of the free market" that boosted private initiative. The study calls the above assumption as half true because German labor force was highly skilled and plants were not badly ruined. Mentioning the labor surplus coming from East Germany and the foreign aid as the advantages, the study asserts also the burden on the West Germany due to the occupation by the Allied Forces was low. The study emphasizes the positive role of the government

by fostering private investment, as one of the important influences in Germany's economic growth. According to the study, it was necessary to generate savings for new plants, housing and productive employment. However, the Germans, who saw that their savings had been wiped out after the world wars by currency reforms, were not so inclined to save money. Therefore, the government interfered in the economy by providing and managing the "flow of funds" necessary for investment at the levels of federal, state and local.

Spicka's (2002, 49-67) study regarding the effect of utilizing public-opinion polls and modern political advertising by the West German political parties during 1950s defends that West Germany's moderate political parties and the stable party system contributed to the democratic stability in the West Germany when it is compared to the extremist parties of Weimar Republic. The study, actually, focuses on especially how CDU (Christian Democratic Union) made use of the rapid economic recovery and tried it to turn into an electoral success. For that, they tried to attract the attention of a broad constituency, appealed to swing voters like women, payed special attention to the public's perception of the economic system through the public-opinion polls and political advertisement techniques. Although CDU leaders took the public-opinion polling as a vehicle for "managing public opinion," there were some thoughts that defended polling could help maintain a stable democracy by "taking the pulse of the people." On the other hand, public-opinion surveys searching people's economic situation and their perceptions about government's economic policies, helped the governing party (CDU) to find out that the economic difficulties derived from the Korean War weakened the support of people to the economic policy that was pursued by the government.

Thiel (1988, 53-73) defended that economic recovery of Germany after the Second World War was supported by Germany's "economic integration into the Western bloc," which was also prerequisite for receiving the Marshall Plan Aid. For that purpose, West Germany became the member of NATO, and an equal partner of international and European economic organizations which prevented any discrimination against Germany. It is asserted in the study that the liberalization in the General Agreement on Tariffs and Trade (GATT) promoted West German companies to harmonize with international system. On the other hand, by its membership of European Community, West Germany became more active in international relations. It is defended in the study that West

Germany's domestic economy was strongly interrelated with the international economic system that this fact made West Germany to seek for a stable international monetary system.

Van Hook's (2007, 104-116) study defends that while examining Germany's economic growth in post-Second World War years, one should take the European political history into consideration. This study defended that economics, politics, culture and history affect each other. It is also mentioned in the study that, in order to understand the social market concept in West Germany, it is necessary to analyze economic events along with the political and cultural incidents. By focusing on two important terms as institutionalism and functionalism, the study, also underlines the role of institutions for European integration. There is a series of international organizations in the fields of economy, politics, military, successful or not, for the purpose of forming European integration. Moreover, the study says that the essential objective in establishing the Marshall Plan in diplomatic history was also European economic integration, which in turn would support "the stable international free trade regime" and preclude a possible world war.

Most of the factors mentioned in the literature on West Germany's rapid revival focused on Germany's domestic realm. For instance, skilled and hardworking German labor force, modernization of plant and machinery, industrial areas located in West Germany, cheap labor force coming from East Germany, West Germany's disinterest (in fact non-admission due to the constitutional limits) in rearmament, the codetermination of labor, high number of undamaged factories, the positive role of the government in fostering private investment, the contribution of moderate political parties and the stable party system to the democratic stability etc. were domestic determinants in the rapid economic growth of West Germany after the Second World War.

Yet, there were also external factors affected this process such as the Marshall Plan Aid and West Germany's membership to the international and European economic organizations as an equal partner also mentioned in the literature but they are also evaluated from the viewpoint of Germany's domestic policy. Moreover, these developments are linked with the success of West Germany's domestic economy. After all, it can be inferred that the literature above mainly focused on the internal and external factors on the rapid revival of West Germany and hardly touch on the role of the Western

Allies. But still, it is important that both internal and external factors mentioned in the literature prove that there was a rapid revival in West Germany after the Second World War.

5.3. The Foundation of West Germany

The Berlin blockade imposed by the Soviet Union and the airlift that started by the Western Allies immediately after the blockade, culminated in significant consequences for both sides. It caused the Soviets to lose reputation in the eyes of Germans whereas the Western Allies started to be seen as friends. Berlin was split into two between the West and East under their respective administrations then Germany was divided into two and the Federal Republic of Germany (in German: Bundesrepublik Deutschland) was established on 23 May 1949 and the German Democratic Republic (in German: Deutsche Demokratische Republik) on 7 October 1949 (LAYTON 2009, 290).

Layton said that (2009, 290) the blockade in Berlin and the Western airlift were not the basic causes of the split of Germany, but they were momentous occasions that embodied the gap between east and west. The course of events between the years 1945 and 1949 brought into the foundation of two Germanys. In 1945, neither division nor union in Germany was predictable and these two options had the same chance at the beginning, that is, at the critical juncture. Between 1945 and 1949, both the Western Allies and the Soviet Union had taken a range of actions, which at last led them to split Germany into two and to found their Germanys on their respective zones of occupation.

In August 1949, the first lower house of the Federal Parliament (in German: Bundestag) was elected and opened on 7 September 1949. Professor Theodor Heuss became the first Federal President (in German: Bundespräsident) and Dr. Konrad Adenauer the first Federal Chancellor (in German: Bundeskanzler) of the Federal Republic of Germany. Chancellor Adenauer's main purpose was to make West Germany completely sovereign and establish close ties with Western Allies. The tension between the Western Allies and the Soviet Union helped Chancellor Adenauer achieve his goal in the course of time as the more the tension between two sides increased, the more each side gave authority to her respective Germany (KLOSS 1990, 7-8).

The division of Germany was unpredictable during and after the war. During the war, the Allies came together in order to protect their national interests and safety and to

defeat the Nazis. For that purpose, Allies convened in such conferences as Yalta and Potsdam but could not find permanent solution for the German problem. Historians see the two superpowers of the Cold War era, responsible for the split of Germany because this result was attained after a series of decisions and practices that had been taken and implemented by these two superpowers. Two main concerns of the Soviet Union were security and compensation of her war losses. For security purposes, the Soviet Union exploited the Eastern European countries as her buffer zone. On the other hand, the Soviets were in the opinion of making use of German territories as much as they can for reparations (LAYTON 2009, 292-293).

When it comes to the US, as from the early 1947, she started to assume an adverse attitude towards the Soviet Union that stemmed from aggressive Soviet policies. This perception about the Soviet Union led the US implement her containment policy and prevent the Soviet expansionism. On the other hand, the US, as the leading power of the capitalist western world, started to reconstruct Europe and specifically West Germany in order to maintain free global trade in a peaceful international order based on institutions. Besides all these, there was an unavoidable fact that discussions between two sides did not help to solve the problems and the situation in Germany was gradually deteriorating. This situation necessitated measures to be taken by the Western Allies without the Soviet Union such as forming the Bizone, implementing the currency reform etc. These policies and stochastic events in the end brought about the two Germanys (LAYTON 2009, 293-294).

The path dependence related assumptions are meaningful on the division of Germany and the foundation of West Germany. Although, after the Second World War, Germany's division was not predicted. As reactive sequential events, the Berlin blockade and the Western Airlift played a direct role in the division of Germany. In addition, the division itself affected the following events, especially the foundation of West Germany. On the other hand, the Western Allies were under the impact of a general path dependent process. That general path dependent process obligated the Western Allies to compromise on the foundation of West Germany in line with maintaining the stable and peaceful international order.

5.4. The New Constitution of West Germany

The Western Allies wanted a strong and stable democracy in West Germany. They accused the Weimar State of causing the emergence of Hitler and the Nazis. Therefore, they deemed inevitable to prepare a new constitution that could prevent any imminent danger against democracy. On the other hand, the new constitution was a temporary arrangement since it contained in itself the unification of Germany and address to all Germans. That's why it was called as the Basic Law (in German: Grundgesetz) rather than a constitution. The Basic Law attached great importance to human and civil rights. These rights, same as in the US constitution, and were regarded as unalienable. The Basic Law, in comparison to the Weimar Constitution, was also more democratic in terms of the head of state (in German: Bundespräsident), the federal assembly or the lower house of the German parliament (in German: Bundestag), the federal council or the upper house of the German parliament (in German: Bundesrat), the federal states (in German: Länder) and the electoral system (LAYTON 2009, 298-300).

The final version of the new constitution (the Basic Law) of West Germany was adopted by the Parliamentary Council (in German: Parlamentarische Rat) on 8 May 1949. The Western Allies put a couple of reservations on the Basic Law. At the beginning, West Germany's independence was seriously limited (KLOSS 1990, 7). The Western Military Governors made their joint statement about the draft constitution on May 11, 1949 and sent it to Dr. Konrad Adenauer the next day. The statement issued by the Western Military Governors was containing their reservations about some issues as below: The powers vested in the Federation and states, the police powers, the participation of Berlin in the Federation, the revision of the borders of the states, administration powers of the Federation, resolution of the conflicts between the constitutions of the Federal Republic of Germany and the states and entering in force of the Occupation Statute (WEB_4)

In democratization process of West Germany, the impact of the US was very prominent. This could be seen in forming the federal political system, in preparation of the Basic Law, and in constituting the German daily life and culture, but not in a compulsive way. Within this scope, the role of the US officials in OMGUS (Office of Military Government, US) who tried to establish good relations by German people was also important. They volunteered to be part in reconstructing the damaged churches, organized games for children, built youth centers, provided opportunity for exchanging

ideas between Americans and Germans, payed visits in holidays, taught daily English to some German people (MERRITT, 1976, 98-102).

In order to stabilize Germany, which presumably contribute to European stability, the Western Allies took the control and supported West Germany to make a democratic constitution that would prevent any threat against democratic institutionalization and based on human and civil rights. The Western Allies even let the constitution be named as the Basic Law to make it open for a future possible unification of two Germanys.

5.5. The Occupation Statute (21 September 1949)

In the spring of 1949, the Occupation Statute, which determined the relations between West Germany and the Western Allies, was negotiated and entered into force on 21 September 1949. It stipulated the control of foreign relations including foreign economic activities of West Germany and fully authorized the Western Allies on these activities. Chancellor Konrad Adenauer, in one of his declaration that he made on 20 September 1949, commented about the Occupation Statute that the authority of managing foreign relations by the Western Allies through the Allied High Commissioners should not be seen as a complete devoid of activities regarding foreign affairs as domestic affairs that conducted by the government had relations with foreign affairs to some extent, besides, the Allied High Commissioners, in case of making an important decision about foreign relations of West Germany, they would be in consultation with the Federal Government (FELD 1963, 30-31).

Although the Allied High Commission substituted former military governors of Western Allies by the advent of the Occupation Statute, the Western Allies continued to have their decision-making authority on West Germany's economic affairs and foreign relations. McKittrick (2016, 160-161) draws attention the two aspects, in other words, two intentions with the continuation of restricting the sovereignty of West Germany by the Western Allies through the Occupation Statute. First one is about preventing West Germany from her possible aggressiveness that could cause another war. Second one is for the purpose of letting the Western Allies to establish a more sustainable political and economic structure so as to West Germany could take her place in the peaceful world order and contribute it as much as she could. Therefore, the restrictions should be

understood as preventing monopolies and cartels which were obstacles for the development of West Germany.

Two months after the Occupation Statute had entered into force, it underwent its first change with the Petersberg Agreement which was made on 22 November 1949. By the Agreement, West Germany was granted to establish foreign relations and become member of international organizations (JUNKER 2004, 91). Petersberg Agreement was also a good example of how Chancellor Adenauer's flexible policy towards Western Allies helped West Germany became independent earlier than it normally expected. It was stipulated in the Petersberg Agreement that there would be an international control over the Ruhr. In return for that compromise of West Germany, Western Allies eased the burden of reparations and allowed West Germany to become member of some European institutions. Although the Occupation Statute was abolished and the occupation regime came to an end 5 May 1955, Allies continued to be effective on Germany (KLOSS 1990, 8).

The Occupation Statute was one of the important indicators that showed the Western Allies' desire to support West Germany in her rapid reconstruction and full integration with the European system. Although the Occupation Statute gave the Western Allies full authority over the foreign relations and foreign economic activities of West Germany, it was for the purpose of both preventing any possible reemergence of German aggression and also supporting and taking care of establishing stable and sustainable economic and political institutions in West Germany. Therefore, the Occupation Statute was one of the most prominent and concrete proof of the role of Western Allies on West Germany.

5.6. Economic Indicators Showing the Rapid Revival of West Germany

Germany's industrial revolution took place in 1850s and 1860s. Apart from the fact that there were several reasons of Germany's late industrialization such as her geological (mineral resources were found in the periphery) and geographical disadvantages, she achieved it within thirty years. Keynes attributed this achievement of Germany to coal and iron rather than blood and iron. In 1910s, Germany's iron and steel production had surpassed that of Britain and Germany was ranking the third after the US and Britain as leading industrial powers in the world by 1914. When Germany lost the

First World War, she also lost a significant amount of her iron and coal production along with one fifth of her territory, population and arable land. By 1930s however, Germany regained its pre-war situation especially in the fields of chemistry, electricity and engineering (KLOSS 1990, 109, 112).

Under very bad circumstances in the post-Second World War era, it was essential to make reforms in West Germany. Therefore, as explained in previous chapters, occupation zones of the US and Britain were economically merged in 1947; currency reform (in German: Währungsreform) was made in 1948 to regulate the currency circulated in the economy. Moreover, the Allies pursued policies to decrease the reparations and to stop factory dismantling. Then an economy policy followed up. That economy policy was the Social Market Economy. Through the new economy policy, in the hands of Ludwig Erhard, the economy minister, the German economy was reconstructed on neo-liberal principles and free-market (KLOSS 1990, 114).

Ludwig Erhard did not have a political background and focused especially on economic studies. These aspects of him made him a good candidate in the eyes of the Western Allies to implement the new practices in West Germany. He became the minister of economics of West Germany from 1949 to 1963. He played a significant role in the reconstruction of German economy in the post-war German history. He worked as an economic consultant from 1945 to 1948, as the director of Economic Council of the Bizone and as the supervisor of the currency reform in 1948. He put the social market economy model into force in the 1950s which was known as the Economic Miracle. This model was a combination of an unrestricted capitalism and overregulated socialism. On the one hand there would be no state intervention in the free market as much as possible, on the other hand, there could be state intervention in case of a need to protect the benefits of individuals (LAYTON 2009, 312-314).

Economic growth rates of West Germany from 1950s up to mid-1960s were remarkable, the average of which corresponded to 8 per cent. Gross national product showed an increase of 50 per cent in that period. At the same time, figures regarding industrial production and export substantially increased. As a consequence of economic growth, employment opportunities were opened up and unemployment rates decreased (see Table 1). There were other factors, which paved the way for that rapid and long revival of West Germany from the beginning of 1950s up to mid-1960s. The OEEC,

which had been set up to coordinate the Marshall Plan, helped German trade to reintegrate into the world market. The reintegration and export increase of West Germany, on the other hand, led to the establishment of two important institutions, which were the ECSC in 1951 and the EEC in 1957 (LAYTON 2009, 315-317).

Table 1 Economic Indicators of West Germany

Real growth of the West German Economy

Year	1951	1953	1955	1957	1959	1961	1963	1965
Growth (%)	10.4	8.2	12.0	5.7	7.3	5.4	3.4	5.6

West German industrial production

Year	1950	1955	1960	1965
Index of industrial production (100 = 1961)	36.5	64.4	90.7	118.3
Change on previous year (%)	-	15.5	11.8	5.4

Exports and imports in West Germany

Year	1950	1955	1960	1965
Exports (DM millions)	8,363	25,717	47,900	71,700
Imports (DM millions)	11,373	24,461	42,700	70,400

Unemployment in West Germany

Year	1950	1955	1960	1965
No. of unemployed (millions)	1.87	1.07	0.27	0.15
Working population unemployed (%)	8.1	4.2	1.0	0.5

(Source: LAYTON 2009, 316.)

There were also other supportive developments occurred in the same period. Demand for consumer goods like cars and white goods increased to a large extent. Besides, new houses were built in 1950s. That period was also a symbol of financial stability. The Co-Determination Law of 1951 and the Works' Constitution Law of 1952 helped to establish a peaceful world of work in West Germany. The Bank Deutscher Länder, which was founded by the Western Allies in 1948 to handle the new currency Deutsche Mark during the currency reform, turned into the central bank of West Germany in 1957. As the defense expenditures of West Germany were limited by the Western Allies at the beginning of 1950s, it enabled Ludwig Erhard to transfer more money to

social spending, which helped to sustain a stable democracy. Moreover, a law named “Equalization of Burdens” was introduced in 1952. That law stipulated the seizure of property such as capital and premises in good condition to grant to people who were badly affected by the war. Another law, introduced in 1951, was about recruiting civil servants and their retirement benefits, and even led the reengagement of civil servants who were close to the Nazis. Thus, that law enabled West Germany to reintegrate more people into society on the track of a rapid reconstruction of the new state (LAYTON 2009, 318-320).

There was a significant economic recovery in West Germany, especially in the 1950s. The gross national product (GNP) figures give idea about this significance. While the GNP was 98,000 million Deutsche Mark (DM) in 1950, it went up to nearly 303,000 million DM in 1960. In subsequent years, although the average real increase rates in comparison to the previous years declined, the GNP amounts continued to go up. The GNP of West Germany was equal to an amount of 679,000 million DM in 1970 and it was 1,497,000 million DM in 1980. The GNP amount reached to 1,948,000 million DM in 1986. According to the average real increase rates, the GNP was 8.6 per cent between 1950 and 1960 while it was 4.9 per cent between 1960 and 1970, 2.7 per cent between 1970 and 1980, and 1.45 per cent between 1980 and 1986 (KLOSS 1990, 121).

Industry played an important role in the growth of the country in 1950s but in subsequent decades, services and government sectors contributed along with industry. In the same period, the share of agriculture and forestry declined. West Germany’s successful growth can be also shown by her consistent annual trade surplus although there had been made revaluations in 1960s and 1970s. Export had also an important effect in this growth. In 1951, West Germany, with her share of 4.5 per cent in the global market, was the fifth biggest exporter in the world and since then her export has had a regular surplus (See Table 2) (KLOSS 1990, 121-122).

Table 2 Generation and Use of GNP (1950-80)**Generation (At market prices, %)**

Year	Agriculture, forestry	Industry	Trade and transport	Services	Govern	Private	Total
1950	10.2	49.5	20.4	10.2	7.6	2.0	100
1960	5.7	54.4	19.6	11.4	7.2	1.7	100
1970	3.1	54.4	17.9	13.9	9.1	1.6	100
1980	2.1	47.4	15.0	22.3	11.5	1.6	100

Use of GNP (1950-80)

Year	Private consumption	Collective consumption of general government	Gross fixed capital formation	Balance of exports and imports of goods and services	Total
1950	64.1	14.5	22.8	-1.4	100
1960	57.0	13.6	26.9	2.4	100
1970	55.8	15.9	28.3	1.6	100
1980	54.7	20.3	25.2	-0.2	100

(Source: KLOSS 1990, 122.)

In 1950s, West Germany made a significant breakthrough by reducing its unemployment rate to less than 1%, lowering the inflation rate, showing surplus in the balance of payments and by tripling its exports of manufactures in world market. The elasticity of the labor supply was low and that especially caused a slower growth in the 1960s. Because of the age structure in the population was changing and the period needed for education and training, as well as the early retirement age; participation in labor force was declining. Another reason for declining labor rates in West Germany was the building of the Berlin Wall in August 1961. After the Berlin Wall was constructed, the highly qualified labor in East Germany could not find a way to go through the border to work in West Germany. In order to compensate the labor deficiency, new workers employed by West Germany from South and South Eastern Europe, Italy, Spain, Greece, Yugoslavia and Turkey. These foreign workers (in German: Gastarbeiter) were not as educated as those coming from East Germany during 1950s and the foreign workers were about 250,000 in 1960 and 1.8 million in 1970. There was also a problem of integration in German society, especially for those coming from Turkey. Because of all these reasons, mobility between works and productivity of labor declined significantly (BRAUN 1990, 168-169).

Van Hook (2004, 8) points out the role of the US and Britain on the rapid recovery of West Germany from the point of international free trade regime. He asserts that the

most important factor among other factors that led the rapid recovery of West Germany was her integration with the international trade system, which enabled West Germany to make export. By referring to the historians Buchheim and Hardach, he emphasizes the American and British contribution to international trade as the US and Britain took the lead in establishing and maintaining such an international free trade system through which West Germany found an opportunity to export her goods and thus reintegrated with the Western Europe. On the one hand, West Germany's revival occurred within the Western European economic structure, on the other hand, West Germany was the engine for the growth of that economic structure.

Economic indicators and statistics of West Germany in the 1950s proved its rapid recovery after the Second World War. It was a fast spurt happened in a short span of time. The economic miracle was achieved through new arrangements and regulations applied in West Germany during the 1950s. Industrial production and export figures, decreasing number in unemployment and gradually increasing figures of gross national product were clear evidences of that rapid revival. The Western Allies played a significant role on the rapid revival of West Germany. Each event that the Western Allies took part in this context, was part of a path dependent process.

5.7. West Germany's Membership to International Organizations

After there had been change on the Occupation Statute with the Petersberg Agreement, by gathering the right to join international organizations, West Germany became a member of the OEEC at the end of October 1949 after which she signed the Marshall Plan Agreement with the US on 15 December 1949. Then, West Germany joined the Council of Europe on 1 July 1950. Another change on the Occupation Statute entered into force by 6 March 1951, allowing West Germany to establish her foreign ministry. On 18 April 1951, West Germany became one of the founding members of the ECSC along with five other Western states France, Italy and Benelux countries (JUNKER 2004, 91).

The French Foreign Minister, Robert Schuman's suggestion known as the Schuman Plan which was a project about the integration of coal and steel industries of Germany and France also including other Western European countries for the purpose of establishing a common market for the coal-rich Ruhr and Saar areas, pioneered the

establishment of the ECSC. And the ECSC paved the way for the European Economic Community (EEC), the aim of which was again establishing a common market but this time for a wider geography as Western Europe. West Germany would be again one of the founding members of the EEC by the Treaty of Rome signed in March 1957. Becoming member or founder of institutions, West Germany was gradually integrating into the western European and international community. This integration continued with her membership to the General Agreement on Tariffs and Trade (GATT) in 1951 and the International Monetary Fund (IMF) in 1952 (O'DOCHARTAIGH 2004, 59)

West Germany was accepted as a full member of the Council of Europe on 2 May 1951. And the Western Allies put an end to the official state of war with Germany on 9 July 1951. In the same period, the issue about rearmament of West Germany came to the fore. The US was supporting the idea that Germany should take place in a European army. This idea was also shared by France and West Germany. Thus, negotiations for a European Defense Community (EDC) began on 1 October 1951 in Paris among West Germany, France, Italy and the Benelux countries. Although there had been positive developments regarding the European army, how would be the relations between West Germany and the NATO were unclear. While France was hesitant to the membership of West Germany to NATO, West Germany was expecting to join NATO (PATTON 2001, 47).

However, the negotiations over EDC failed. This failure made the US nuclear power the only reliable security for Europe against Soviet aggression. Formation of the Western European Union (WEU) in October 1954 helped to handle West Germany's rearmament issue in favor of Western European security. However, the WEU could not be effective in the region (STONE in NUTI 2012, 344). On the other hand, accepting West Germany into the WEU was a result of the belief that the existence of the Soviet Union was posing a bigger threat than the possible German aggression. Besides, the social and economic activities that had once been conducted by the WEU were conveyed to other institutions in the region and the rearmament control on Germany lost its significance (PLANO 1988, 323).

The Korean War, on the other hand was another motive for the Western powers to decrease their reluctance about the rearmament of West Germany and thereafter the question whether West Germany should be rearmed became to what extent West

Germany would be rearmed. After several negotiations and the failure of the EDC, West Germany was finally accepted by the NATO foreign ministers in October 1954 to be a member of NATO. By becoming a member of NATO as a sovereign state in May 1955, West Germany, at the same time, became a member of the international community. This significant development in West Germany's situation after the Second World War was the achievement of the Western states under the leadership of the US as this strategy was based on containing the Soviet Union and preventing the reemergence of Germany as an aggressor (JUNKER 2004, 92-93).

West Germany's membership to international organizations after additional changes had been made by the Petersberg Agreement on the Occupation Statute can be deemed as one of the most important developments in favor of West Germany on the way of becoming a sovereign state. By becoming member of several international organizations, West Germany became more and more integrated with the western Europe. There were also two important developments: First, West Germany was allowed to establish her foreign ministry according to a change on the Occupation Statute and second, the Western Allies officially put an end to the state of war with Germany all of which were very crucial steps on the path towards the rapid revival of West Germany.

5.8. The Franco-German Rapprochement

Rapprochement, as a French origin diplomatic term, means to pursue a policy of reconciliation and an attempt to normalize the tense relations between rival states (PLANO 1988, 252). In the context of the role of Western Allies on the rapid revival of West Germany after the Second World War, it is necessary to mention also about the rapprochement between France and West Germany after the Second World War. At the beginning of the post-war period, France was a bit reluctant to join the other Western Allies, the US and Britain, in their efforts to support West Germany to become more integrated with the West. However, in the course of time, France started to carry out a policy of rapprochement with West Germany.

Lappenküper (GERMOND and TÜRK, 2008 151-155) claims that the fundamental change occurred in international relations, after the Second World War, reshaped the relations between France and Germany. In a new international system based on bipolarity, France was looking for maintaining her position in Europe and ensuring

her security. On the other hand, West Germany, under the leadership of Konrad Adenauer was also pursuing a policy of becoming a sovereign and equal partner in the West. Although the leaders of France and Germany was willing to develop the relations between two countries, things did not go as they expected throughout the 1950s. At last, the Franco-German enmity that had been inherited from generation to generation was dissolved by the Élysée Treaty signed on 22 January 1963.

It is stated by Munte (GERMOND and TÜRK, 2008 165-166) that the victors, right after the Second World War, were in the opinion of making Germany to pay the penalty for her responsibility and guilty in the outbreak and continuation of the war through demilitarization and decentralization. France, as a country that had been at war and threatened with Germany for a long time, was also pursuing a policy of retribution. However, the approach of Western Allies that they showed to Germany changed after a little while because of their changing relations with the Soviet Union. That fundamental change forced the Western Allies to give up their policy of retaliation and to begin supporting the revival and integration of Germany with the Western Europe.

Munte (GERMOND and TÜRK, 2008 166-167) also claimed that France was aware of the fact that continuation of the old hostility with Germany would not serve her goals of economic development and prosperity in the post-war period. Because, France was in a disadvantageous situation in terms of raw materials, especially coal and steel and she could not overcome this shortage alone. Besides, the US was requesting France to guide the reintegration of West Germany into the new Western European structure that was reshaped by the aid of Marshall Plan. An institutional solution succored France. The establishment of the European Coal and Steel Community (ECSC) would not only let France make use of German coal and steel sources, but also enabled her to have control over West Germany. On the other hand, West Germany was given no chance other than accepting to join in the newly established institutions if she wanted to be reintegrated in the Western Europe.

The admission of West Germany into European political, economic or military organizations was limited to some preconditions. The most significant precondition for West Germany's integration in the Western European system was the consent of France. Based on the centuries-long rivalry between France and Germany, it has become a well-

known expression that peace in Europe depends upon consensus or enmity between France and Germany. In the post-Second World War period, contrary to the previous system of sovereign states, a structure composed of supranational institutions, the leading members of which were France and Germany, was at the forefront (VALI 2019, 26-27).

It is stated by Bideleux (STONE 2012, 383-384) that the sustainability of post-war system should especially be based on ensuring security in the continent through supranational institutions. As a natural sequence, each nation in Europe would be equal under the laws. Although the supranational institutions established after the Second World War had economic characteristics, they had a further meaning than economics as they were more influential in terms of politics, peace-building and security. Besides, securing the post-war stability in Europe was based on Franco-German rapprochement and the recovery of West Germany in the fields of economy, politics and security to prevent West Germany's reemergence as an aggressor.

In the first years of the post-Second World War period, of the Western Allies, the US and Britain were pioneering the reintegration process of West Germany in the West, but France was a bit hesitant due to its bitter memories about Germany. However, the events happened in the post-war period, within a path dependent process necessitated a Franco-German rapprochement. This rapprochement was achieved via above examined institutions such as the OEEC, the ECSC etc. Through the establishment of institutions, France's concern about security, which could arise from German aggression would be thus assured. Because, through institutions, European powers would negotiate and consult each other as institutions restrict state power.

Restricting state power through institutions was an idea inherited from the Vienna Settlement. By the Vienna Settlement, the Western states started to pursue a policy of compromise through an institutional understanding by negotiation and consultation in order to reach their interests. After the Second World War, same as her allies, France was in quest of her political, economic and security interests. France reached this goal by becoming member of the same supranational institutions with West Germany. This was also for the benefit of West Germany. Because, if West Germany had not joined the Western organizations, she would not have been able to recover in such a short time.

Since the Vienna Settlement, the Western states have been in search of establishing and maintaining a stable and peaceful international order based on an institutional understanding. In the course of time, consequent events like the announcements of the Monroe Doctrine, the Fourteen Points and the Atlantic Charter were such cases that consolidated and maintained this institutional understanding. At the same time, these cases were not only the cornerstones of the path dependent process, but also crucial events that helped to pass down the institutional understanding to the successors in the Western political history. And that institutional understanding was the motive, which prompted the Western Allies to play a role on the rapid revival of West Germany after the Second World War. While playing this role, the Western Allies were under the influence of past events, that is, they were under the influence of path dependence.

CHAPTER 6

CONCLUSION AND RECOMMENDATIONS

Realism and Liberalism, as the two very mainstream theories of international relations, focused on competition and cooperation to analyze the reasons behind state behavior. This competition and cooperation had been for protecting and maximizing states' national interests. In this interaction, great powers always had a greater say on reshaping and regulating international order. However, there have also been structural imperatives, which forced great powers to act in a certain way. One of the most influential of those has been the power asymmetry among states. This asymmetric structure of international order, sometimes, led great powers to ease their domination/manipulation over weak states.

In the structure of international order, along with the power asymmetry among states, there was another factor, which has been influential on the behaviors of great powers: the prevalent intellectual structure. Since the eighteenth century, liberal thinking started to influence the Western great powers in their acts and relationships with other states. Both, under the power asymmetric structure and with the impact of liberal thinking, the international order, to be more precise, the European state order, gradually started to undergo a significant change. The 1815 Vienna Settlement was the critical juncture in this sense, by which a path dependent process commenced and lasted through the following decades.

Having in mind the historical fact that the nineteenth-century European state order was not liberal and the 1815 Vienna Settlement did not defend the liberal assumptions; there were some weak reflections of liberalism by virtue of Britain's interventions in the Congress of Vienna. Through a new balance of power system in Europe, on which the participating powers agreed, the 1815 Vienna Settlement initiated an institutional understanding. That institutional understanding was based on consultation mechanisms, forming alliances, conducting congress system and promulgating the European public

law. With great powers' relieving the grip on weaker states these institutional understandings were augmented, which contributed to the peace and stability in Europe. This peace and stability building processes in Europe ignited by the Congress of Vienna, provided a fertile environment for the development of liberal implementations later on.

Path dependence, in other words, historical institutionalism provides an insight to understand the European order based on an institutional understanding and its continuity in the post-Second World War period. Because such a favorable order has generated increasing returns and positive feedbacks, that is, it provided beneficial structure, which was necessary to maintain the interests of the Western powers, especially pertaining to the development and stability in trade and economy. The desire of Western powers to maintain that favorable order was also declared by later initiatives such as the Monroe Doctrine, the Fourteen Points of President Wilson and the Atlantic Charter. Whereas the Monroe Doctrine transformed the European balance of power into a worldwide system, the Fourteen Points and the Atlantic Charter were the announcements of the Western desire to establish and maintain a stable and peaceful international order.

In general terms, institutions are set of rules that constrain state behaviors. Besides, institutions form a stable and standardized relationships among states. Not only written rules but also unwritten customs, traditions and codes of conduct can be deemed as institutions. However, it is more accurate to call unwritten customs, traditions and codes of conduct as institutional understanding. From this point of view, the structural base of the European order established by the 1815 Vienna Settlement can be described as institutional understanding, rather than institutions. The institutional understanding, which was initiated by the 1815 Vienna Settlement, brought new codes of conduct among states and had impact on future decades. Institutions, such as international organizations were started to be utilized in international order formation in the twentieth century, especially after the two world wars.

Institutions play a significant role for establishing and keeping a stable and peaceful international order. Because institutions cannot make progress in disorder. Institutionalization of the world order necessitates great powers to ease their domination over weak states through cooperation. Establishing or consolidating alliances and negotiation systems such as congresses, conferences, international organizations or introducing laws and regulations are critical to sustain a stable international order. In such

a circumstance, even opposing states or relatively weak states have chance to express their opinions. Besides, institutions provide collective security and an understanding of conflict resolution. As institutions have adaptable and legitimate characteristics, they hinder major powers from taking arbitrary decisions or acting arbitrarily to a certain extent and mitigate the risk of disorder.

A global high-ranking status in international relations cannot be achieved in short term, but requires a long time due to the time necessary to develop and settle its institutions. The status reached at the end of the Second World War was also an outcome of such a long period. Past events influence future events, in other words, history matters. The international order established after the Second World War was not a result of a linear path. There were several wars, revolutions throughout the nineteenth and twentieth centuries. However, after great wars as the critical junctures, great powers were always in search of finding a way to reapply the stable and peaceful international order. Although there were cracks and disruptions on the path because of world wars, the beneficial and advantageous structure of such a stable international order based on institutions attracted the Western great powers to reestablish it.

During the Napoleonic Wars, France as the aggressor, threatened the international order. With the 1815 Vienna Settlement, Britain led a policy based on compromise and equilibrium, in other words, peace and stability, rather than retaliation and punishment against France. Britain was in quest for a stable international order for her interests and was aware of the necessity of making compromises, because there was power asymmetry among states. In line with the objective of establishing a peaceful and stable international order, what had been made under Britain's guidance in 1815 was tried to be implemented after 130 years in the leadership of the US in 1945. This time the aggressor was Germany which was threatening the order. The Western Allies, Britain and France congregated under the leadership of the US. The US, same as Britain did after the 1815 Settlement, pursued a policy of compromise in place of retribution in order to sustain the peaceful international order after 1945 for the sake of her national interests.

After 1945, the institutional understanding, which had been prevalent since the 1815 Vienna Settlement, again played a significant role in the reestablishment of post-war international order. On the other hand, the independent reactive sequential events, such as the speeches made by Winston Churchill and the US Secretary of State James

Byrnes, the fusion of American and British occupation zones, the Marshall Plan, the currency reform, the Berlin blockade and the Western airlift, that happened in the aftermath of the war as results of the desire of Western Allies to establish a stable international order and the disputations between the Western Allies and the Soviet Union, were also determinative. The Western Allies were obligated to act between the immediate need and desire of establishing a stable international order, the roots of which were in the past and the immediate threats that were expected to come from the Soviet Union in the future.

Under the influence of abovementioned path dependent process, the Western Allies acted in the direction of supporting a rapid recovery in West Germany. Maybe not on the revival itself, but on the rapid revival of West Germany, there was a direct role of the Western Allies based on their path dependent understanding of the formation of an institutional international order. As declared by Roosevelt and Churchill at the Atlantic Charter meeting, their first purpose was to end the Nazi dictatorship which had been hindering the desired peaceful international order based on freedom, self-determination and free market. In order to actualize this purpose, the Western Allies did not pursue a hostile policy towards Germany, rather they eased the tension and burden on Germany because for a stable Europe, there should be stability in Germany.

If it were not for the role of Western Allies, West Germany could again recover after the Second World War, but that recovery would not be so rapid and sustainable. As Germany was located in the heart of Europe, rapid revival of West Germany after the Second World War was necessary for the reconstruction of Europe and the reconstruction of Europe was necessary for the reestablishment of a stable and peaceful international order. The rapid recovery of West Germany after the Second World War has its roots within the history, which goes back to the 1815 Vienna Settlement by which a stable and peaceful international order based on an institutional understanding was established under the guidance of Britain. Therefore, the rapid recovery of West Germany after the Second World War was a good example of a path dependent process.

REFERENCES

- Alexander, G. (2001). Institutions, Path Dependence, and Democratic Consolidation. *Journal of Theoretical Politics*, 13(3), 249-270.
- Alt, P. & Schneider, M. (Winter, 1962). West Germany's "Economic Miracle". *Science & Society*, 26(1), 46-57.
- Bavaj, R., & Steber, M. (2015). Germany and 'the West', The History of a Modern Concept. Oxford: Berghahn Books.
- Braun, H.J. (1990). The German Economy in the Twentieth Century, The German Reich and the Federal Republic. London: Routledge.
- Chapman, T. (1998). The Congress of Vienna: Origins, process and results. London: Routledge.
- Coy, J.P. (2011). A Brief History of Germany. New York, NY: Facts On File, Inc.
- David, P.A. (2007). Path dependence: a foundational concept for historical social science. *Cliometrica, Journal of Historical Economics and Econometric History*, 1(2), 91-114.
- Ebbinghaus, B. (2005). Can Path Dependence Explain Institutional Change? Two Approaches Applied to Welfare State Reform. Max Planck Institute for the Study of Societies. MPIfG Discussion Paper 05/2.
- Eichengreen, B. & Ritschl, A. (Dec., 2008). Understanding West German Economic Growth in the 1950s. London School of Economics, Working Papers No. 113/08.
- Feld, W. (1963). Reunification and West German-Soviet Relations. The Hague: Martinus Nijhoff.
- Fioretos, O., & Falleti, T. G., & Sheingate, A. (2016). The Oxford Handbook of Historical Institutionalism. Oxford: Oxford University Press
- Fulbrook, M. (1992). The Two Germanies, 1945-1990 Problems of Interpretation. London: Macmillan Press Ltd.
- Fulbrook, M. (2015). A History of Germany 1918-2014 The Divided Nation (4th Ed.). Sussex: John Wiley & Sons, Ltd.
- Germond, C. & Türk, H. (2008). A History of Franco-German Relations in Europe, From "Hereditary Enemies" to Partners. In U. Lappenküper, On the Path to a "Hereditary Friendship? Franco-German Relations since the end of the Second World War. New York: Palgrave Macmillan.

- Germond, C. & Türk, H. (2008). A History of Franco-German Relations in Europe, From “Hereditary Enemies” to Partners. In V.G. Munte, A New Framework for Franco-German Relations through European Institutions, 1950 to 1954. New York: Palgrave Macmillan.
- Gilderhus, M.T., (2006). The Monroe Doctrine: Meanings and Implications. *Presidential Studies Quarterly*, 36(1), 5-16.
- Glossner, C. (2010). The Making of the German Post-War Economy. London: Tauris Academic Studies.
- Goodin, R. E. & Tilly, C. (2006). The Oxford Handbook of Contextual Political Analysis. Oxford: Oxford University Press.
- Greener, I. (2005). The Potential of Path Dependence in Political Studies. *Politics*, 25(1), 62-72.
- Grotewold, A. (Sep., 1973). West Germany's Economic Growth. *Annals of the Association of American Geographers*, 63(3), 353-365.
- Harrison, E. (2004). The Post-Cold War International System, Strategies, institutions and reflexivity. London: Routledge.
- Ikenberry, G. J., (2001). After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order After Major Wars. New Jersey: Princeton University Press.
- Junker, D. (2004) The US and Germany in the Era of the Cold War, 1945-1968, A Handbook, Volume I. In H. Rupieper, The United States and the Founding of the Federal Republic, 1948–1949., New York: Cambridge University Press.
- Kitchen, M. (2006). A History of Modern Germany 1800-2000. Oxford: Blackwell Publishing Ltd.
- Kloss, G. (1990). West Germany, An Introduction (2nd ed.). London: The Macmillan Press Ltd.
- Lamb, P. & Robertson-Snape, F. (2017). Historical Dictionary of International Relations. Maryland: Rowman & Littlefield.
- Layton, G. (2009). Democracy and Dictatorship in Germany 1919-1963. London: Hodder Education, Part of Hachette Livre UK.
- Lee, S. (1996). America and the shaping of post-war Germany, *German Politics*, 5(1), 145-150.
- Lerner, R. E., Meacham, S. & Burns, M. E. (1993). Western Civilizations, Their History and Their Culture (Vol.2) 12th Ed. New York: W. W. Norton & Company, Inc.
- Lewkowicz, N. (2010). The German Question and the International Order, 1943–48. Hampshire: Palgrave Macmillan.
- Liebowitz, S. J. & Margolis, S. E. (1999). Path Dependence. *Proceedings of the Academy of Political Science*, 981-997.
- Magnusson, L., & Ottosson, J. (2009). The Evolution of Path Dependence. Cheltenham: Edward Elgar Publishing Limited.

- McKittrick, F. L. (2016). *From Craftsmen to Capitalists: German Artisans from the Third Reich to the Federal Republic, 1939–1953*. New York: Berghahn Books.
- Merritt, R. L. (Nov., 1976). American Influences in the Occupation of Germany. *Annals, AAPSS* 428, 91-103.
- Morgenthau, H. (1948). *Politics Among Nations. The Struggle for Power and Peace*. New York: Alfred A. Knopf, Inc.
- Mureşan, Ş.S. (2014). *Social Market Economy, The Case of Germany*. Switzerland: Springer International Publishing.
- North, D. C. (1990). *Institutions, Institutional Change and Economic Performance*. Cambridge: Cambridge University Press.
- O'Dochartaigh, P. (2004). *Germany since 1945*. Hampshire: Palgrave Macmillan.
- Page, S. E. (2006). Path Dependence. *Quarterly Journal of Political Science*, 87-115.
- Patton, D. F. (2001). *Cold War Politics in Postwar Germany*. New York, NY: Palgrave Macmillan.
- Pierson, P. (Jun., 2000). Increasing Returns, Path Dependence, and the Study of Politics. *The American Political Science Review*, 94(2), 251-267.
- Plano, J.C. & Olton, R. (1988). *The International Relations Dictionary (Fourth Edition)*. Santa Barbara, CA: ABC-Clio, Inc.
- Prentzas, G.S. (2011). *Milestones in Modern World History. The Marshall Plan*. New York, NY: Chelsea House.
- Reich, N. (Jan., 1955). Germany's Labor and Economic Recovery. *Proceedings of the Academy of Political Science*, 26(2), 47-64.
- Reinert, E. S., Ghosh, J and Kattel, R. (Eds.). (2016). *Handbook of Alternative Theories of Economic Development*. In C.N. Biloft, The League of Nations and alternative economic perspectives. Glos: Edward Elgar Publishing Limited.
- Rixen, T., Viola, L.A. and Zürn, M. (Eds.). (2016). *Historical Institutionalism & International Relations*. Oxford: Oxford University Press.
- Roskamp, K. W. (July, 1961). Lessons from the West German 'Miracle'. *Challenge*, 9(10), 10-14.
- Shepherd, W. (Mar., 1924). The Monroe Doctrine Reconsidered. *Political Science Quarterly*, 39(1), 35-66.
- Smith, J. and Davis, S. (2017). *Historical Dictionary of the Cold War (Second Ed.)*. Maryland: The Rowman & Littlefield Publishing Group, Inc.
- Smith, T. (1994). *America's Mission, The United States and the Worldwide Struggle for Democracy in the Twentieth Century*. Princeton, New Jersey: Princeton University Press.

- Spicka, M. E. (Spring 2002). Selling the Economic Miracle: Public-Opinion Research, Economic Reconstruction, and Politics in West Germany, 1949-1957. *German Politics & Society*, 20-1(62), 49-67.
- Stone, D. (2012). The Oxford Handbook of Postwar European History. In M. Evans, Colonial Fantasies Shattered., Oxford: Oxford University Press.
- Stone, D. (2012). The Oxford Handbook of Postwar European History. In R. Bideleux, Important Limitations of Alan Milward's Erns Theses. Oxford: Oxford University Press.
- Sydow, J. & Schreyögg, G. (2010). The Hidden Dynamics of Path Dependence, Institutions and Organizations. Hampshire: Palgrave Macmillan.
- Szanajda, A. (2015). The Allies and the German Problem, 1941–1949: From Cooperation to Alternative Settlement. Hampshire: Palgrave Macmillan.
- Thiel, E. (Fall, 1988). West Germany's Role in the International Economy: Prospects for Economic Policy Coordination. *Journal of International Affairs*, 42(1), 53-73.
- Vali, F.A. (2019). The Quest for a United Germany. Baltimore: Johns Hopkins University Press.
- Van Hook, J.C. (2004). Rebuilding Germany, The Creation of the Social Market Economy, 1945-1957. New York, NY: Cambridge University Press.
- Van Hook, J. C. (Summer 2007). Translating Economics into Politics in Cold War Germany. *German Politics & Society*, 25-2(83), 104-116.
- WEB_1, (2017), Ian Greener, Encyclopedia Britannica's Web Site, <https://www.britannica.com/topic/path-dependence>, 15/12/2019.
- WEB_2, (2020), International Churchill Society's Web Site, <https://winstonchurchill.org/resources/speeches/1946-1963-elder-statesman/the-sinews-of-peace/>, 20/01/2020.
- WEB_3, (2015), The University of Luxembourg's CVCE.eu research infrastructure's Web Site, https://www.cvce.eu/en/obj/address_given_by_james_f_byrnes_stuttgart_6_september_1946-en-17a77af6-adcd-41b7-a724-5c7d98a08f76.html, 29/04/2020.
- WEB_4, (2001), U.S. Diplomatic Mission to Germany's Web Site <https://usa.usembassy.de/etexts/ga4-490512.htm>, 02/05/2020.
- Williams, A.J., Hadfield, A. and Rofo, J.S. (2012). International History and International Relations. Oxon: Routledge.
- Wimmer, A., & Kössler, R. (2006). Understanding Change, Models, Methodologies, and Methapors. New York, NY: Palgrave Macmillan.
- Zimmermann, H. (2004). Money and Security, Troops, Monetary Policy, and West Germany's Relations with the United States and Britain, 1950-1971. Cambridge: Cambridge University Press.

BACKGROUND (CV)

I was born in Germany in 1977 and had spent seven years there before settled in Istanbul with my family. Having completed my primary and secondary educations in Istanbul, I graduated in 2000 from Istanbul University, where I had studied international relations. Having worked in the foreign trade departments of some companies in the private sector for ten years, I started to work in the public sector in 2014. Since then, I have been working as a public servant.

Mehmet Mete ANAÇ