# The Berlin Republic: Reunification and Reorientation

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The "peaceful revolution" that took place in the German Democratic Republic (GDR) in the autumn of 1989 and led to the reunification of Germany on 3 October 1990, came as a surprise to most people at the time.<sup>1</sup> After the construction of the Berlin Wall on 13 August 1961, reunification was considered highly unlikely, if not impossible. The political, military and ideological contrast between East and West stood in the way of any fundamental change in the status quo. Even the Germans themselves had gradually become accustomed to the conditions of division. The younger generation no longer shared any personal memories of a single Germany. In addiction to the fact that since the early 1970s, the two German states had been developing "normal, good-neighbourly relations with each other on the basis of equal rights", as stated in The Basic Treaty of 21 December 1972 between the Federal Republic of Germany and the German Democratic Republic, was generally regarded as normality.<sup>2</sup>

## THE DISINTEGRATION OF THE GDR

However, the appearance of stability in the GDR was only superficial. It was based on the presence of 380,000 Soviet soldiers

<sup>&</sup>lt;sup>1</sup> For a detailed account see Ilko-Sascha Kowalczuk, Endspiel. Die Revolution von 1989 in der DDR, München 2009.

<sup>&</sup>lt;sup>2</sup> Vertrag über die Grundlagen der Beziehungen zwischen der Bundesrepublik Deutschland und der Deutschen Demokratischen Republik vom 21. Dezember 1972, in: Dokumente des geteilten Deutschland. Mit einer Einführung hrsg. von Ingo von Münch, vol. II, Stuttgart 1974, p. 301. Source of English translation: *The Bulletin*, vol. 20, no. 38. Published by the Press and Information Office of the Federal Government (Bundespresseamt), Bonn. Cf. website of the German Historical Institute:GDHI The Basic Treaty.

stationed in East Germany and the disciplining function of a powerful "state security apparatus", which together guaranteed the existence of the GDR. There were no free elections until 1990, because the political leadership had to assume that the citizens had rejected the communist regime and would most likely use such an opportunity to vote down the GDR's political system. During the 1950s, the popular uprising of 17 June 1953 and a ceaseless tide of refugees had already demonstrated the people's attitude towards their state. Whilst the subsequent sealing-off of all borders to the West on 13 August 1961 made escape virtually impossible, it also led to an increase in pressure within the GDR. The level of discontent grew, especially after the signing of the Helsinki Final Act by all of the European countries on 1 August 1975, which strengthened human rights and underscored the right to leave one's country.

As a result the GDR leadership introduced a policy of "demarcation" to reduce the effects of the policy of détente. The state security apparatus (Stasi) was developed into a comprehensive instrument of control over the GDR population. Whereas there were around 15,000 full-time members of staff in the mid-1950s, their numbers rose to over 91,000 by 1989. During the actual years of détente between 1971 and 1989, the figures practically doubled and displayed the largest growth rates during the second half of the 1970s.<sup>3</sup> In addition to this there were the Stasi's "unofficial collaborators" who had also made a substantial contribution towards spying on their fellow citizens in the GDR. Their numbers rose from around 100,000 in 1968 to over 170,000 in the 1980s.<sup>4</sup>

Nevertheless, the Stasi's combined efforts still failed to prevent the GDR citizens from taking the climate of détente as an opportunity to call for a corresponding relaxation in the oppressive censorship and surveillance prevailing in their country. The highly restricted autonomy of intellectuals, writers and artists was clearly

<sup>&</sup>lt;sup>3</sup> Figures from: Jens Gieseke, Die hauptamtlichen Mitarbeiter der Staatssicherheit. Personalstruktur und Lebenswelt 1950-1989/90, Berlin 2000, p. 556 ff.

<sup>&</sup>lt;sup>4</sup> Figures from: Helmut elmuthMüller-Enbergs (ed.), Inoffizielle Mitarbeiter des Ministeriums für Staatssicherheit. Richtlinien und Durchführungsbestimmungen, Berlin 1996, p. 54 ff. See also David Gill und Ulrich Schröter, Das Ministerium für Staatssicherheit. Anatomie des Mielke-Imperiums, Berlin 1991, p. 95 ff.

demonstrated in 1976 when the critical singer-songwriter Wolf Biermann left for a concert tour to the Federal Republic and was then refused re-entry into the GDR. Friends and acquaintances who protested against this move were also persecuted. Numerous prominent GDR writers, actors and musicians were either expatriated or issued with long-term permits to leave the country. Their exodus represented not only a heavy intellectual loss to the GDR, but also a clear sign of helplessness on the part of the Socialist Unity Party (SED)'s leadership which, in the wake of détente, could think of no better alternatives than to expatriate undesirable dissenters in an effort to shore up the regime's stability.

The Evangelical churches in particular now became an important rallying point for the opposition. Peace and environmental groups which, among other things criticised the Soviet invasion of Afghanistan in December 1979 and, like the Umweltbibliothek in East Berlin documented and branded environmental destruction in the GDR, gathered in and around the church communities. Within this context the Nikolaikirche in Leipzig became a symbol of the growing opposition culture. After 1980, the peace movement which opposed the stationing of new missiles in Europe gained importance in the GDR.5 The fact that the mood in the GDR was changing fundamentally was also clearly illustrated by the dramatic increase in the number of GDR citizens entering applications to leave the country, even though this entailed severe discrimination and criminalisation. The situation came to a head with the first "embassy occupation" in July 1984, when 50 East Germans sought refuge in the Permanent Representation of the Federal Republic in East Berlin in an effort to gain a permit to leave the GDR. Evidently many East Germans had lost hope that living conditions in the GDR would improve in the near future.

The frustration amongst East Germany's inhabitants was further increased by examples of change in Poland, Hungary and Czechoslovakia. However the GDR leadership first felt a real cause for alarm when the CPSU appointed Mikhail Gorbachev as General

<sup>&</sup>lt;sup>5</sup> See Stephan Bickhardt, Die Entwicklung der DDR-Opposition in den 80er Jahren, in: Materialien der Enquete-Kommission "Aufarbeitung von Geschichte und Folgen der SED-Diktatur in Deutschland" (12. Wahlperiode des Deutschen Bundestages), published by the Deutscher Bundestag, vol. VII, 1, Baden-Baden 1995, p. 462 ff.

Secretary on 10 March 1985. Although the new Soviet party leader and head of state had no comprehensive reform concept, his policy of "openness" (*glasnost*) and "restructuring" (*perestroika*) indicated the advent of far-reaching changes. From the GDR perspective, this policy, which Gorbachev himself called the "Second Russian Revolution",<sup>6</sup> posed a real threat because it signalled a decline in the repressive power of the party and state apparatus. What is more, since 1987 at the latest, Gorbachev's reform concept also led to a revision of the Brezhnev Doctrine with which the Soviet leadership had explicitly reaffirmed its guaranteed backing for the socialist systems in the East European countries following the suppression of the "Prague Spring" in 1968. The withdrawal of this guarantee threatened the very foundation of the GDR, which had never been able to claim politically legitimate existence based on free elections.

Instead of reacting to this "reformist encirclement" with its own reforms, the SED leadership pursued a path of self-isolation. Consequently, more and more GDR citizens decided to turn their backs on their country. In the summer of 1989 alone, 120,000 people applied to leave for the Federal Republic. In addition to this, in July and August, hundreds of GDR citizens who had finally lost patience tried to achieve their desire to leave by occupying western - especially West German - diplomatic representations in Budapest, Warsaw, East Berlin and Prague. The Federal Republic of Germany's embassy in Prague actually had to close within two weeks because of overcrowding. There was a spectacular climax in the tide of refugees on 19 August during a "Pan-European Picnic" near Sopron on the Hungarian-Austrian border when some 600 East German holidaymakers used the opportunity to flee to Austria. Although the Hungarian border guards witnessed this mass exodus, they made no effort to intervene.

From then on, the "Iron Curtain" at all intents and purposes lost its function. The flood of refugees pouring into the Federal Republic via Hungary and Austria continued to grow. At the same time the numbers of protests and demonstrations inside the GDR increased. Since June 1989, protest actions had been staged on the seventh day of every month to act as a reminder of the manipulation that had taken place during the local elections

<sup>&</sup>lt;sup>6</sup> Michail Gorbatschow, Perestroika. Die zweite russische Revolution. Eine neue Politik für Europa und die Welt, München 1987.

of 7 May 1989 and had been exposed by election observers. In addition to this, 1,200 people took part in the first of the regular "Monday demonstrations" in Leipzig on 4 September following prayers for peace in the Nikolaikirche. Demands were made for the freedom to travel and freedom of assembly. By 25 September the number of people taking part in the Monday demonstrations had risen to around 5,000; on 2 October they had already reached over 20,000.

### THE REUNIFICATION OF GERMANY

Encouraged by the demonstrations and the feeble reaction of the state authorities, political organisations started to form. Some of them regarded themselves as parties, others as citizens' action groups and movements. Between July and October over 50 parties and citizens' movements emerged deeply, shaking the fabric of the SED regime and thus precipitating the collapse of the GDR. The SED leadership had now found itself confronted not only with the liberalisation tendencies in Eastern Europe and the flood of refugees leaving the GDR but also with growing unrest and opposition within the country itself.

It was against this background that the SED's General Secretary Erich Honecker was forced to resign by his own Politburo on 17 October 1989. But his successor, Egon Krenz, who had been Honecker's deputy for several years, lacked all credibility as a reform politician. On the contrary, he incorporated the typical negative image of the humourless, stiff-necked party official from the old SED elite. Admittedly, his decision to prepare a new law on travel to the West contributed significantly to the opening of the Wall, but this did not reduce the protests against the SED regime, nor did it abate the increasing flood of refugees. Recognising the futility of his efforts, Krenz resigned at the beginning of December.

In addition to this, Hans Modrow who had been appointed as the new GDR Prime Minister on 13 November 1989, had admitted that the GDR economy was heading towards bankruptcy. Apart from a budget deficit of 120 billion DM and a foreign debt of 20 billion dollars, the country's productivity figures were particularly alarming: since 1980, productivity in the East German factories had declined by about 50 per cent and there was no end in sight to the downward trend. As a result, Modrow proposed a "contractual agreement" between the two German states in his policy statement of 17 November 1989 and referred to the possibility of a "German confederation" in order to gain economic support from the Federal Republic and the European Community.<sup>7</sup>

These developments were followed with great interest in the Federal Republic. On 28 November, Federal Chancellor Helmut Kohl responded with a "Ten Point Plan" proposing a series of measures ranging from "immediate assistance" for the GDR to the establishment of the "contractual community" envisaged by Modrow and the development of "confederative structures" between the two German states "with the aim of creating a federation, that is, a federal order in Germany." Kohl said that no one knew what a reunified Germany would ultimately look like. However, he was certain that unity would come when the people in Germany wanted it: "Reunification – that is, regaining Germany's state unity – remains the political aim of the federal government," said Kohl.<sup>8</sup>

By this time there was hardly any alternative to reunification which was being called for more and more vociferously by the people in the GDR. For instance, on 11 December alone, over 300,000 people demonstrated in the streets of Leipzig. Many of them were carrying black-red-and-gold flags, including some bearing the federal eagle, and chanting "Deutschland! Deutschland!" According to a survey carried out by the *Leipziger Volkszeitung* on the same day, approximately three-quarters of the city's 547,000 population supported reunification. Things were no different in other cities and villages in the GDR.

Concrete planning for the first reunification steps started at the end of January and the beginning of February 1990. During a visit to East Berlin by Chancellery Minister Rudolf Seiters on 27 January, Prime Minister Modrow painted a bleak picture of the situation in his country: he said that state authority was rapidly disintegrating, strikes were spreading and the general mood in the

<sup>&</sup>lt;sup>7</sup> "'Nur in den Grenzen von heute' – DDR-Ministerpräsident Hans Modrow über die Lage in seinem Land und die deutsch-deutsche Zukunft", in: Der Spiegel, 4 December 1989, p. 34.

<sup>&</sup>lt;sup>8</sup> Zehn-Punkte-Programm zur Überwindung der Teilung Deutschlands und Europas, vorgelegt von Bundeskanzler Helmut Kohl in der Haushaltsdebatte des Deutschen Bundestages, 28. November 1989, in: Europa-Archiv, 44. Jg. (1989), p. D 731 ff. Translation source: website of German Historical Institute:GHDI - Document Helmut Kohl's Ten-Point Plan for German Unity

population was becoming increasingly aggressive. Consequently, negotiations on the establishment of a contractual community should begin immediately; high levels of financial assistance and industrial cooperation were absolutely essential in order to prevent the impending collapse.<sup>9</sup> Two days later, Modrow travelled to Moscow for a meeting with General Secretary Gorbachev. He was carrying a paper with the pertinently allusive title "For Germany, united Fatherland", which he had prepared during several meetings in East Berlin with the Soviet Ambassador Vyacheslav Kochemasov. The draft envisaged a step-by-step unification process for Germany with Berlin as its capital.<sup>10</sup> The Soviet leadership agreed. However, negotiations were soon to be held with the United States, Great Britain and France in order to develop a four-power framework for the pending changes and to find a solution that also took into account the interests of the GDR.

In Bonn, teams were already being established to work out practical proposals for the actual reunification process. A "Working group: Germany Policy" was set up immediately after the cabinet meeting in the chancellery to coordinate the activities involved in working out the reunification proposals.<sup>11</sup> The proposals first covered the establishment of a monetary, economic and social union between the Federal Republic and the GDR with the main aim of introducing the Deutschmark in East Germany but also, in the final instance and according to Kohl, with the aim of "taking a decisive step on the path to German unity".<sup>12</sup> In the GDR itself, the population was also pressuring for speedy reunification: the elections for the East German parliament on 18 March 1990 – the first free elections ever to be held in the country – resulted in a

<sup>10</sup> Full text of the draft "Für Deutschland, einig Vaterland" in: Hans Modrow, Aufbruch und Ende, Hamburg 1991, Anlage 6, p. 186-188. See also Modrow's statement at the press conference on 1 February 1990 explaining his draft, in: ibid., Anlage 5, p. 184 ff.

Translator's note: the phrase "Deutschland, einig Vaterland" is the fourth line in the first verse of the GDR national anthem. It was also often chanted in the East German demonstrations leading up to reunification. (A.R.)

<sup>11</sup> Teltschik, 329 Tage, p. 121.

<sup>&</sup>lt;sup>9</sup> Cf. Horst Teltschik, 329 Tage. Innenansichten der Einigung, Berlin 1991, p. 115.

<sup>&</sup>lt;sup>12</sup> Helmut Kohl, Ich wollte Deutschlands Einheit. Dargestellt von Kai Diekmann und Ralf Georg Reuth, Berlin 1996, p. 262.

landslide victory for the CDU which had entered an electoral alliance with the Demokratischer Aufbruch (Democratic New Beginning) and the Deutsche Soziale Union (German Social Union) to form the "Allianz für Deutschland" (Alliance for Germany) and had argued for quick reunification. The result was unequivocally in favour of rapid reunification and decisively against any ideas to merely reform the GDR, reflecting the demands of the majority of the popular movements. In short: the GDR had been virtually voted out of existence.

After Lothar de Maizière (CDU) had been elected to succeed Modrow as the new Prime Minister of the GDR on 12 April 1990, the treaty introducing monetary, economic and social union was signed in Bonn on 18 May. This was followed on 31 August 1990 by the Treaty on the Establishment of German Unity (also known as the "Unification Treaty") which regulated the details of Germany's internal development after reunification. This was complemented by the Two Plus Four Treaty of 12 September 1990 between the two German states and the four victorious allies of World War II who agreed on the foreign political aspects of German unification, including frontier issues, membership in military alliances and the strength of the German army. Since it was a form of peace treaty its precise title was "Treaty on the Final Settlement with respect to Germany of 12 September 1990". In the end all European countries and the USA and Canada voted in favour of the Two Plus Four Treaty, and consequently for German reunification, at a meeting of the Conference on Security and Co-operation in Europe (CSCE) which took place in New York on 2 October 1990. Reunited Germany became part of a new European order, in which from the very beginning it could feel itself to be a player equally accepted by all, and by no means out of place.

### THE BIRTH OF THE "BERLIN REPUBLIC"

The reunification of Germany on 3 October 1990 also marked the birth of the "Berlin Republic", although this was not so apparent at first. Whilst the GDR ceased to exist with East Germany's accession to the jurisdiction of the Basic Law (GG) according to Article 23 GG the GDR, it was not clear at first how strongly the "old" Federal Republic would be affected by this turning point in history. This applied especially to the Federal capital, Bonn, which the Parliamentary Council had chosen as the provisional seat of parliament and government on 10 May 1949.

Over the years between 1949 and 1990 the "provisional Federal Republic" – including its political centre on the Rhine – had actually developed into something so permanent that it had become quite difficult for people to imagine any change in the situation. Meanwhile Berlin's significance had increasingly diminished. Its old function as capital seemed to lack any perspective for the future, even in the minds of many who, during the Cold War years, had upheld the seemingly unrealistic idea of a somehow united Germany with Berlin as the common capital. Nevertheless, the improbable had now become reality: Berlin was back on the agenda.

A good eight months later, following a memorable and emotionally charged debate, the German Bundestag decided on 20 June 1991 to move reunited Germany's seat of parliament and government from Bonn to Berlin. Admittedly some of the ministries and subordinate authorities remained on the Rhine. Nevertheless the core of the government returned to Berlin, which thus regained its traditional function as capital of Germany: the "Bonn Republic" was transformed into the "Berlin Republic".

Whether there is any sense in creating names, which have nothing to do with the actual name of the state for which they stand, is of course open to debate. However, there is some sense in referring to the "Berlin Republic" in order to highlight the contrast with the "Bonn Republic", both in terms of the mode of government as well as the overall domestic and foreign political constellation. Consequently, the difference is not so much determined by the location of parliament and government – especially since the actual move did not take place until 1999 – as by the newness of the political, economic, social and cultural environment in which united Germany began performing in 1990. This is also the reason why 3 October 1990 should be regarded as the actual date on which the "Berlin Republic" was born.

The most important changes accompanying the development of the Berlin Republic include the fundamental alterations in foreign and security policy after the end of the Cold War. Alongside the reunification of Germany, the collapse of communism, the disintegration of the Soviet Union and the resulting growth of independence among numerous states in central, eastern and south-eastern Europe were processes of historical significance, which generated the need for substantial reorganisation in Europe. Here, the Federal Republic supported the achievement of a single European market and the perspective of a political union in Europe, which would include an extension of the European Community's areas of activity and responsibility, institutional reforms and regulations on a common foreign and security policy.<sup>13</sup> In addition to this the Federal Republic supported the enlargement of the European Community, at first favouring the accession of Finland, Sweden, Norway and Austria, because their economic structures promised a smooth, uncomplicated integration process.<sup>14</sup> However, an eastern extension of the European Community was also already under consideration in 1989/90 in order to support the transformation process in the central and eastern European states, to accelerate the economic adjustment process and to create the foundations of a new, overall European architecture. As Chancellor Kohl remarked on 2 October 1990: "At this time this means that the European Community has a decisive role to play in supporting political, economic and social change in central, eastern and southeastern Europe." He said that of course united Germany would make a "significant contribution" to these efforts because, as a country in the heart of Europe, Germany has "every interest in overcoming the West-East economic divide in Europe."15

This meant that Germany returned from a sideline position in the East-West conflict to its traditional central position in Europe and started to have a decisive influence on its reshaping.<sup>16</sup> A keystone was laid with the Treaty of Maastricht, which was signed on 7 February 1992 and stated that it "marks a new stage in the process of creating an ever closer union among the peoples

 <sup>&</sup>lt;sup>13</sup> For a detailed study see Curt Gasteyger, Europa von der Spaltung zur Einigung.
Darstellung und Dokumentation 1945–2000, fully revised new edition, Bonn 2001.
<sup>14</sup> Rudolf Hrbek, Deutschland und der Fortgang des europäischen

Integrationsprozesses, in: Werner Süß (ed.), Deutschland in den neunziger Jahren. Politik und Gesellschaft zwischen Wiedervereinigung und Globalisierung, Opladen 2002, p. 304.

<sup>&</sup>lt;sup>15</sup> Die Erfüllung eines geschichtlichen Auftrags, in: Helmut Kohl, Bilanz und Perspektiven. Regierungspolitik 1989–1991, vol. 2, Bonn 1992, p. 657 f.

<sup>&</sup>lt;sup>16</sup> See especially Hans-Peter Schwarz, Die Zentralmacht Europas. Deutschlands Rückkehr auf die Weltbühne, Berlin 1994; and Gregor Schöllgen, Die Macht in der Mitte Europas, München 2000.

of Europe".<sup>17</sup> This not only signalled the step-by-step realisation of the long awaited economic and monetary union, which include a single European market, the "euro" as a common currency and the European Central Bank (ECB) in Frankfurt am Main modelled after the Deutsche Bundesbank, but also political union. At the same time the European integration group received a promising new name: "European Union" (EU). It consisted of three pillars: the existing European Communities, the Common Foreign and Security Policy (CFSP) and Police and Judicial Co-operation in Criminal Matters (PJCC).

At the same time there was growing pressure on Germany to participate with its own troops in peacekeeping or even peacemaking measures of the international community. During the Gulf War, following the invasion of Kuwait by Iraqi troops on 2 August 1990, the Federal Government was still able to "buy itself out" with a substantial financial contribution of about 18 billion DM. In other cases, and especially during the civil war in Yugoslavia, it was no longer possible to maintain this passive stance. As of 1991 the Federal Republic then provided transport support to UN disarmament experts involved in United Nations missions based in Bahrain. In 1992/93 the Bundeswehr set up and ran a field hospital for a UN contingent in Cambodia. This was followed by missions in Somalia and Kenya (1992 to 1994), Georgia and Abkhazia (1994), Rwanda (1994), Croatia (1995/96) and Bosnia-Herzegovina (1997 to 1999).

Finally, following clarifications in the terms of Germany's constitutional law (GG), direct operational missions became possible for the Bundeswehr. The Federal Constitutional Court decision of 12 July 1994 affirmed that, according to Article 24 para. 2 GG, the Federal Republic was authorized to enter into a system of mutual collective security, and that Article 24 para. 2 GG "provides the constitutional basis for assuming the typical tasks associated with such a system", which "regularly" included the armed forces. Article 87a GG was not seen to stand in the way of applying Article 24 para. 2 GG. Rather, "the deployment of German armed forces within the framework of a system of mutual collective

<sup>&</sup>lt;sup>17</sup> Vertrag über die Europäische Union, Maastricht, 7. Februar 1992, in: Gasteyger,Europa von der Spaltung zur Einigung, Dokument D 103, p. 428.

security into which the Federal Republic of Germany has entered according to Article 24 II GG is not excluded by Article 87a GG".<sup>18</sup> It is particularly worth noting in this context that the Federal Constitutional Court deemed not only the UNO but also NATO to be a "system of mutual collective security in the sense of Article 24 II GG". However, in its decision the court placed every armed operation of the Bundeswehr under a parliamentary scrutiny reservation. In other words: the Bundestag always has to consult on its agreement.<sup>19</sup>

This was the background that enabled German armed forces to be deployed not only against Serbia in the Kosovo conflict in 1999 but also to participate in the operation "Enduring Freedom" in Afghanistan with a contingent of up to 3,900 soldiers.<sup>20</sup> On 18 September 2001 the NATO Deputy Supreme Allied Commander Europe, General Dieter Stöckmann, commented in a telephone interview with the radio station Deutschlandfunk that the Germans had enjoyed "the great benefit and of protection" of NATO during the Cold War and thus had "a special obligation" to "clearly demonstrate their solidarity, and not just pay lip service".<sup>21</sup> Germany also played a central role at the subsequent Afghanistan peace talks held in 2002 at the Petersberg near Bonn, whilst the SPD-Green coalition government 2002/03 rejected participation in the war against Iraq, arguing that there was no recognisable connection between international terrorism and the regime of Saddam Hussein.

<sup>&</sup>lt;sup>18</sup> Entscheidungen – Bundesverfassungsgericht, p. 2211, quoted after: Andreas M. Rauch, Auslandseinsätze der Bundeswehr, Baden-Baden 2006, p. 65 f. <sup>19</sup> Ibid., p. 97.

<sup>&</sup>lt;sup>20</sup> Deutscher Bundestag, 14. Wahlperiode, Drucksache 14/7447, Beschlussempfehlung und Bericht "Einsatz bewaffneter deutscher Streitkräfte bei der Unterstützung der gemeinsamen Reaktion auf terroristische Angriffe gegen die USA auf Grundlage des Artikels 51 der Satzung der Vereinten Nationen und des Artikels 5 des Nordatlantikvertrages sowie der Resolutionen 1368 (2001) und 1373 (2001) des Sicherheitsrats der Vereinten Nationen", 14 November 2001.

<sup>&</sup>lt;sup>21</sup> Wie werden die Nato-Partner den Vereinigten Staaten beistehen? Interview mit General Dieter Stöckmann, Stellvertretender NATO-Oberbefehlshaber Europa, 18 September 2001, in: Die Zeit, No. 38, 2001.

#### **PROBLEMS OF INNER UNIFICATION**

The mood inside Germany following unification fluctuated between euphoria and disillusionment. Amidst the overwhelming enthusiasm that accompanied the extraordinary pace of events during the turning point of 1989/90 there was a tendency to overlook the inevitable difficulties associated with the structural changes needed in both parts of Germany as a result of reunification. When Federal Chancellor Helmut Kohl said in a government statement to the Bundestag on 21 June 1990 that only monetary, economic and social union between the two German states offered "the chance that Mecklenburg-Western Pomerania, Saxony-Anhalt, Brandenburg, Saxony and Thuringia will soon be flourishing landscapes again, where it will be worthwhile to live and work", he awoke expectations that were hard to fulfill straight away.<sup>22</sup> Nevertheless, the term "flourishing landscapes", which Kohl repeatedly used in the following weeks and months to express his confidence in the success of the reunification process, was entirely in tune with the zeitgeist. Yet, contrary to the clear expectations of many, the promise this optimism conveyed could not be fulfilled overnight. Time was needed for the recovery process, but it seemed like stagnation. As a result the chancellor's phrase gradually reversed in meaning. It now stood for the deindustrialisation of East Germany: "flourishing landscapes" no longer meant renovated villages, vibrant cities and thriving business parks, but disused industrial expanses and marshalling yards, which were gradually being reconquered by nature.

Available data underline the dramatic decline of the East German economy since 1990: industrial production, which had already fallen by half between 1989 and autumn 1990, fell to 30 per cent of the 1989 figures by April 1991 and showed little sign of recovery in the following years. In 1997 figures for the Federal Republic showed that industrial production in East Germany accounted for just 9 per cent and 10.5 percent of industrial employees (in an area covering 30 per cent of the country with 21.5 per cent of the population). In 1989 the comparative figures had

<sup>&</sup>lt;sup>22</sup> Deutscher Bundestag, Plenarprotokoll 11/217, 21. Juni 1990, quoted after: Kohl,Bilanz und Perspektiven, vol. 2, Bonn 1992, p. 593.

been 20 per cent of industrial production and 32 per cent industrial employees respectively.<sup>23</sup> In 1990 the area's gross domestic product sank by 30.5 per cent and again by 2.2 per cent in 1991, before showing a very gradual improvement.<sup>24</sup>

Although similarly drastic economic breakdowns failed to materialise in other transformation countries, such as Poland, Czechoslovakia or Hungary, it is doubtful whether the collapse in East Germany could have been avoided. The currency changeover was just as politically expedient as the rapid raising of wages which, although remained below those in the old Federal Republic, often outstripped actual industrial productivity levels. If wages had not been raised immediately, there would have been a danger of social unrest, or mass migration to western Germany would have continued unabated. The western side was unable to influence the shortage of foreign exchange amongst the former COMECON customers. And - in contrast to the eastern European countries - inflationary financing of demand was out of the question in Germany which still had vivid memories of 1923 and 1948. Apart from this, the Bundesbank already had fears for the stability of the Deutschmark from the currency changeover of 1 July 1990. So the only option was to expose the East German economy to a form of "shock therapy" which it would not survive.

However, the accompanying mass unemployment, the sudden confrontation with a completely new economic and socio-cultural environment, along with the devaluation of previous institutions, norms and achievements, triggered a "transformation and unification shock" amongst the East German population which led to uncertainty, disappointment and resignation. These developments gave rise to the term "unification crisis" (Jürgen Kocka).<sup>25</sup> Although Germany was now reunited, two societies continued to exist. So in the mid-1990s the question was regularly asked, whether this alienation between East and West could disturb the unification process and for how long it was likely to affect developments in Germany.

<sup>&</sup>lt;sup>23</sup> Cf. Gerhard Kehrer, Industriestandort Ostdeutschland. Eine raumstrukturelle Analyse der Industrie in der DDR und in den neuen Bundesländern, Berlin 2000, p. 165.

<sup>&</sup>lt;sup>24</sup> Figures from: Michael Kaser, East Germany's Economic Transition in Comparative Perspective, in: Jens Hölscher (ed.), Germany's Economic Performance. From Unification to Euroization, New York 2007, p. 231.

<sup>&</sup>lt;sup>25</sup> Jürgen Kocka, Vereinigungskrise. Zur Geschichte der Gegenwart, Göttingen 1995.

In actual fact the East Germans adapted to the new conditions to a far greater degree and more successfully than is often assumed. Quite apart from the lack of any East German "separatism" or any appreciable efforts to turn back the clock, the surveys carried out since 1990 regularly showed that about 80 percent of those interviewed were in favour of the change in the political system and the unification of Germany. Even more astonishing is the fact that this approval extended throughout all levels of society and all political parties. Consequently, the sense of disillusionment did not arise from a categorical objection to reunification; rather it was mainly an accompanying phenomenon of the disappointment that developed in the wake of the difficult economic conditions surrounding the unification process. After the system change and the institutional transfer had been largely completed in the mid-1990s, people also began to adjust subjectively to reunification in an effort to orientate themselves within the new structures. Depending on the level of success or setbacks the new conditions were seen as a stroke of luck, a chance and a challenge, or as a burden, exclusion, trauma and the end of previous life plans.<sup>26</sup>

Even though twenty years have passed since the fall of the Wall, it is still not possible to say that the two once separate German societies have grown together completely. Although the image of the "Wall in our heads" may seem exaggerated, since it unreasonably diminishes the unification achievements in both East and West, the continuing differences between these two areas cannot be ignored. However, it is worth remembering that the establishment of the old Federal Republic following the turning point of 1945/49 was not completed until the late 1960s or early 1970s, which means it took a good two decades. Admittedly, in this case the change took place under far more favourable conditions than those in the former GDR after 1989/90. This was because the economic miracle, the modernisation of society, the establishment of an integrating party system, but above all the overwhelming awareness of the thoroughly discredited previous National Socialist regime - including the total defeat in war - acted as powerful driving forces for creating new political structures in the Federal Republic. Such conditions were only partially present in united

<sup>&</sup>lt;sup>26</sup> For a detailed analysis see Rolf Reißig, Die gespaltene Vereinigungsgesellschaft. Bilanz und Perspektiven der Transformation Ostdeutschlands und der deutschen Vereinigung, Berlin 2000, p. 65 ff.

Germany after 1990. For this reason we can assume, as Oscar W. Gabriel wrote in his modified Willy Brandt remark, "that it will still take a long time before what belongs together has grown together".<sup>27</sup>

### ECONOMY AND PARTIES

In addition to foreign and security policy, the challenges facing the "Berlin Republic" after reunification included especially economic, social and financial policy. Unity did not come at a fixed price, but added up over the twenty years following 1990 to a sum of around two billion euros, which had to be financed mainly by the economy in the west of the country. In particular, the social achievements that were an essential part of the old Federal Republic's defining image and were extended to the whole of Germany when the monetary, economic and social union came into effect in 1990, became increasingly difficult to finance. During the 1990s the Kohl government already recognised the need for fundamental changes in tax legislation, but was unable to push this through the two chambers of the Bundestag and the Bundesrat. Finally, the SPD-Green coalition under Federal Chancellor Gerhard Schröder managed to produce a concept with the proposals of the Hartz Commission 2002 and the Agenda 2010, which was presented to parliament on 14 March 2003. This concept planned drastic cutbacks in the social budget based on the fundamental need, as Schröder stated, to "cut social benefits, promote personal responsibility and demand greater personal contributions from every individual".<sup>28</sup>

Whilst this social-political change was endorsed by the government coalition, it nevertheless unleashed a wave of protest, which also affected the SPD and finally, with the substantial support of several trades unions, led to the formation of a public movement, which called itself the "Electoral Alternative for Work and Social Justice" (WASG). In the Bundestag elections on 18 September 2005 the WASG formed an election platform with

<sup>&</sup>lt;sup>27</sup> Oscar W. Gabriel u.a. (eds.), Wächst zusammen, was zusammen gehört? Stabilität und Wandel politischer Einstellungen im wiedervereinigten Deutschland, Baden-Baden 2005, p. 422.

<sup>&</sup>lt;sup>28</sup> Deutscher Bundestag, Stenographischer Bericht. 15. Wahlperiode, 32. Sitzung, Berlin, Freitag, den 14. März 2003 (Plenarprotokoll 15/32), p. 2479 f.

the PDS – the successor to the former SED in the GDR – which then added "Linkspartei" to its name (The Left Party. PDS). The alliance, headed by Oskar Lafontaine - who only left the SPD in May 2005 – and the PDS party leader Gregor Gysi, won 8.7 per cent of the votes and 54 seats in the Bundestag creating a solid basis for its parliamentary work. On 16 June 2007 the WASG, which had remained independent until then, merged with The Left Party, PDS which now simplified its name to "Die Linke" (The Left Party). In this way the PDS, which since 1990 had successfully survived as a regional party in East Germany, contributed its potential with the help of Lafontaine and the WASG to a Germany-wide Left Party, which now set about changing the shape of the German party landscape. Admittedly, this development would hardly have been possible had not the economic burdens of reunification made such inroads into the financial basis of social policy, forcing a socialpolitical U-turn on the part of the government and thus mobilising a large number of protest voters.

In the wake of these developments the SPD lost the basis needed to continue the SPD-Green coalition in the early Bundestag elections of 18 September 2005 and was compelled to enter a Grand Coalition with the CDU/CSU under Federal Chancellor Angela Merkel. However, the new government carried on the reform policies of the Agenda 2010 to a large extent, because there was no feasible alternative to the new restructuring measures in economic, financial and labour market policies envisaged under Schröder. The key element of the coalition agreement of 18 November 2005 was the continued consolidation of the budget through savings and cuts in spending, and increases in taxation. The drastic reduction in unemployment over the following years confirmed the soundness of this policy and contained an element of belated satisfaction for Schröder, from which he was no longer able to benefit. In foreign policy, however, Chancellor Merkel (CDU) and Foreign Minister Walter Steinmeier (SPD) returned to the clear western orientation of earlier governments, thus renewing continuity with the old Federal Republic, but without calling into question the moves that had already been made in policies towards Europe and Russia.

#### **INTERIM ASSESSMENT**

Therefore the interim assessment after twenty years of the Berlin Republic is altogether positive. The consequences of the 1989/90 upheaval appear to be largely overcome. The changes are admittedly substantial. But in the foreign political sphere Germany has fitted into the new European power structures and convincingly filled its role on the international stage by actively and responsibly participating in the solution of regional conflicts. And in internal politics the Berlin Republic has been able to prove its democratic maturity through two changes in power, in 1998 and 2005, even under new party political conditions.

Deficits still exist in the economic and social political sectors, as well as in the long-term security of health and pensions, which is coming under additional pressure from demographic change and increased aging in society. However, prior to the worldwide financial crisis of autumn 2008, the Berlin Republic was moving in a positive direction as illustrated by the falling unemployment figures and the consolidation of the public budgets. It remains to be seen, whether this positive development can be continued against the background of the shaken banking system and the necessity of costly state intervention measures.

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