



The Reunification of Germany & Global Social Evolution

Dora Damjanović

Student of Political Science, University of Vienna, Austria

Abstract

Almost thirty years since the fall of the Berlin Wall, it has become all too easy to say that the Wall “fell,” but what does that actually mean? The Wall did not vanish on its own. Rather it was the people, in a figurative sense, who unhinged it before the hammers and chisels could tear it down. It was the people who insisted on resisting the German Democratic Republic (GDR), the same regime that raised the wall in 1961. And of course it was the legions of brave people who faced their fears in the autumn of 1989 and paraded through the streets to bring about the dissolution of the Socialist Unity Party (SED) Regime. It was also a unique mixture of economic and political factors in 1989 that made it possible for the criticism of a few individuals to swell up into a huge choir and lead to a peaceful revolution. The Soviet Union and its “forced” allies had begun a reformation process, but the GDR had refused to react to the strong internal criticism. More and more people participated in the Monday Demonstrations in the streets, first in Leipzig and Plauen, and then in various other cities around the country. New political groups and initiatives were being established. Finally, the GDR government yielded to the demands of the citizens and created new rules for Westward travel on November 9, 1989. It was due to this development, and a subsequent mixture of crucial national mistakes and confusion, that the citizens of Berlin courageously ended the brutality of the GDR border regime once and for all. But this is only one instance of the many historical events the world has seen, there are more, from which we can always learn something. Maybe the most important lesson in history is hiding behind the reunification of Germany in '90, the answer to which may help solve the problems humanity at large faces today. Big history-making events are nearly always contingent, rarely inevitable; they can be explained afterwards but not predicted with confidence in advance.

The evening of November 9, 1989. Hugging, kissing, singing, cheering, and crying characterized the scene; there was massive celebration all along the Berlin Wall. Hammers and chisels did the work. The notorious Berlin Wall came down.

Despite the event that evening, no one woke up on November 9, 1989 expecting to see people tearing down the Wall that evening. And still, it happened. The full credit goes to Günter Schabowski, the man who accidentally opened the Berlin Wall. Schabowski did not intend to announce the date for opening the border. He was taken by surprise when a journalist asked him the question, to which he responded that the borders would be opened immediately. East and West Berliners, who watched the broadcast of this announcement, could not believe their ears and flocked to the border-crossings in the city, and the rest is history. The Berlin Wall opened, the first spontaneous step that inevitably led to the reunification of Germany, and events moved so quickly that they seemed ineluctable. But, were they?

On June 12, 1989, former Soviet politician Mikhail Gorbachev was on an official visit to West Germany. During the joint press conference, Gorbachev and Helmut Kohl, German statesman who served as the Chancellor of Germany, agreed that *“history has created this problem, let us leave it to history to resolve it maybe sometime in the 21st century”*. These events were unexpected: neither social researchers, nor the international community, nor even the leaders of the change movements in Central and Eastern Europe, anticipated the enormity of the changes that were to occur between June and December 1989. Was the fall of the Berlin Wall really a sudden event, or was it part of the series of connected or similar events? And how could these two leading men who had so much insight be so wrong?

Parliamentary sessions in the German Bundestag were broadcast on television, and there was a huge public interest in what was going on. Reunification was the main issue on the agenda, and it soon became obvious that things had to happen quickly. The economic situation was rapidly declining, and the mass exodus of East Germans to the West continued.

As historian Andreas Apelt said, *“GDR’s first free elections on 18th March, 1990 in effect were a referendum on German reunification, and as soon as the result was in, it was clear that East Germany would soon cease to exist.”* The vote determined the path the country would embark on. And that path clearly led towards a united Germany. The explanation for the result is simply that the people of GDR had one overwhelming goal and that was—reunification; and they wanted this to happen quickly and without problems.

“It was this day that marked the end of the so-called ‘dictatorship of the proletariat’,” said German Chancellor Angela Merkel. *“It was the final victory of the peaceful revolution.”*

1. Historical Origins of a United German Identity, Culture and State

A historical perspective is very important for understanding the events of 1989-1991 and Germany’s subsequent role in European unification. In considering Germany, we should not ignore the map of Rome’s domination in 105 BC. The map shows East Germany was never dominated by Romans, but there is a second map of Christianity’s progress. It shows us that the Christian conquest reached the Rhine in the fifth century and the Elbe in ninth. The area between the Elbe and Russia was Christianized between the 9th and 12th centuries, though East Prussia and the Baltic countries did not become Christian until between the 12th and 14th centuries. The average German is also much more Slav than is generally believed. Between 400 A.D. and 700 A.D., the Slavs invaded the whole of Eastern Germany up to the Elbe. Thus the population of Central and East Prussia, Silesia and Saxony is mixed with Slavs. It was only in the Middle Ages that this non-Germanic area was reconquered by the Germans. Germany can be said to have three different races: the Teutons, the Alpines, and the Slavs. Germany is divided into three natural regions whose boundaries are mostly determined by geology and climate. There is a Rhenish Germany; a mountainous and geographically complicated Central and South Germany; and finally, the Germany of the great glacial plains of the north and east. The atmosphere of the first is to some extent Austrasian, that of the second Swiss or Austrian, while that of the third characterizes the remote presence of Russia.

The Rhenish axis, together with South Germany, is essentially Central European with strong Western tendencies; and the Berlin axis of the Great German plains belongs rather to Eastern Europe than to Central Europe, and is insistently penetrated by Eastern influences—Slav or Russian land mass to the east. It is from this standpoint that we can best understand German psychology.

What replaced or destroyed the Holy Roman Empire was the German Confederation, the organization of 39 German states established by the Congress of Vienna in 1815. It was a loose political association, formed for mutual defense, with no central executive or judiciary. Delegates met at a federal assembly dominated by Austria, but the Revolutions of 1848 undermined the confederation. It was dissolved with Prussia's defeat of Austria in the Seven Weeks' War in 1866 and the establishment of the Prussian-dominated North German Confederation.

The Kingdom of Prussia and the Austrian Empire were the two most powerful empires dominated by German-speaking elites by the 1860s; both sought to expand their influence and territory. The Austrian Empire—like the Holy Roman Empire—was a multi-ethnic state, but German-speaking people there did not have an absolute numerical majority; the creation of the Austro-Hungarian Empire was one result of the growing nationalism of other ethnicities, especially the Hungarians in Austrian territory. Prussia, under Otto von Bismarck, would eventually unite into modern-day Germany. Following several wars, most notably the German war in 1866 between the two most powerful German states, Austria and Prussia, with the latter being victorious, the German Empire was created in 1871 as “Little Germany” without Austria, following the proclamation of Wilhelm I as head of the union of German-speaking states.

2. The Stimulus for German Imperialism

In the Age of New Imperialism that began in the 1870s, European imperial powers established vast empires mainly in Africa, and also in Asia and the Middle East. Great Britain became an industrial giant, accounting for more than 25 percent of the world's output of industrial goods. Then, there was France and Napoleon's investment in industry and large-scale ventures, such as railroad building, which helped to promote prosperity. By 1870, it became indispensable for industrialized European nations to expand their markets globally in order to sell products that they could not sell domestically on the continent. The need for cheap labor and a steady supply of raw materials, such as oil, rubber, and manganese for steel, required that the industrial nations maintain firm control over these unexplored areas. Only by directly controlling these regions, which meant setting up colonies under their direct control, could the industrial economy work effectively, or so the imperialists thought.

Leading European nations also felt that colonies were crucial to military power, national security, and nationalism. Military leaders claimed that a strong navy was necessary to become a great power. Thus, naval vessels needed military bases around the world to take on coal and supplies. Many people were also convinced that the possession of colonies was an indication of a nation's greatness; colonies became status symbols.

And there she was, at the heart of Europe: Germany. With no geographical framework, nor any natural frontiers. It is difficult to know where the country begins and where it ends, but it is surely landlocked by European imperial powers. By the time Germany had formed a cohesive state in 1871 after the Franco-Prussian War, the established imperial powers—Britain, Russia, France, Holland, etc.—had laid claim to much of the world’s available real estate. And they were definitely a model and powerful stimulus to the urge of Germany to establish her own empire. As a young, relatively recently united nation, Germany, which had directed its energy inward for decades in order to resolve differences between its constituent parts and eventually unify them, was now ready and in full power to demand its place under the Sun. German aggression in WWI & WWII was driven by a combination of two powerful revolutionary forces,—nascent nationalism and industrialization—a form of state capitalism harnessed for political domination. After two destructive world wars, Germany redirected the enormous nascent energies of nationalism from physical conquest through war into expansion through economic development. After WWII, Europe was cut into two. The two parts were called West and East. The division itself was called Yalta. The division was set in concrete by the Berlin Wall. West Germany became the most productive and competitive economy in Europe. East Germany became the most productive in the East.

3. Germany’s East-West Connection

West and East. Two sides which were more connected through the economy than was generally believed. And it was not a unilateral relationship. There was in fact an obvious complementarity between the supply and demand profiles of West Germany and Eastern Europe. It was not only that Eastern Europe found all the manufactured goods and technology that she increasingly sought in West Germany, but West Germany was also able to take primary goods that Eastern Europe had to offer in return. By the mid-1980s, West Germany traded more with the Soviet Union and Eastern Europe than any other Western power. And trade was not the only economic relationship she had. West Germany’s banks lent more money, her firms transferred more technology. And when joint ventures became possible, Germany was again in the lead. The gas and oil pipelines which are now critical to providing energy sufficiency to Europe were envisioned and discussed as early as 1989. In the late '70s, more than a quarter of all the high technology supplied to the Soviet Union came from West Germany, and by 1989, around eighteen percent of East Germany’s Western trade was with West Germany. As a consequence, it was apparent that Germany would gain the most by the end of the Cold War. The eventual opening up of Eastern economies as markets for her products, and her becoming a destination for investment and providing cheap and efficient source of labor would drive her economic growth. Similarly, being the dominant export power in Western Europe, Germany had the most to gain by the establishment and rapid expansion of the EU after 1992 to 28 member countries, thereby creating a tariff-free zone for free movement of her exports and bringing low wage labor to support her industry. This is one reason for Germany’s strong commitment to the EU. Similarly, as a trading nation, Germany had the most to gain from the creation of the Eurozone as a common currency area in which trade could take place without currency exchange costs.

4. The Spring of Nations

The movements sweeping away the Stalinist regimes in Eastern Europe in the '80s were motivated by a deeply-felt hatred for the ruling bureaucracy, its privileges and its dictatorial forms of rule—a hatred that was shared by an overwhelming majority of the population. Adding to this was the poor economic performance of East Germany compared to the West. Those political events and economic changes in Eastern Europe in the late 1980s radically altered the geopolitical situation in Europe and transformed existing institutions and structures. Aspirations for freedom, democracy and human rights, which had long been stifled by the authoritarian regimes of the Soviet bloc, were expressed more and more openly, thanks in particular to the reforms introduced in the Soviet Union by Mikhail Gorbachev and his policy of gradually opening up to the West. Those participating in strikes or demonstrations generally hoped for an improvement in their living conditions and for more democracy.

What happened exactly in Europe in the late 1980s and early 1990s can best be described by the term “Spring of Nations”. The Revolution, which was followed by another revolution, eventually resulted in the end of communist rule in Central and Eastern Europe, and beyond. Lacking a civil society, an independent foreign policy, political opposition, and economic autonomy, the Eastern European countries under Soviet control transformed into overt dictatorships by the late 1940s. The protests began in Poland in 1989, and spread to Hungary, East Germany, Bulgaria, Czechoslovakia and Romania. It was obvious that Stalinism in Eastern Europe was going down. The citizens of the “people’s republics” throughout the region rose in revolt against the system established by Communist parties which dissolved all alternative political organizations, and employed internal security services, detention camps and show trials that had become symbols of Stalinism throughout the region. They also rebelled against the prohibition of organized religion and state-controlled systems of media, arts and entertainment, and employed constant surveillance over people. They rejected regimes which worked so diligently to abolish capitalism and private property by nationalizing and directing all industry, agriculture, and trade.

Gorbachev’s twin policy of *glasnost* and *perestroika* created the opening. But it was the changes visible in neighbouring Poland that precipitated the events. The Poles were demanding reforms of the existing system. The largest demonstration at that time took place on 4th November, 1989, when half a million East German citizens went to Alexanderplatz in Berlin. Two days later, a similar number of people were protesting in Leipzig.

One of the biggest breakthroughs was on 10th September 1989, when the Hungarian government announced the opening of the border with Austria to allow thousands of East Germans to leave the Communist Bloc. Hungary had been flooded with East Germans since the government began removing the border fence in May that year. Unwilling to “become a country of refugee camps”, Hungarian Foreign Minister Gyula Horn made an announcement that the East Germans would be permitted to enter Austria. In the East German city of Leipzig, earlier that week, peaceful political protests against the government of the German Democratic Republic called ‘Monday demonstrations’ had begun and the Hungarian announcement encouraged others to begin protesting in favour of democracy.

Within a month, up to 70,000 Germans a week were making their way to the Leipzig protest, and by the end of October over 300,000 were taking part. Met with incredible anger from the East German government, Hungary's decision was a major step on the road to the fall of the Berlin Wall.

“In 1987, when Gorbachev was asked about the difference between his reformation effort and that of Alexander Dubček in 1968, he replied, “Nineteen years.””

5. The Origins of the Revolution

The events in 1989 were the culmination of events that began in the past and gradually gained momentum long before the “Spring of nations” and the opening of the Hungarian border. A secret speech changed the history of the world. It was the first congress of the Communist Party of the Soviet Union since the death of Joseph Stalin. On February 14, 1956, in Moscow in the Great Hall of the Kremlin, the First Secretary of the party—Nikita Khrushchev, gave a speech on “The Personality Cult and its Consequences”. Khrushchev denounced Stalin, the cult of personality he had fostered and the crimes he had perpetrated, including the execution, torture and imprisonment of loyal party members on false charges. He blamed Stalin for foreign policy errors, for the failings of Soviet agriculture, for perpetrating mass terror and for mistakes that had led to appalling loss of life in the Second World War and the German occupation of huge areas of Soviet territory. There was no applause when the speech ended. The audience left in a state of shock. Soviet sources now say some were so convulsed as they listened that they had a heart attack; others committed suicide afterwards. One of the people sitting in the audience was young Alexander Yakovlev, who later became a leading architect of *perestroika*. He once recalled that it shook him to his roots. The population until then had deeply respected Stalin and linked their lives and hopes with him. Gorbachev was an impressionable university student at the time and would definitely have been subject to the catastrophic shock. The idols of the past were being shattered and what they had all believed in was being destroyed.

The tremors of Stalin's death in 1953 gradually awakened aspirations among people elsewhere in Eastern Europe that they might be freed from Soviet rule. On October 23, 1956, students and workers took to the streets of Budapest and issued what they drafted as Sixteen Points which included policy demands on personal freedom, the removal of the secret police, more food etc. Poland had already been granted rights which had been gained through street protests and displays of rebellion. Imre Nagy, the Hungarian Prime Minister then, announced that Hungary would withdraw from the Warsaw Pact on October 31, 1956. This was pushing the Russians too far and on 4th November, Soviet tanks went into Budapest to restore order and they acted with immense brutality. Tanks dragged around bodies through the streets of Budapest as a warning to others who were still protesting.

Twelve years after the Hungarian Revolution and seven years after a wall first divided Germany into two, in the summer of 1968, the illusion that the communist system would gradually develop into a new kind of liberal democracy died out. The Soviet Union and other members of the Warsaw Pact invaded Czechoslovakia to halt the Prague Spring reforms. The reforms were made by Alexander Dubček, who proposed the introduction of “*socialism with a human face*,” democratized socialism, and acted as a catalyst for acquiring additional rights for the citizens of Czechoslovakia in an act of democratization and partial decentralization of the economy. But the new Soviet leader, Leonid Brezhnev, sent some 165,000 Warsaw Pact troops to suppress the movement. Brezhnev’s doctrine of limited sovereignty, threatening the use of military force against East European countries that turned away from communism, destroyed all hopes that truly reformist socialism was possible among the Soviet satellites.

To oppose the invasion of Czechoslovakia by the Soviet Union and her Warsaw Pact allies who had crushed the Prague spring, in the noon of August 25, 1968 in Moscow, protests took place at the Red Square. Eight protesters sat at the Lobnoye Mesto and held a small Czechoslovak flag and banners with various slogans, such as “*Long live free and independent Czechoslovakia*”. Within a few minutes, protesters were assaulted and loaded into cars by KGB operatives. The Czechoslovak flag was broken, and the banners were confiscated. In 1987, when Gorbachev was asked about the difference between his reformation effort and that of Alexander Dubček in 1968, he replied, “*Nineteen years*”. Obviously he had been thinking about reforms long before he acquired the power to initiate them.

It was on August 14, 1980 when the strike that changed the world occurred. Some 17,000 workers seized control of the Lenin Shipyard in Gdańsk to protest against, among other things, a recent rise in food prices. Their leader, Lech Wałęsa, had narrowly avoided arrest by the secret police that morning, and had managed to scale the shipyard gate and join the workers inside. Soon, workers in 20 other factories in the area joined the strike in solidarity. Seventeen days later, after negotiations with Poland’s Communist government, Wałęsa appeared before the workers in the shipyard with a historic message: “*We have an independent, self-governing trade union! We have the right to strike!*” Poland’s first deputy Prime Minister Mieczysław Jagielski had signed a deal granting the workers their main demands: the right to organize freely and to strike. Those were rights accorded under conventions by the International Labor Organization, of which Poland was a signatory. But this was the first time that any Communist government had put them into practice. It was the first trade union in a country abiding by the Warsaw Pact that was not controlled by the Communist Party. Its membership reached 9.5 million members before the September 1981 Congress, after which it reached 10 million.

6. Inter-German Relations in the 1980s

In the 1980s, relations between East Germany and West Germany fluctuated between conflict and cooperation. Upon coming to power in 1982, West German chancellor Helmut Kohl emphasized the *Deutschlandpolitik* (German policy), which had emerged under the rule of his predecessor, Helmut Schmidt, and was distinguished from the previous policy of *Ostpolitik*. *Deutschlandpolitik* involved the pursuit of three related policy aims: improving the East-German lot, alleviating the personal hardships on both sides of the border caused

by the division of the German nation into two separate states, and fostering the unity of the German people. To pursue these policies required the continuation and strengthening of detente between the two German states and, in a larger sense, between the United States and the Soviet Union. In the 1980s, the Erich Honecker regime had also evinced an interest in relaxing the tension between the two German states for both economic and political reasons. The Honecker regime needed West Germany's economic support to meet the needs of East German consumers, and West Germany gave East Germany access to hard currency markets. In 1983 the West German government arranged a 1 billion D-mark banking credit to East Germany through a West German consortium. In return, the East Germans removed many of the SM-70 automatic firing devices along the inter-German border, and they also demonstrated a willingness to undertake efforts to protect the environment by controlling air pollution, acid rain, water pollution, and damage to forests that largely affected the two states.

Political factors were also at work in the Honecker regime's attempt to continue rapprochement with West Germany in the 1980s. Erich Honecker had sought full diplomatic recognition from West Germany and an acknowledgement that East Berlin alone represented the sovereign interests of the East German state. Continued cooperation between the two German states held open the possibility that these two political objectives could be attained. But that cooperation faced a blow in 1984 due to Honecker's decision to postpone his visit to West Germany. The American scholar A. James McAdams argued that for his own reasons Honecker himself played an important role in this decision. Recognizing that the West German public demanded that its government maintain good inter-German relations, Honecker may have hoped that by postponing his visit indefinitely, he could win the resolution of outstanding issues between the two governments on terms more favorable to East Germany. From 1985 to 1987, both Bonn and East Berlin continued to repeat that Honecker's visit had only been postponed. However, in 1985 East Germany took up Moscow's propaganda line, warning about West German "revanchism" and criticizing West Germany's celebrations of the fortieth anniversary of Nazi Germany's defeat. After the Eleventh Party Congress in April 1986, the East Germans again joined the Soviet Union in attacking West German policies.

To a large extent, relations between the two German states were held hostage to relations between the United States and the Soviet Union. When relations between the two superpowers worsened, they exerted pressure on their German allies to refrain from extending relations with the other German state. There were also other pressing issues: the nature of German citizenship, East Germany's demand for West Germany's recognition of its sovereignty, and the need for the resolution of border issues left ambiguous by the victorious Allies after World War II. Finally, there were other problems that divided the two German states. East Germany sought the abandonment of the monitoring station in Salzgitter used by West Germany to record human rights violations on the border. In turn, West Germany sought a general improvement of conditions along the armed border and the Berlin Wall and the free movement of people and ideas between the two German states.

7. Reunification

On July 1, 1990, the two German states became one. It was the first time in history that a capitalist and a socialist economy had suddenly been united. There were no clear

guidelines as to how it could be done. Instead, there were a number of problems, of which the most severe was the comparatively poor productivity of the former East German economy and its links to the collapsing socialist economies of the Soviet Union and Eastern Europe. The social, political and economic inferiority of East Germany was a source of tension and problems. The reunification of Germany was very much a take-over of East Germany by West Germany. The West's constitution and legal system, economic and political system were simply transferred to East Germany. This was not a problem as such since this was something East Germans had been longing for and for which no serious alternative existed. But the stigma of economic, political and social inferiority which was attached to East Germans created hostility and reinforced the two different identities Germans had adopted. The existing feeling of inferiority was reinforced by a West German superiority to which many East Germans responded with psychological self-defense mechanisms.

International alliances were also another part of military problems that the two German states confronted. While East Germany had been a member of the Warsaw Pact, West Germany was a member of the North Atlantic Treaty Organization (NATO). After numerous debates on continuing or modifying German participation in these alliances, Mikhail Gorbachev of the Soviet Union, at a meeting between Germany and the Soviet Union on 16th July 1990, ultimately agreed to NATO membership for a united Germany. In addition, the Soviet Union agreed to withdraw its 370,000 troops from East Germany by the end of 1994. In return, the Federal Republic agreed to provide financial and economic aid to the Soviet Union. On 12th September 1990, in Moscow, the foreign ministers of the four wartime allies signed the Treaty on Final Settlement with Respect to Germany and relinquished their occupation rights over German territory, often called "2 + 4 Treaty".

Even before economic unification, the West German government had decided that one of its first tasks was to privatize the East German economy. For this reason, it had taken over in June the Treuhandanstalt (Trust Agency, commonly known as Treuhand), which had been established by the GDR to take over East German firms and turn them over to new management through privatization. By the time the Treuhand was disbanded at the end of 1994, it had privatized some 14,000 enterprises. As economic unification proceeded, issues that had been recognized but inadequately understood in advance began to surface. There was massive confusion about property rights. As wave after wave of Nazi, Soviet, and later GDR expropriations took place between 1933 and 1989, there was often little clarity about the actual ownership rights of property. Another problem was that East German production costs were very high. The conversion of East German marks to Deutsche marks in order to raise the purchasing power of Germans in the East also had the effect of rising costs of production in the East, as did the early wage negotiations, which resulted in wages far above the productivity level. West German firms found it easier and cheaper to serve their new eastern German markets by expanding production in western facilities. Inadequate infrastructure also posed a problem for many potential investors. Telephone services improved very slowly. Many investors also complained about energy shortages, as numerous East German power stations were closed for safety and other reasons. Roads and railroads had to be virtually rebuilt because they were so badly maintained.

In addition to these practical problems, there was also a deep policy dilemma that underlay the entire process of unification. From the beginning, there had been a dangerous link between the earlier and later phases of the East German transition to a free-market economy. Policies calculated to make the initial adjustment as painless as possible hampered long-run growth and prosperity. Real economic efficiency could only be achieved by permitting and even forcing considerable immediate dislocations, whereas temporary compromises might have led to permanent structural burdens. At the same time, it was feared that abrupt disruption of the East German economy and social welfare system could endanger the economic and political stability required for a smooth unification process and might also drive streams of East Germans to move West. The government never found a satisfactory solution to this dilemma. When it was forced to choose, it usually selected the more expensive and slower course to encourage persons to stay in the East. Despite these problems, the process of unification moved ahead, slowly. Less than 5 percent of all investment in East Germany was non-German, and most of it was from companies with subsidiaries in West Germany which were expanding to the East.

“German reunification shows that it is possible to make dramatic changes in political culture, social attitudes and economic life within a single generation.”

As might have been expected, the economy of East Germany went into a deep slump immediately after the unification. Within a year after the unification, the number unemployed rose above 3 million. Industrial production in East Germany fell to less than half the previous rate, and the total regional product fell precipitously through 1991. One estimate was that in 1991 the entire production of East Germany amounted to less than 8 percent of that of West Germany. Because the process of unification was managed by persons from West Germany, new eastern firms were usually subsidiaries of western firms, and they followed the western ownership and management patterns. As a consequence, fresh private investment and economic growth came into East Germany at a relatively slower rate. Investment during the early years of unification was only 1 percent of the all-German GDP, when much more was needed to jump-start the economy of East Germany. Much of the investment went into the purchase of East German companies, not into their rehabilitation.

Government funds were used essentially for two purposes: infrastructure investment projects (roads, bridges, railroads, and so on), and income maintenance (unemployment compensation, social security, and other social costs). The infrastructure projects sustained employment levels, and the income maintenance programs sustained living standards. But neither had an early growth payoff.

As East Germany went into a deep recession during the first phase of unification, the West German economy experienced a small boom. West Germany's GDP grew at a rate of 4.6 percent in 1990, reflecting the new demand from East Germany. The highest growth rate came during the second half of 1990, but growth continued at a slightly slower pace into early

1991. Prices, however, remained relatively stable because the cost of living grew at only 2.8 percent despite high wage settlements in some industries. Employment rose during the year from 28.0 million to 28.7 million, and the unemployment rate sank to 7.2 percent. Notably, the number of those unemployed in West Germany only declined by about 300,000, showing that at least half of the new jobs in West Germany had been taken over by persons who had moved to or were commuting from East Germany.

“If varying strong economies, diverse mentalities and different working and living habits are to be integrated, everyone involved needs to be willing to accept the inevitable changes this entails.”

The dramatic improvement in the West German figures resulted from the opening up of a large market of 16 million persons in East Germany and the simultaneous availability of many new workers from East Germany. Many easterners did not want the shoddy goods produced at home, preferring western consumer products and food. Moreover, many easterners were coming to the west to work. By the end of 1990, as many as 250,000 were commuting for work to the west, and that number was estimated to have grown to 350,000 or even 400,000 by the middle of 1991. This meant that West Germany not only had a vast new market but also saw a growth of over 1 percent in its workforce, as sharp an increase since the days of the economic miracle. However, unemployment also reached a record number, 4 million. Two-thirds of that figure were unemployed in West Germany; the other one-third were unemployed in East Germany. East Germany contributed more to unemployment than to production.

The reunification of Germany in 1990 was widely hailed as a revolution in Europe. It marked the end of the more than forty-year division of the continent into two rival ideological blocs, epitomized by the liberal democratic capitalist Federal Republic of Germany on the one side and the communist dictatorship of the German Democratic Republic on the other. The absorption of the latter by the former was also seen as a shift in the European territorial and geopolitical order. Already the continent's largest and most populous state outside of the Soviet Union, the Federal Republic, was given a huge territorial and demographic boost. After the fall of the Berlin Wall in 1989 and the reunification of Germany in 1990, the country reinforced its economic strength, becoming perhaps the most successful economy in the world. Also, with the collapse of communism across central and eastern Europe, Europeans became close neighbours. In 1993 the Single Market was completed with the 'four freedoms' of: movement of goods, services, people and money. The 1990s was also the decade of two treaties, the 'Maastricht' Treaty on European Union in 1993 and the Treaty of Amsterdam in 1999. People were increasingly concerned about how to protect the environment and also how Europeans can act together when it comes to security and defense matters. Millions of young people were studying in other countries with the EU's support. Communication was made easier as more and more people started using mobile phones and the internet. German unity became the key and stimulus for European unity.

8. Implications for Europe and other Regions

German reunification shows that it is possible to make dramatic changes in political culture, social attitudes and economic life within a single generation. Where there is a will, there is a way. But its accomplishment was the result of both internal and external factors. Simply put, reunification would never have been possible had the USSR under Gorbachev not taken great efforts to realign her domestic and international policies with the aspirations of her people and the global community for freedom and prosperity and had the West not reciprocated, at least grudgingly, by welcoming an end to the Cold War and the nuclear arms race. German reunification was made possible by a dramatic decline in superpower rivalry. And it has also shown us that market reforms can work in places where people have been indoctrinated in a completely different economic system.

“One of the most valuable lessons history offers us is the consciousness of the fallibility of our own foresight and openness to opportunities that will only be tangibly real after they have been physically realized.”

Most importantly, the population needs to demonstrate a great willingness to change. Almost everything changed for the citizens in East Germany—not just politically and economically, but also socially and culturally in their daily lives. If varying strong economies, diverse mentalities and different working and living habits are to be integrated, everyone involved needs to be willing to accept the inevitable changes this entails.

9. Conclusions

The peaceful reunification of Germany is one of the most dramatic political events of the last half-century. It occurred as part and parcel of the momentous movement of democratic and economic transformation which dissolved the Soviet Union and her empire, swept away East European communist regimes, ended the military confrontation between the superpowers, led to the dramatic reduction in nuclear weapons, and abolished the Cold War confrontation between the East and the West. It also formed a foundation and cornerstone for the establishment and expansion of the European Union, the creation of the Eurozone and the rise of Germany to a preeminent position in Europe. In this larger context, it may be tempting to underestimate the extent of the difficulties it entailed and the magnitude of the achievement it represents. Countries such as Korea with a far longer history of national unity dating back millennia remained divided much longer than nascent Germany did with its deep cultural fissures.

But the real importance of understanding German reunification lies in its relevance to the future rather than its historical significance. For today we find the EU confronting very similar problems to those which Germany had to overcome so rapidly and dramatically in

the early 1990s. After expanding to encompass 28 nations with the ascension of Croatia in 2013, the EU is confronting signs of reversal that could well unravel the gains of the past two decades. The pending exit of Britain, the prolonged struggle over governance of the Eurozone, the revival of nationalist and populist governments in Poland and Hungary, and the breakdown of the open-border agreements within the Schengen area, all pose threats to the future of the EU. For the real challenge to the EU is psychological rather than political. The real question is whether the EU can succeed in generating a common European identity greater in bonding strength than the resurgent nationalism now sweeping the region. German unification offers a positive example worth understanding and emulating.

So too, the sudden backlash of inward nationalistic populism championed by Brexit advocates in the UK, Trump in the USA and Putin in Russia threatens to undermine and reverse much of the progress on peace and economic cooperation that have been the most signal achievements of the post-Cold War era. Here too, we may look for relevant lessons in German unification.

And finally, it is essential to consider the potential relevance of the German achievement to the resolution of the threats represented by other deep fissures in international politics—the prolonged division and confrontation between India and Pakistan, North and South Korea, Israel and Palestine. All three involve nuclear weapon powers and global military alliances. Looking backward through the rear view mirror of mind, it is easy to conclude that German reunification was inevitable and far easier to achieve than the resolution of these three persistent, intractable and apparently insoluble global hotspots. But that is actually a matter of perspective, rather than reality due to the fact that the human mind sees far more clearly in historical retrospect than it does happenings which are staring us in the face, even a moment or two into the future. Insights from German reunification counsel us not to be excessively pessimistic about future possibilities, while exaggerating the probability of events after they have occurred, especially when they were totally unexpected and unbelievable a short time before they took place. One of the most valuable lessons history offers us is the consciousness of the fallibility of our own foresight and openness to opportunities that will only be tangibly real after they have been physically realized.

Author contact information

Email: doradamjan410@gmail.com