

## The German Reunification: An Analysis a Quarter Century After 1989/90

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The paper analyses the process of the German Unification in 1989/90 against the background of the historical burdens imposed on the so-called “German Question” since the 19th century. It unravels the complex unification process, which had been completed in less than only one year, and delivers a summary of this epochal radical change from the perspective of the year 2014. On the one hand, the analysis shows the political-institutional, economic and social turning points in the now twenty five years lasting alignment of living conditions in East and West Germany. On the other hand, it reveals the psychological-mental distortions the East German population had to bear during the extremely challenging process of unification. The paper always keeps half an eye on the lessons which can be learned from the historic experience of Germany for a possible unification of North and South Korea. In all due precaution, it concludes with a number of recommendations.

**Keywords:** “German Question,” German reunification 1989/90, Analysis of the German unification 2014, Transformation in History, Historic teachings for a possible unification of Korea

### Introduction

The fall of the Berlin Wall in autumn 1989 and the reunification of Germany only months later portrayed a sensation of world historic magnitude that seemed as unlikely as the conversion of water into wine. However, the German reunification was no “miracle,” as often stated, but a well explicable historical process which will be shown in this analysis. Hence, there is hope that against all expectations a similar radical change may be possible in still divided Korea. Nevertheless, the “growing together” of the country may happen in a completely different way than in the Federal Republic of Germany. Even so, the

German example provides the sole reference for politics and science in South Korea seeking historical orientation for a possible unification on the peninsular. History never repeats itself, but studying it does improve the judgment, as Hannah Arendt said.

In this sense, the present analysis aims to provide two different things: firstly, it outlines the historical background against which the German Reunification took place; secondly, it analyzes the major political, economic, social and mental aspects of this process showing how these aspects intertwined. Thus, combining two basic approaches — contemporary history and social sciences — this analysis does not refer to a given theoretical framework. As a result of the following exploration the paper offers, in due precaution, some conclusions drawn from the German Reunification for a possible unification of North and South Korea.

## Historical Setting of the Reunification

### *National Unity and Political Freedom were Contradicting Each other for a Long Time*

Initially, in times of rising German Nationalism during the Napoleonic Wars in the early 19th century, the so-called “German Question”<sup>1</sup> was a question of *unity*. Who was to be part of the German nation and where should a German nation state find its borders? Equally, the German Question was always a question of *liberty*. The diverse national movement had to come clear about which political order should be adopted in the new state. Although opinions then differed: The German national movement held *unity* and *liberty* as inextricably linked, just like two sides of the same coin. It is a well known fact that the German unity and liberty movement failed in the revolutions

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1. See especially: Heinrich August Winkler, *Der lange Weg nach Westen: Deutsche Geschichte*. Vol. I: *Deutsche Geschichte vom Ende des Alten Reiches bis zum Untergang der Weimarer Republik*. Vol. II: *Deutsche Geschichte vom, Dritten Reich“bis zur Wiedervereinigung* (Munich: C. H. Beck Verlag, 2000).

of 1848/49. National unification subsequently became a matter of Prussia, precisely of Otto von Bismarck.<sup>2</sup>

The first German nation state, which was established after the military victories over Austria and France, existed only from 1871 until 1945. It failed to answer the old German Question of unity and liberty: Neither the German Reich itself nor its neighbors fully acknowledged the state borders. Naturally, a liberal democratic order was not on the agenda of the dominant conservative forces of the German Empire. The first German democracy, which was founded in Weimar and had its origins in the defeat of World War I, had too much of a hereditary handicap to be able to consolidate and to broadly enroot in the population. Lasting from 1919 until 1933, it remained a precarious intermezzo and a “democracy without democrats.”<sup>3</sup>

### *“The Third Reich” of Adolf Hitler*

The German Question became the No. 1 world problem after the national-reactionary establishment around President Paul von Hindenburg had transferred power to Adolf Hitler in early 1933.<sup>4</sup> The so-called “Third Reich” of the National Socialists never showed any interest in the constitution of unity and liberty. Instead, the German dictator aimed at a totalitarian race collectivism and at converting Europe into a “Germanic” empire, stretching from the English Channel to the Ural Mountains. Hitler’s state presented the extreme counter draft to the peaceful democratic nation state, as striven for by the German national movement of the 19th century.

In a divided Korea, the long-term consequences Germany unleashed

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2. Fundamental: Thomas Nipperdey, *Deutsche Geschichte 1866-1918: Arbeitswelt und Bürgergeist* (Munich: C. H. Beck Verlag, 1990) and Thomas Nipperdey, *Deutsche Geschichte 1866-1918: Machtstaat vor der Demokratie* (Munich: C. H. Beck Verlag, 1992).
  3. Hans Mommsen, *Die verspielte Freiheit: Der Weg der Republik von Weimar in den Untergang 1918 bis 1933* (Berlin: Ullstein, 1989).
  4. See especially: Wolfram Pyta, *Hindenburg: Herrschaft zwischen Hohenzollern und Hitler* (Munich: Siedler, 2007).

with World War II is felt especially painfully until today. Without the rise of Stalin's Soviet Union to a world power, the Korean War together with its separation in 1950 would not have happened. The fates of Germany and Korea therefore are intertwined more closely than merely by the shared experience of national separation.

The Soviet Union, however, was indispensable for the defeat of National Socialism by the Anti-Hitler coalition. Only a common effort of the USSR and the Western powers under the lead of the USA was able to assure eliminating the German problem once and for all.<sup>5</sup>

As is well known, the American-Soviet coalition broke apart in 1945, immediately after the victory over Hitler.<sup>6</sup> Germany's territorial unity, won in 1871, seemed to be shattered forever. Not only were the now definitely lost Eastern territories detached but the fortified border between the GDR and West Germany now ran along the Elbe river midway through Germany's heartlands. But it is not the victorious powers that bear the historic responsibility for the divided Germany in the first place. Instead, it is Germany itself, having generated National Socialism and incited a global war with squillions of deaths and the genocide of the European Jews.

### *Democratic West Germany and Communist East Germany*

In 1949, the German Federal Republic was established in the Western part of Germany; a democracy in a divided country.<sup>7</sup> In the same year, the German Democratic Republic (GDR) — a Soviet-style state-

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5. In detail: Nicolas Lewkowicz, *The German Question and the International Order, 1943-1948* (Basingstoke: Palgrave Macmillan, 2010).

6. Detailed analysis in Klaus-Dietmar Henke, "Die Trennung vom Westen: Der Zusammenbruch der Anti-Hitler-Allianz und die Weichenstellung für die kommunistische Diktaturdurchsetzung in Ostdeutschland," in Behring, Rainer, and Mike Schmeitzner (eds.), *Diktaturdurchsetzung in Sachsen: Studien zur Genese der kommunistischen Herrschaft 1945-1952* (Köln: Böhlau, 2003), pp. 413-458.

7. As an overview: Edgar Wolfrum, *Die geglückte Demokratie: Geschichte der Bundesrepublik Deutschland von ihren Anfängen bis zur Gegenwart* (Stuttgart: Klett-Cotta, 2006).

socialist single-party dictatorship — was founded in the East. The global political constellation of the Cold War made it impossible for Germany to live in unity and freedom at the same time. Despite a fierce dispute that was raging in the fifties in West Germany about the political agenda of Christian Democratic chancellor Konrad Adenauer's conservative government, people  *nolens volens*  reconciled themselves to the separation of their country. The majority stood for an existence in freedom when the combination of unity and liberty in Germany had become seemingly impossible.

Besides other fundamental differences, there was one particularly important distinction between both new German states: 60 million West Germans repeatedly legitimated their democratic system in free elections. With the overall majority of casted votes at the federal elections in 1957, Adenauer's policy was indeed rewarded. Seventeen millions of East Germans never stood a chance to freely comment on their political fate.

In 1961, with more and more people fleeing the GDR, the collapse of the East Berlin regime seemed only a matter of time. As a result, the Berlin Wall was built with consent of the USSR, cementing East Germans within their borders.<sup>8</sup> During the Cold War, and as members of NATO and the Warsaw Pact, both German frontline states faced each other heavily armed for decades. Consequently, there was a looming danger that people, especially the young generation, would adapt to these conditions of separation and eventually accept it as normality.

The global political *détente* of the late sixties, which in the West was linked to the name of Willy Brandt of the Social Democratic Party of Germany (SPD), had stunning consequences in divided Germany: as intra-German contacts were evolving, the communist regime tried to isolate their people from the West even more. The communist monopoly party flatly refused reunification as it would have brought

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8. Cf. Klaus-Dietmar Henke, "Die Berliner Mauer," in Klaus-Dietmar Henke (ed.), *Die Mauer: Errichtung, Überwindung, Erinnerung* (Munich: Deutscher Taschenbuch Verlag, 2011), pp. 11-31.

about their inevitable loss of power. The “Stasi,” the communists’ secret police, was now growing into an enormous shadow army.<sup>9</sup>

At the same time, however, the poorly functioning state-planned economy was becoming increasingly inefficient.<sup>10</sup> Eventually, due to its foreign exchange debt, the communist German state was completely dependent on ideological and propagandistic combated West Germany by the end of the eighties.<sup>11</sup> Most people in the GDR saw things completely different than their government. Their orientation was leaning more and more towards West Germany’s freedom and prosperity. Via their TVs, as East Germans used to say, they would emigrate to the West every night.

In the Federal Republic, things seemed diametrically opposed. The GDR was of no importance for its strong national economy. All the more the SED-dictatorship had no appeal with the West German population. Bit by bit, family ties were thinning out as national similarities faded. How long would it take until a feeling of solidarity remained at all? The government of West Germany, which subsidized the second German state with considerable transfer payments, admittedly adhered to the constitutional commandment of 1949, “to complete the unity and freedom of Germany in free self-determination.” A reunification in the foreseeable future, however, was regarded as highly unlikely. In 1956, 65 percent of West Germans wished for reunification, 30 years later only 25 percent.<sup>12</sup>

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9. On this: *Das MfS-Lexiko. Begriffe, Personen und Strukturen der Staatssicherheit der DDR* (Berlin: Ch. Links, 2012), pp. 9-20.

10. André Steiner, *Von Plan zu Plan: Eine Wirtschaftsgeschichte der DDR* (Munich: Deutsche Verlags-Anstalt, 2004).

11. In all details considering the social and political effects: Boyer, Christoph, Henke, Klaus-Dietmar and Peter Skyba (eds.), *Geschichte der Sozialpolitik in Deutschland seit 1945, Band 10: 1971-1989. Deutsche Demokratische Republik. Bewegung in der Sozialpolitik und Niedergang* (Baden-Baden: Nomos, 2008).

12. All demoscopic details obtained from the publications of the Institut für Demoskopie Allensbach: *Opferbereitschaft für die Deutsche Einheit* (1990), *Probleme und Stimmungslage der Bevölkerung in den neuen Bundesländern* (1991), *Befindlichkeiten in Ost und West* (1996), *Der Wert der Freiheit* (2003), *Die gegenseitige Wahrnehmung der Ost- und Westdeutschen* (2013).

Shortly before the unification in 1989/90, after decades of separation, a few West German politicians were entertaining the idea to acknowledge GDR citizenship — an idea, which most likely would have changed the course of history. Had they succeeded, the peaceful revolution of 1989 in East Germany would possibly never have happened. In fact, any GDR citizen obtained West German citizenship as soon as setting foot on West German soil or fleeing into a West German embassy anywhere in the world. It was this certainty that in 1989 encouraged GDR-citizens to leave their country in huge numbers. Today we know: without the mass exodus from the GDR, the mass protests in the GDR would not have happened. Yet this uprising of hundreds of thousands in East Germany was a crucial premise for both: the fall of the Wall on November 9, 1989, and the German unification on October 3, 1990.<sup>13</sup>

## ***Annus Mirabilis 1989/90: Revolution and Unification***

### ***Germany's Privileged Exception***

The Herculean task of reuniting Korea would certainly need a different approach than the German example. Even for prosperous South Korea, it would be a huge endeavor. One has to keep in mind that the German reunification was a privileged exception within the Central Eastern European transformation process. Unlike other post-communist states, East Germany was not forced to pull itself up by its own bootstraps. West Germany functioned as an enormous auxiliary engine (similar to the case of a possible Korean unification) without which the former GDR — now called the “neue Länder” (new federal states) — would have struggled to its feet much slower.

Most former GDR citizens regarded West Germany as a perfectly

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13. Detlef Pollack, “Wir sind das Volk!” in Klaus-Dietmar Henke (ed.), *Revolution und Vereinigung 1989/90: Als in Deutschland die Realität die Phantasie überholte* (Munich: Deutscher Taschenbuch Verlag, 2009), pp. 178-197.

functioning social and economic system. Political experiments were considered unnecessary and even risky. On the one hand, this facilitated the transformation tremendously. On the other hand, many East Germans felt that the new system had been imposed on them. To them, it was as if they had to tolerate rather than actively shape the unification. Some critics and a number of East Germans even primarily blamed those politicians who had steered the transformations after 1990 for the problems of the unifications process, instead of accusing those who had plunged East Germany into ruin before 1990. All too often, the person sorting out the mess is more spattered with mud than the one messing things up in the first place. In Germany, this historic experience had been made already after 1918 and after 1945.

A constant debate about what has been done right or wrong in Germany has been going on in the near-quarter-century since the unification. Nevertheless, the discussion has objectified and lost its acid political actuality about a decade ago. Prophecies of doom fall on deaf ears these days. By now, even harsh critics such as Hamburg's former mayor, Klaus von Dohnanyi, admit that admirable achievements have been made.

Other than in Korea, the Germans had no reunification ministry. Historic models of how to contrive a reunification did not exist. Marxist-Leninist theory after all did provide a roadmap for the transition from capitalism to socialism, whereas the same cannot be said for the opposite direction. In 1989/90, the drawers of the federal ministries were empty. Therefore, the transformation from a planned economy into a market economy was literally a process of *trial and error*. All measures in the process of the reunification had to be considered and decided off the cuff.

South Korea is well-advised to prepare for a possible reunification with North Korea, not only for practical but also political reasons. An institutionalized preparation for unification sends a strong political signal: we maintain our claim and, regardless of the political trends, strive for the reunification of our country!



### *The Reunification Process*

Looking upon the constellation and the process of the German reunification 1989/90, it is apparent that the political circumstances at that time were particularly favorable.<sup>14</sup> This is owed to at least four reasons: The Soviet Union of Mikhail Gorbachev was no longer willing to ensure the existence of the GDR. The East German population wiped away the single-party dictatorship in a peaceful revolution, regained its right of self-determination and decided with an overwhelming majority for a reunification with West Germany. This national goal was forcefully and cleverly pursued by the cabinet of Federal Chancellor Helmut Kohl. It was of specific importance that the victorious powers of World War II would not veto against this radical political change in Central Europe. This was crucial as — in spite of the Cold War tensions — the responsibility for “Germany as a whole” still belonged to them since the Potsdam Agreement in 1945. The four victorious powers USA, Soviet Union, Great Britain and France had never lost grip of their statutory right.<sup>15</sup>

This privilege became apparent and politically effective in their responsibility towards Berlin. The former Capital of the Reich was divided in four sectors by the powers in 1945. Consequently, the city presented a constant reminder for the succeeding generations: namely, that the division of both the country and the metropolis by the Wall was an anomaly. The danger of gradually accustoming to Germany’s division would have been much higher, if it were not for the four-power status of Berlin. In Korea, a similar living monument does not exist.

The actual process of reunification in Germany, a procedure in which — according to the witticism of a participant — “phantasy

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14. More profoundly: Klaus-Dietmar Henke (ed.), *Revolution und Vereinigung 1989/90: Als in Deutschland die Realität die Phantasie überholte* (Munich: Deutscher Taschenbuch Verlag, 2009).

15. Yet the best analysis of the diplomatic process can be found at: Zelikow, Philip, and Condoleezza Rice, *Sternstunden der Diplomatie: Die deutsche Einheit und das Ende der Spaltung Europas* (Berlin: Ullstein, 1997).

outpaced reality,”<sup>16</sup> took place within only one year. Above all, the process was subject to two different dynamics, one external and one internal, which caused its enormous pace and prevented a slower, evolutionary way to reunification. Regarding the *external dynamics*, it needs again to be remembered that Germany’s reunification depended on the Soviet Union’s placet. The consent of the Western powers had been contractually guaranteed since the fifties.

Gorbachev, growing weaker on the domestic front, was ready for approval, but it was unclear how much longer he would manage to remain in the lead of the Soviet Union. A change of power in Moscow could have blasted all hopes. Therefore, the diplomatic process of unification had to be signed and sealed as fast as possible.

In a minimum of time the three Western Allies aligned in a common reunification policy since the American President George Bush sen. immediately took the lead in close conformity with West German Chancellor Helmut Kohl. The diplomatic price for unification, above all, was an agreed maximum limit of the German armed forces, a retrieved commitment not to strive for atomic weapons and, finally, the abolishment of the D-Mark in favor of the Euro.

Regarding the *inner dynamics*, reference should be made that after the fall of the Berlin Wall on November 9, 1989, and with full freedom to move for GDR citizens, suddenly two currency zones existed simultaneously alongside: one of the strong West German D-Mark and one of the rapidly devaluating and anyway not convertible, East German Mark. This dramatic incline of currency, economy and prosperity fostered inner dynamics, which made it mandatory to quickly set the economic and subsequently also political course.<sup>17</sup>

As early as March 1990, only four months after the fall of the Berlin Wall, free elections took place for the first time in forty years of GDR history. This was undoubtedly the most crucial step towards reunification. The message of East German voters was crystal clear.

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16. Henke, *Revolution und Vereinigung*, p. 13.

17. Detailed: Dieter Grosser, *Das Wagnis der Wirtschafts-, Währungs- und Sozialunion* (Stuttgart: Deutsche Verlags-Anstalt, 1998).

Firstly: We want reunification, and fast at that! Secondly: We want the first democratic GDR-government led by the West German chancellor's party, Helmut Kohl's Christian Democratic Union (CDU)!<sup>18</sup> Most people in East Germany regarded this as a guarantee for a quick unification. The newly founded parties and civil liberty groups in the perishing GDR were only of a short-lived existence. Soon they began to melt into their mighty Western sister organizations, the only exception being the SED, the successor of the state party. After it lost nearly all its members, instead of dissolving, it turned into a democratic left-wing party. Today it is a strong regional party in Eastern Germany, consisting of a disproportionately high number of unification skeptics and socialism nostalgics. At the federal elections in 2013 the party, "Die Linke," gathered 8.6 percent of the votes.

In summer 1990, both German governments signed a contract on the so-called "Monetary, Economic and Social Union," which introduced West German currency to East Germany. This measure was irrefutable as the juxtaposition of two opposed currencies and economic areas was provoking severe economic distortions. Moreover, politicians were bound to accommodate the massive demands of the East German population to finally, forty-five years after the war, have "real money." This step was realized at an exchange ratio proving very beneficial for the population. However, the inefficient East German state economy (which at the same time had to adopt the market-based system of rules) could not absorb it. Two states, one currency area — it was as clear as day that this was the critical step towards reunification.

According to the 1949 constitution of West Germany, theoretically two different ways to reunification were possible. Either, both states would give themselves a new, common constitution; or the GDR (more precisely: "the new states") would become member of the Federal Republic of Germany and accept its constitutional order: they "joined." The decision fell for the latter option. Both governments sorted the immensely sophisticated and complex details in a 1000-pages contract.

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18. Karl-Rudolf Korte, "Die Deutschlandpolitik der Regierung Kohl seit Herbst 1989" in Henke, *Revolution und Vereinigung*, pp. 419-440.

Naturally, the short-lived democratic government of the disappearing GDR had an extremely weak position during the treaty negotiations. Firstly, because it was completely depending on the West German government; secondly, because the West German Basic Constitutional Law (the “Grundgesetz”) had proven its worth in more than four decades; thirdly, because an enormous domestic and external political time pressure was imposed. Some GDR-citizens regarded this way of unification (which appeared to them as a precipitate delivery exclusively carried out by West Germans) as a violation of their pride and sovereignty. The consequences should be felt for a long time. Only a few years ago, 60 percent of East Germans still stated that they preferred a new constitution for unified Germany. Just what was rejected by almost two thirds of West Germans.

## The Unification after a Quarter-Century

### *The Political-Institutional and the Material Record*

The *political-institutional* transformation of East Germany was completed within a few years. It proved less complicated than the material or even mental transformation. The institutional framework of West German at large remained more or less untouched.

Since October 3, 1990, the same political-institutional rules of the game applied everywhere in Germany. The fairly smooth transition is owed to the fact that an exchange of the elites in East Germany was a much easier task than in other post-communist states. West Germany was able to provide sufficient elites to fill the now vacant East German positions. This personnel transfusion was inevitable as only officials who had received their training and had collected experiences in the West German political system qualified to carry out many of the public functions. Moreover, continued employment of any East German elites from politics, justice, military or police in a constitutional democracy was out of question.

For many East Germans, this kind of extrusion from responsible

positions smelled of colonialism. It is undoubtedly one of the reasons that, even a quarter-century after the reunification, about half of the sixty-year-olds in the East feel like second-class citizens. Naturally, this feeling is by far less prominent in the younger generation. A university graduate of East German background today knows about the socialist German state only from hearing their parents' and grandparents' stories. The massive exchange of elites, which accompanied German unification, was by no means the result of a severe political cleansing but simply the consequence of the collapse of the enormous communist public sector.

Nevertheless, an intense legal, political and cultural examination of the communist past took place in unified Germany. The scrutiny of the former secret police was peculiar: in a historically unique procedure, all files were disclosed and are to this day administered by a separate public authority.<sup>19</sup> Every citizen, who was under surveillance or prosecuted by the secret police, reserves the right to access the files recorded about his person; in North Korea, this would probably apply to an enormous amount of secret dossiers.

It can be concluded that the transfer of the political-institutional order in the narrow sense of the term was completed at a great pace. Understandably, the democratic order today is by far not as deeply rooted in the East as in the West. The *idea* of socialism is anything but dead: only a few years back, more than two thirds of East Germans still stated that they believed in the idea. Other than West Germans, they also could imagine having an alternative system of government. Three out of four considered democracy the best system of government in the West, while in the East, only little more than one third did — a figure even lower in the first years after the unification. This, however, referred less to the *idea* of democracy and more to its specific manifestation in West Germany. Still, it did not prevent people from feeling satisfied with their *personal* condition of life. Citizens wishing

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19. See the so far eleven *Tätigkeitsberichte des Bundesbeauftragten für die Unterlagen der Staatssicherheit der ehemaligen Deutschen Demokratischen Republik* (Berlin 1993 ff.).

for a return of the SED-regime are few and far between.

The major challenge for reunited Germany is the “creation of equal living conditions” as demanded by the constitution.<sup>20</sup> It has turned into a Herculean task as the hopelessly underdeveloped state-socialist economy of the GDR was effectively bankrupt in 1990. The average productivity of the so-called “people-owned enterprises” lay at about 30 percent of West German companies. As a consequence of the monetary reform the manufacturing industry abruptly lost the last bit competitiveness. The conversion of the East German economy was therefore not a question of improvement but one of almost complete reconstruction.

Founded in 1990, the “Treuhandaanstalt,” as the privatization agency was called, became the central authority restructuring East German economy. Functioning as a state-holding, its task was to either close down, secure, or as in most cases, privatize more than 13,000 East German companies consisting of about 45,000 production sites and four million employees. This enormous conversion task, involving all kinds of alleged or actual scandals, was completed within only a few years. Yet, the outcome was quite different than expected: the initially assumed disposable proceeds of the “Treuhanda” of 600 billion DM faced a final balance of minus 140 billion DM. Even more: 84 percent of the overall purchases of the 35,000 contracts were raised by West German investors whilst only 3 percent were made by East

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20. See in particular: Bundesministerium des Innern. Der Beauftragte der Bundesregierung für die Neuen Bundesländer: *Jahresbericht der Bundesregierung zum Stand der Deutschen Einheit 2013* (Berlin, 2014); Gernot Gutmann (ed.), *Die Wettbewerbsfähigkeit der ostdeutschen Wirtschaft: Ausgangslage, Handlungserfordernisse, Perspektiven* (Berlin: Duncker&Humblot,1995); Weidenfeld, Werner, and Karl-Rudolf Korte (eds.), *Handbuch zur deutschen Einheit* (Frankfurt: Campus, 1996); Wolfgang Schroeder, *Das Modell Deutschland auf dem Prüfstand: Zur Entwicklung der industriellen Beziehungen in Deutschland (1990-2000)* (Wiesbaden: Westdeutscher Verlag, 2000); Karl Heinrich Oppenländer (ed.), *Wiedervereinigung nach sechs Jahren: Erfolge, Defizite, Zukunftsperspektiven im Transformationsprozess* (Berlin: Duncker & Humblot, 1997). All statistics from this study and from Reiner Geißler, *Die Sozialstruktur Deutschlands* (Wiesbaden: Verlag für Sozialwissenschaften, 2014), p. 471.

German investors.<sup>21</sup>

A quarter-century after the unification, the manufacturing sector in the East is still medium-sized and much more compartmentalized than before 1990 or before 1945. It is unlikely that this will change in the future. After unification, not a single global German company moved its headquarters to the new Länder, even though they maintain a number of production centers benefitting from lower wages.

Unlike an analysis of the East German transformation, it is nearly impossible to determine how the West German economy has been affected by the unification — simply because of the sheer impossibility to establish a reliable cause-effect diagram.

The breakdown of the Eastern economy and employment-pattern inevitably resulted in mass unemployment, which came to 30 percent on former GDR territory. The number of labor force in agriculture even decreased by more than three quarters. In 2014 the unemployment rate at 10 percent is still twice as high as in Western Germany. Four out of five workers having been employed in the GDR pursue a different profession today. This blatantly shows the tremendous, slow, and for those affected, painful adaptation and catching-up process. Still, from 2014 on the territories of the former GDR cease to be part of the particularly underdeveloped regions of the European Union.

The productivity of East German companies in the meantime adds up to about 80 percent of Western companies. Between 1990 and 2013 the GDP per capital in the new Eastern Länder rose from 43 percent to 71 percent of the western value and has therefore already left behind the reference value of Great Britain and France. The development of wages pretty much kept pace. While wages in the East lay at only 50 percent of the Western standard in 1990, a quarter-century later they lie at roughly 80 percent.

Notwithstanding still many years will have to pass until the intended “equal living conditions” in the East will be achieved, the positive results of these national efforts can be seen at all levels and with the naked eye: The new Eastern Länder are equipped with one

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21. Geißler, *Sozialstruktur*, p. 91.

of the most modern infrastructures worldwide, new roads and rail lines (which alone cost 40 billion Euro), new electricity lines, new harbors, new universities etc.; for instance, solely the disposal of the damages from uranium and brown coal mining has cost as much as 15 billion Euro.

Thanks to this significant improvement of living conditions, the exodus from East to West is finally diked; after all, 1.8 million citizens had made that decision since the reunification. For the first time since 1945 one is not forced to seek good fortune in the West. The costs of “Aufbau Ost” (Build-Up East), basically a catch-up modernization that required the implementation of a separate supplementary tax called “Solidaritätszuschlag” (solidarity surcharge), reached the vast sum of roughly 1.6 trillion Euro until 2010. (Private investments account for about the same amount.) All citizens equally have to bear this support, still running up to several billions of Euros annually. It will finally come to an end in 2019, one generation after the fall of the Berlin Wall. After that it will be seen whether the new Eastern Länder can survive on their own. Given the fact that the GDR was an industrialized country disposing of skilled workforce and broad commercial relationships, one can only assume the enormous burden South Korea might have to lift on its shoulders after a reunification with North Korea.

It will require many more years for the major disparities in the distribution of wealth, which has been “massively leveled”<sup>22</sup> in the GDR, to be alleviated. After unification, the monetary assets of private households in the West were three times higher than in the East, there was a lot more inheritable real estate, plus the differences in productive property were even higher. Different than Federal President Richard von Weizsäcker advised at the time, Kohl’s government failed to decide on a material load balancing between East and West after 1990. Similar to the situation after 1945, it could have — at least symbolically — slightly alleviated the discrepancies.

The challenges of the social realm were equally gigantic as those

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22. Ibid.



in the economic sector since the “institutions, norms and institutional players of the West German social system”<sup>23</sup> were transferred entirely to the new German Länder. It is no wonder that 70 percent of the so far 1.6 trillion Euro spent on the unification-process incurred for welfare spending, specifically to cushion the impact of mass unemployment. The enormous transfer payments demanded West Germany to give up on its “policy of financial consolidation”<sup>24</sup> for years. It is only today, a quarter-century after the unification, that it can be continued. By 2015, the Federal Government plans to get along without new debt.

The immediate and massive alignment of the East German social system to that of West Germany substantially softened the uncertainty of the East German citizens facing an almost shocking transition. It presented the main auxiliary of the political, economical and mental adjustment process. Amongst the biggest winners of the unification were the pensioners, completely neglected in the GDR. Their pensions surged and moreover were paid in D-Mark. This strong emphasis on social security in the field of social, health or unemployment insurance has been entrenched in the German traditions since the German Empire of 1871. Therefore, no respectable politician raised the idea to break with this tradition to help cut the costs of the German unification.

The fact that 25 years after the unification life expectancy of accrued former GDR citizens is almost equal to life expectancy in West Germany is owed to the implementation of strict environmental standards, a costly remediation of rivers and lakes, the general improvement of living conditions and above all, to the extensive health and social care. The same can be said regarding the birth rate, which in the East dropped “at an internationally almost unprecedented low level” of 0.77 children per woman<sup>25</sup> in the first five years of the dramatic transformation process. Today, the total fertility rate in the whole of Germany lies at about 1.4 children. These facts indicate that,

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23. Gerhard A. Ritter, *Der Preis der deutschen Einheit: Die Wiedervereinigung und die Krise des Sozialstaates* (München: C. H. Beck Verlag, 2006), p. 87.

24. *Ibid.*, p. 130.

25. *Jahresbericht der Bundesregierung zum Stand der Deutschen Einheit 2013*, p. 95.

during the unification of diverging state and social systems, the social cushioning is an enormous expense factor and a challenge that has to be tackled very carefully. Many things, however, depend on the specific socio-political tradition and on the social expectations North Korean citizens may have in the case of a possible reunification.

### *The Mental Record*

Against the background of what has been said, there is no need to explain why the enormous transformation in East Germany, twenty-five years after the reunification, still has not achieved equal living conditions as postulated in the German constitution. Why the massive encumbrances for East German people have not lead to much bigger protests and social unrests, however, does deserve an explanation.

After 1990, unified Germany debated much on the emergence of a so-called “inner unity” even though nobody really understood the exact meaning of it. Some claimed that “a wall in people’s minds” was blocking the consolidation of the nation. It is safe to say, though, that these concerns were exaggerations.

Nevertheless, in 1989/90, East Germans could easily have had the feeling of having grown strangers in their own country. The harsh caesurae were inevitably leading to a massive disillusionment once the elation of 1989/90 faded. In particular, the confidence in the market economy vanished in thin air. 77 percent of the East Germans considered it the best economic system in 1990; ten years later only 27 percent stood by this belief! It took a fair bit of time for people to realize that not all of their dreams would come true in unified Germany: freedom, consumption and participation in the manner of the West, whilst at the same time having the “security” they were used to in the East. Discordance and disappointments were the results, which only slowly dissolved. Hence, a certain feeling of otherness remained between East and West for a long time.

The older population preserved a certain mental allegiance to life as well as attitudes from before 1990. The pressure of struggling for survival in the new German Federal Republic soon superimposed the

memories of the political pressure in the dictatorship. Little by little, the GDR was whitewashed. Research on personal memories points out a compulsion common to all mankind: the continuity of one's own biography is constructed and preserved through reminiscent alignment of the past.

Considering the completely different socialization of East and West, it is hardly surprising that people show considerable distinctions in their sense of value, habitus, and communication. The reunification rendered these visible altogether. Different than an ideology, one cannot strip off one's own habitus like a shirt — even less so if this habitus-discrepancy (be it in appearance or acquaintances) strengthens the own identity.

Even though these kinds of differences between East and West used to be more or less normal, there can be no talk of “a wall in people's minds.” It simply does not exist among people under thirty. Besides, an “inner unity” in a mental-cultural sense never existed in regionally diverse Germany. Some even argue that meanwhile the centuries-old North-South separation of Germany continues to be stronger than the East-West distinction that had emerged after 1945. Be this as it may: it is sufficient if people play by the political and social rules and want to stay one nation against all odds. This certainly is the case in the new Federal Republic of Germany after the reunification. Many European States are faced with much bigger ethnical or cultural frictions.

Albeit that a high percentage still feels like citizens of second rank, about two thirds of East Germans voted for a common national identity. Just as many stated even years ago that their hopes of 1989/90 were fully or partially fulfilled. The satisfaction discrepancy between East and West continues to diminish. The differences caused by the division will need just as much time to disappear as they took to develop. All the more as sociologists observed a paradoxical phenomenon: the more people's sensitivity towards existing disparities rises, the more these disparities decrease.

Every radical modernization like in the new Eastern Länder since 1990 leads to a loss of material and cultural opportunities. It is crucial,

however, that people's opportunities in life are more promising after the radical change than they were before. This is just the case in Germany a quarter-century after the unification. Admittedly, most West Germans still have not fully understood the hardships their fellow countrymen had to undergo within the last years. Many even have not visited the new regions up to the present day.

Back in 1990, the necessary adjustments and future learning processes were tremendously underestimated. Yet, so was the resilience of people when they were faced with an inevitable radical change in their living conditions. The latter is an encouraging experience. It certainly was for Germany and is now for Korea.

### **The German Example and Some Conclusions for a Possible Reunification of North and South Korea**

The lessons from the German unification are evident: Reunification is possible, even if it seems impossible. Nobody can know when the time comes. However, a regime restricting its people in a totalitarian manner cannot survive in the modern world. The awareness of having shared a common national fate over centuries is a strong basis for a reunification. Nevertheless, it will only succeed if at least one of both states keeps the will alive and actively fosters it. As we know, a nation is not naturally given; instead, it is the daily reinforced willingness to share a common fate.

During the decades of division, it is advisable to avoid decisions that might turn into hurdles for unification. It is a good idea to prepare plans for unification. But at the time the decisive moment of unification arrives, the actual measures will depend to a great extent on the then given circumstances. Therefore — similar to Germany — the unification will be a process of *trial and error*.

As the German example shows, reunification is an enormous endeavor. The bigger the political, economic, cultural and civilizing differences have been growing between the partial states, the longer it will take to integrate both in a unified nation state. In Korea, the path

to an “inner unity” most likely will be much longer than in Germany. For the giving side, the more prosperous partner, the backlashes of the unification process are enormous. Like the West in Germany, South Korea will be the giving part. It is necessary to explain the big sacrifices and risks frankly and from the very beginning, but still convince the population, that unification is a goal that justifies every effort and sacrifice.

The political institutional structure of unified Korea will most certainly resemble the system of South Korea. It is nevertheless crucial that the people of North Korea legitimize it as well. The success of the transformation strongly depends on the dedicated contribution of the South Korean functional elite during the decades of reconstructing the North.

It may well be that a veto-power (like the USSR in Germany in 1989/90) will be part of the Korean reunification process. All will depend on a good relationship with that power. Nobody knows if the North Korean regime will bow out similarly unsung as the communist dictatorships in Europe. In any case it is important to distinguish between the supporters of the regime and the ordinary population. The oppressed may not be blamed assuming a collective guilt. The communist government’s responsibility for the ruination of the North and decades of oppression, however, needs to be clarified politically and legally.

If the unification of Korea should be less pressed for time than it was the case in Germany, the transformation and unification probably could happen gradually and more gently. The premises for a long-term consolidation of a common national identity are much better if the North Korean population feel given the ability to contribute their own elements of identity. The shock of aperture and unification will require an unprecedented process of adjustment efforts from North Koreans. It will be much bigger than the shock experienced by the East German population. This predictable shock requires a strong and very costly strategy to socially cushion the impact. Additionally, it would be wise to consider the possibility of sharing the financial burden.

The rearrangement of the economy in the North will be a recon-

struction from scratch and will devour vast amounts of money. Most likely it will require particular incentives and regulations to attract private funding and major corporations to the North. A complete deindustrialization of the North would be harmful and could lead to permanent distortions. It will take several generations until values, standards, attitudes and habitus of people in the North and in the South will have fairly adjusted. Everything depends on how much sympathy people in the South will find and show for the enormous burden of their fellow countrymen in the North. Korea should not strive for an “inner unity” in the sense of homogenization. It suffices if people play by the mandatory political and social rules and if the government makes trustworthy efforts to establish equal living conditions for all Korean citizens.

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