

1-1-1998

The Continuing Challenges of German Reunification

Richard W. Barsness
Lehigh University

Follow this and additional works at: <http://preserve.lehigh.edu/perspectives-v16>

Recommended Citation

Barsness, Richard W., "The Continuing Challenges of German Reunification" (1998). *The continuing challenges of German reunification*. Paper 1.
<http://preserve.lehigh.edu/perspectives-v16/1>

This Article is brought to you for free and open access by the Perspectives on Business and Economics at Lehigh Preserve. It has been accepted for inclusion in The continuing challenges of German reunification by an authorized administrator of Lehigh Preserve. For more information, please contact preserve@lehigh.edu.

THE CONTINUING CHALLENGES OF GERMAN REUNIFICATION

A great deal of twentieth century European history has revolved around Germany, where nationalism, militarism and power politics led to two world wars and catastrophic physical and social destruction. Against this background the reunification of East and West Germany in 1990 stands as the welcome conclusion to a century filled with years of warfare and decades of Cold War tensions.

The road which led to German reunification was short, abrupt and unanticipated. It was not an outgrowth of contacts which developed between the Federal Republic of Germany (FRG) and the German Democratic Republic (GDR) during the Cold War. Instead, the opportunity for reunification arose in the late 1980s when Mikhail Gorbachev began to promote *glasnost* and *perestroika* in the Soviet Union, and groups in Poland and Hungary used these cues to take their own steps toward liberalization and democracy. East German citizens seized the opportunity to use Hungary and other East Bloc countries as escape routes to the West and placed increased pressure on official emigration channels as well. Approximately 130,000 East Germans fled to the West during the first nine months of 1989, about half of them legally. As autumn progressed East German leaders increasingly lost control of the situation. Fortunately, the Soviet Union was not disposed to intervene to save the GDR government. The most dramatic event occurred on November 9 when the Berlin Wall and other border checkpoints were opened to free movement. Germans everywhere celebrated and were joined by the rest of the world. The date effectively marked the end of the Iron Curtain.

In the following weeks and months GDR leaders tried to hang on to power by offering new faces and new policies, but it was too late. The loss of subsidies and protected markets caused East Germany's outmoded industry to collapse. Emigration to West Germany continued at a high level (primarily for economic reasons), and

the political apparatus of the discredited regime, including the *Stasi* (secret police), also collapsed. The GDR system imploded and "forty years of artificial nationhood went down the drain." (Ardagh, p. 420)

West German Chancellor Helmut Kohl took the lead in advocating reunification; and a majority of Germans, both East and West, appeared to agree. Standing by the Berlin Wall, Kohl said, "This is a great day for German history. We are and will remain one nation and we belong together. Step by step, we must find a way to our common future." (Quoted in Richie, p. 838)

The first step needed was to resolve important and sensitive diplomatic issues between West Germany, the four Allied Powers, and Germany's neighbors. Next, the legal, political and financial provisions which would govern reunification had to be settled within the Federal Republic and between the two German governments. Discussions, negotiations and events (including the first free elections in East German history) moved forward at an intense pace. Chancellor Kohl pushed vigorously for diplomatic approval (or at least acceptance) abroad and voter approval at home. Reunification officially became effective October 3, 1990.

The actual implementation of reunification has been a longer, more difficult and vastly more expensive process than Chancellor Kohl or anyone else anticipated. The East German economy proved to be a hollow shell. Unemployment and underemployment quickly soared. The infrastructure of the region was obsolete, decrepit and hopelessly inadequate; and urgent environmental problems loomed in all directions. Social, cultural and educational organizations had been corrupted by the ubiquitous *Stasi*, and the population as a whole was both demoralized and apprehensive. For the Federal Republic these circumstances posed a daunting set of challenges indeed.

The resulting reunification process consisted of the *de facto* absorption of the GDR by

the Federal Republic. Using the Federal Constitution to full advantage, West German laws and institutions were extended to the former East German states, the region's physical infrastructure was rebuilt and expanded, and the lives of some 16 million former East German citizens were reshaped in countless ways. The financial costs of this process have been enormous. Since 1991 the Federal Republic has spent more than DM 1 trillion (nearly \$600 billion) on reunification, and expenditures continue at a rate of some DM 150 billion (\$88 billion) annually. Despite these huge financial expenditures and the human capital invested in the process, reunification remains very much a "work in progress." East German productivity and other economic indicators continue to lag well behind West Germany, and unemployment remains twice as high as in the West. In addition, many important social and psychological

differences continue to exist between the *Ossis* (East Germans) and the *Wessis* (West Germans).

These challenges and other facets of this extraordinary chapter in German and European history are examined in eight excellent papers by our 1998 Martindale Student Associates. The extensive research conducted by the students included library and Internet materials, special seminars and visiting speakers on campus, and a field trip to Berlin, Leipzig and Dresden to meet with a variety of East and West German officials involved in the reunification process. The articles prepared by the Martindale Student Associates for this volume are interesting and informative, and a commendable reminder of the academic capabilities of Lehigh undergraduates.

Richard W. Barsness
University Service Professor of Management

REFERENCES

Ardagh, Ralph. *Germany and the Germans*, 3rd edition. London: Penguin, 1995.

Richie, Alexandra. *Faust's Metropolis: A History of Berlin*. New York: Carroll and Graf Publishers, 1998.