German Unification and Its Ramifications

Ronald D. Asmus

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PREFACE

This study is part of a broader project on the future of the U.S. Army in Europe conducted within the Policy and Strategy Studies Program of RAND's Arroyo Center. The study assesses the political, economic, and security ramifications of German unification and the future of German-American relations. It should be of interest to U.S. government officials dealing with NATO and Central European affairs. The author would like to thank Daniel Hamilton and F. Stephen Larrabee for their comments on an earlier draft of this report. A special word of thanks also goes to Gerhard Herdegen from the Allensbach Institute for Public Opinion and to Nancy Walker from the United States Information Agency for their assistance in providing the public opinion data used in this report.

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Lynn Davis is Vice President for the Army Research Division and Director of the Arroyo Center. Those interested in further information concerning the Arroyo Center should contact her office directly:

Lynn Davis  
RAND  
1700 Main Street  
P.O. Box 2138  
Santa Monica, California 90407-2138  
Telephone: (213) 393-0411
SUMMARY

This study assesses the political, economic, foreign, and security policy implications of German unification and draws the central conclusion that unification has fundamentally transformed Germany's position and role in Europe. German unification resulted from a basic shift in the balance of forces in Europe—a shift whose ramifications extend well beyond Germany or Central Europe—and from the collapse of communism in East-Central Europe along with the pending withdrawal of massive Soviet military force from Central and Eastern Europe. Its outcome has been a fundamental change in the European security environment—one that touches on the interests of all European actors. Indeed, not only has Germany been unified, but the Federal Republic of Germany (FRG), once a divided, front-line state exposed to massive Soviet power, has been transformed into one of the strongest players on the European stage—surrounded by friendly, democratic, and weaker countries.

The unification of Germany has, in addition, launched the country on three transitions. The first of these transitions stems from the merging of the two German states, the consequent augmentation of German resources and influence, and the implications of these factors on the existing balance of power in Europe and beyond. Both the domestic and foreign aspects of unification have been accomplished under conditions that would have been considered wildly optimistic only a few years ago. Yet unification was not the result of diplomatic machinations but rather was the consequence of self-determination and of a popular, peaceful, democratic, and pro-Western revolt by the East German populace. Moreover, the key components of a final security arrangement for a unified Germany include NATO membership, a continuing American nuclear guarantee, and modest constraints on the Bundeswehr—conditions that so obviously correspond to Western interests that few experts would have dared to predict them in past scenario writing.

The second transition centers on the internal political and economic transformation that will accompany the unification process. There is every reason to believe that the well-tested democratic institutions of the FRG will ensure quick transition to democratic rule in the former German Democratic Republic (GDR) and will lay the basis for successful democratic rule in an all-German framework. Yet it will inevitably take time to allow for the political education and adaptation of some 16
million Germans with limited practical experience in the ways of democracy. Roughly 20 percent of the future all-German parliament will consist of delegates from the former GDR—and these delegates' political and intellectual baggage will be quite different from that of their West German counterparts.

The end result is likely to be a Germany that is democratic, liberal, and capitalist, but also one that is more Protestant, more oriented toward the East, and more consciously German. At the same time, unification coincides with a crucial generational transition in both former parts of Germany. Essentially, the building of a new Germany will be accomplished by a new generation of Germans that is emerging on the political scene in both the East and the West—one that is solidly prodemocratic but also far more self-confident. This generation has been raised without many of the doubts concerning the stability of German democracy that have plagued previous generations, and it has instead come to regard Germany's postwar accomplishments with pride. It is also a generation for whom patriotism and national pride are increasingly seen as normal sentiments. And while the weight of German history will undoubtedly continue to cast a shadow, that shadow will diminish with the passage of time. Germany will thus become more patriotic if for no other reason than that the factors that once made it so difficult for Germans to cultivate a sense of national pride are rapidly declining.

Economically, unification presents Germany with a mixture of staggering short-term costs and enormous long-term opportunities. The collapse of communism has revealed that the economy of the GDR, once flaunted as the economic workhorse of the Communist world, is in disastrous shape. The costs of reconstruction are therefore enormous. Indeed, the capital needs for economic reconstruction could easily reach one trillion deutsche marks (DM) over the next decade; rapidly increasing expenditures for unification have already pushed the German budget deficit to some 100 billion DM, or 3.3 percent of the GDP in 1990 compared with 21 billion DM or 0.9 percent of the GDP in 1989. The policy of economic and monetary union introduced by the Bonn government has thus amounted to a form of shock therapy with considerable short-term costs. The GDP for the former GDR is expected to fall some 10 to 15 percent for 1990 and continue to be negative for 1991. At the same time, the West German economy is well positioned to meet the challenges posed by the former GDR's transition to a market economy. The Bonn government expects the economy of the GDR to bottom out in mid-1991 and to be followed by a significant economic boom. Hence the longer-term growth projections for the former GDR are quite positive.
The manner in which Bonn handles the challenge of economic reconstruction will be closely observed both in Europe and beyond, for despite the Bonn government’s pledge that German unification will accelerate the unification of Europe as a whole, concerns remain—above all in Franco—that a German preoccupation with the GDR will slacken the pace of integration within the European Community (EC). In Eastern Europe, too, concerns have been raised that German investment in the GDR will leave little capital for the rest of the region. Finally, the fashion in which the Germans handle the economic aspect of unification will also affect the United States in two ways. First, unification will redirect capital flows and increase interest rates—hardly a recipe for relief in a U.S. economy plagued by a major budget deficit and headed toward a recession. Second, Germany’s growing weight and the central position it occupies in the EC also mean that it will play a crucial role in shaping the EC’s position in European-American talks on trade liberalization, monetary stabilization, and economic assistance toward the East. Such developments are integral to an understanding of future German leadership in Europe and of German-American relations.

The third transition concerns German attitudes toward power, its use of power and influence as a tool of diplomacy, and the goals to which newly acquired German influence will be applied. This is, first and foremost, a question bearing on the psychological transformation of a formerly divided country and medium-sized power into the dominant political and economic actor on the continent. Throughout much of the postwar period, the FRG assumed a low foreign policy profile, burdened as it was with the weight of German history, the role of a front-line state, and an identity crisis rooted in partition. Yet there have long been signs that such a role was anachronistic and was perceived as such by both Germans and their allies. Hence, as Germany unites against the backdrop of a rapidly changing political landscape, the country will be compelled to question whether its old agenda and, above all, its old style and instruments of foreign policy will be adequate to the task of meeting its new challenges.

There is little doubt that the German political class sees its destiny in a European context. Similarly, there is a strong commitment to preserving both the multilateral approach and the political institutions that have served the FRG so well in the postwar period. Indeed, in the current German foreign policy debate, Europe and European integration have come to be seen as a cure-all for all the problems that could confront a united Germany in the East as well as in the West. Multilateral institutions also hold promise of allowing Germany to assume a greater role in Europe while simultaneously binding itself with its
neighbors in ways that would mitigate residual fears concerning increased German power.

The problem with the foreign policy of a new Germany is not that it has any bad intentions, but rather that it has too many good ones. The goals articulated by the leadership of this new Germany—deepened integration in Western Europe, support for reform in the East, and the transition to a new and more balanced trans-Atlantic relationship—are admirable and can hardly be disputed. The open question, however, is whether these goals can be achieved simultaneously and what the consequences might be if they cannot. Many of the solutions offered by German leaders involve processes, such as integration, that may require years and perhaps decades to accomplish, whereas the potential problems that could confront them may arise in the near term, thereby compelling a difficult setting of priorities and competition for economic resources and political capital.

In sum, the current challenge facing German foreign policy lies in the need to strike a satisfactory balance between three factors: first, the need to maintain and deepen integration in Western Europe; second, the necessity to facilitate the political and economic reconstruction of the East; and third, the need to consolidate a new trans-Atlantic relationship as geopolitical backup or insurance during the transition to a new European order—and, at the same time, to transform this relationship into a new and more balanced global partnership. German leaders are aware that a race is currently being waged between integration in Western Europe and disintegration in Eastern Europe. They also understand, however, that a second race is taking place—a race to create a new trans-Atlantic relation with the United States that would ensure active American participation of European affairs before the erosion of NATO’s infrastructure assumes critical proportions.

The dangers facing German policymakers are therefore fourfold. The first lies in the residual uncertainties of German domestic politics in the wake of unification. The successful political and economic integration of the former GDR will be a time-consuming process, and one that will demand much of Germany’s attention and resources. At the same time, Germans from the GDR must learn to appreciate the benefits of Western integration if they are to ensure that Germany does not witness a resurgence of nationalism at a time when there will be growing pressures for it to cede sovereignty to multilateral Western institutions. The danger lies in the prospect that Germany may become preoccupied with domestic issues at a time when the country is confronted with a full foreign policy agenda.
The second danger is that Germany will not engineer its political and economic integration into the EC as quickly or comprehensively as it hopes. Clearly numerous factors and issues are at stake in the debate over the future of the EC, one of the most salient of which is the future of Franco-German relations; both Paris and Bonn have long viewed this relationship as the motor behind EC integration. Yet despite Bonn’s rhetoric that German unification has furthered European unification, the reality of Franco-German relations during the past year has served as a sober reminder both of the complex problems attending integration and of the residual uncertainties concerning Germany’s weight and the clear reluctance on the part of Germany’s neighbors to ally themselves with a country whose future policies are still somewhat uncertain.

The third danger is that Germany will be overwhelmed by the problems of political and economic reconstruction farther to the east. Germany has little choice but to become actively involved in reform and change in Eastern Europe, for its own domestic stability and security requirements are intimately intertwined with the fate of reform and democracy in that region. Yet German political leaders currently see themselves as lacking the resources to play this role by themselves, especially in light of the enormous short-term economic and financial burdens that unification has imposed on them. Moreover, for a political elite whose formative experiences have been gathered through Western multilateral institutions, the notion of Germany assuming primary responsibility for managing change in Eastern Europe is still an alien one. It is for these reasons that Germany will continue to advocate a joint Western policy approach toward the problems of this region.

A related danger lies in Germany’s need to develop and to sustain a satisfactory relationship with the USSR at a time when the Soviet state is in a state of fragmentation. All of the dangers mentioned above with regard to Eastern Europe loom larger if one looks beyond the immediate time horizon to contemplate scenarios involving the disintegration and possible breakup of the USSR. Such a development would inevitably lead to the creation of a power vacuum in the East that would result in turn in a critical restructuring of political and economic influence in that region. Were this to occur, enormous pressure would be brought to bear on the West—above all on Germany—to fashion new arrangements with the emerging independent or autonomous elites of the region.

Germany’s dilemma lies in the possibility that problems in the East could emerge well before Western institutions such as the EC or the Conference on Security and Cooperation in Europe (CSCE) are capable
of addressing the political, economic, and security problems in the region. Inability or unwillingness on the part of the West to develop a multilateral and coordinated approach to the region could result in a political backlash that could engender increasing social and economic instability in Eastern Europe, the consequences of which would directly affect Germany through such venues as increased migration from the East or a rise in national sentiment. A Germany faced with growing instability on its Eastern flank and finding its calls for joint Western assistance for the region rebuffed could feel increasingly compelled to develop its own bilateral working arrangements with the USSR in attempts to manage this process of chaotic change. If such a development were to occur, it not only would place an inordinate strain on German attention, resources, and diplomacy but could also have a profound effect on Germany's attitudes toward its Western commitments. A Germany that proved unsuccessful in harnessing Western institutions such as the EC or the CSCE to deal with mounting political and economic turmoil on its eastern flank—and one that felt increasingly compelled to act on its own in the region—could quickly find itself faced with precisely the type of reappraisal of relations with its Western neighbors that German leaders have so desperately sought to avoid.

Such scenarios quickly bring us to the fourth danger facing German policymakers: namely, a premature attenuation of the trans-Atlantic bond resulting from the merging of changing trends in German public opinion with American neoisolationism to produce an American withdrawal from European security affairs. At first glance, German-American relations would appear to be better than ever. American support for German unity, after all, has been gratefully acknowledged by German leaders; not only is the standing of the Bush administration high in German public opinion, but much of the radical chic anti-Americanism of the early 1980s has dissipated. At the same time, the collapse of communism and the pending withdrawal of Soviet troops from the region have led to a dramatic drop in threat perceptions. This in turn has led to major shifts in the perceived need for American troops on German soil. Public opinion polls taken in mid-1990, for example, showed a majority of West Germans favoring an American troop withdrawal. Such trends could be exacerbated as unification and the addition of some 17 million former East Germans to the security debate inject a new variable into the equation governing overall German attitudes toward America's role in Germany.

Such polls do not necessarily mean that a future American military presence in Germany cannot be sustained. What they do underline, however, is that a new rationale for an ongoing U.S. troop presence
must be developed if German public support for NATO is to remain cohesive. Arguments that have been put forth in favor of an American troop presence in years past—e.g., that such troops provide a stabilizing force for German democracy—are likely to be largely irrelevant to a younger generation of Germans. Moreover, large segments of the German elite are already convinced that it will be increasingly difficult and perhaps impossible to justify either a strong Bundeswehr or a residual allied troop presence solely on the basis of a residual Soviet threat, above all at a time when Germany is pursuing a policy of rapprochement toward the USSR.

There are, of course, other substantive reasons for maintaining U.S. troops in Germany and Europe—reasons that much of the German political elite both understand and support in principle. The problem lies in defining a role for both the United States and NATO that is politically sustainable in the future and that is not linked solely or even primarily to the Soviet Union. The threat to the American presence in Germany therefore does not reside in a sudden surge in anti-Americanism or in vocal calls for an immediate troop withdrawal. Rather, it lies in the possibility that the American presence will, in the medium or long term, be seen as unnecessary and irrelevant.

Unification will therefore require major adjustments in American thinking—specifically in the way we see our own role in Germany and in Europe. The bottom line of the German-American relationship remains rooted in a security partnership based on geopolitics—namely the need for the United States to balance the USSR as a continental superpower, especially in the nuclear realm. At the same time, the future of the American presence in Germany must be viewed through a broader prism—one that takes into account the need to develop coordinated strategies in the realm of trans-Atlantic commercial and economic issues as well as a joint policy toward the USSR and Eastern Europe.

Liberating the German-American relationship from its previously narrow focus on military security and from Bonn’s dependence on the United States introduces the possibility that this alliance might assume a broader and more balanced character. It also implies the risk, however, that new tensions might be unleashed. Growing friction over trade liberalization, protectionism, or monetary stabilization will, for example, have a far greater impact on U.S.-German relations than in the past if such issues are not properly managed. Similarly, the development of a coordinated Western policy toward Eastern Europe may be just as essential to many Germans as the narrower issue of military security and could thus be seen increasingly in Germany as a test of America’s commitment to peace and stability in Europe. Should
German-American differences emerge on how to deal with the USSR, Eastern Europe, or the CSCE—all areas to which German political and diplomatic energies are likely to be directed in the next few years—the American role could be rendered marginal in the Germans’ perception.

At the same time, German unification has undoubtedly altered the context of German-American relations. American influence in European affairs, for one, will be more limited and diffuse—not only as a function of the devaluation of the role of military power in Europe, but also as a result of the fact that, rightly or wrongly, the inability of Washington to bring social, economic, and budgetary issues at home under control has tarnished the image the United States once enjoyed in Germany as a society worthy of emulation. As a result, Germany will be a more equal, assertive, and independent-minded partner that will want the United States involved, but increasingly on terms defined by the Germans themselves.

The United States still has a crucial role to play both in Germany and in Europe. This role, however, will not be that of a controller or mentor but rather one of a key leadership partner in the Western world. First and foremost, the United States will be a key interlocutor with the USSR on security issues. It is also in everyone’s interests that Germany not become the sole Western power heavily engaged in the East. The best guarantee against such a scenario is to ensure that the problems of the East be confronted by the key countries of the West in a multilateral framework—one that includes the United States. The United States, for its part, can and should encourage Germany to become involved in broader issues touching on common Western security interests. Unification must mark the end of geopolitical and international abstinence.

It is only in this way that the German-American relationship will remain healthy and thrive. A division of labor in which the Germans deal solely with the East—and in which the United States concentrates on crises in the Persian Gulf or elsewhere—could simply accelerate a process of erosion and marginalization on both sides of the Atlantic. It would be a tremendous irony of history if the United States, after playing such a decisive role in building German democracy by promoting Germany’s rehabilitation and facilitating the achievement of German unity, should now become a marginal force in German and European politics.
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I. INTRODUCTION

German unification marks a watershed in postwar European history. A byproduct of the collapse of communist rule in Eastern Europe, the overcoming of Germany's division may also bring about the end of Europe's division some 45 years following the conclusion of the Second World War. A unified Germany will play a key role in shaping the future political, economic, and military landscape in Europe.

The purpose of this Report is to look beyond the tumultuous events of the unification process in efforts to address the longer-term ramifications of German unification. What, for example, will be the political and economic outcome of the merger of the two German states? Similarly, how will a unified Germany respond to the radically altered foreign and security policy environment in which it finds itself? What degree of continuity or change will characterize future German domestic and foreign policy? Will Germany's agenda change, and, if so, how? Will the past style and instruments of German foreign policy be adequate to meet the new challenges that will confront a unified Germany?

Such questions are crucial in light of Germany's central position and in view of its growing importance in shaping the future course of European politics. The central theme of this study is that the collapse of communism has transformed Germany into the lead actor on the European stage. As a divided country and a front-line state exposed to massive Soviet power, the Federal Republic of Germany (FRG) enjoyed a sheltered existence for much of the postwar period. Unification and the collapse of Soviet influence to the East will enhance German political and economic influence in the region but will also impose new responsibilities and burdens on German policymakers.

Accordingly, the key questions addressed in this study center on how such changes will affect German perceptions of their own interests, roles, and commitments in Europe and beyond, including their relations with the United States. The FRG has been one of the closest allies of the United States throughout the postwar period. As a result, the course that Germany takes will be a key factor determining not only the future political landscape of Europe but the American role in European affairs as well.
II. THE CONSEQUENCES OF UNIFICATION:
THE STATISTICS

A central aspect of unification, and one that must be stressed, is that the newly created German union was by no means a marriage of two equal and powerful partners. Rather, it more closely resembled the adoption of a weaker Eastern sibling by its stronger Western counterpart. A comparison of the basic statistics of the two German states, shown in Figure 2.1, amply illustrates this point. As this figure shows, the German Democratic Republic (GDR) was a small to medium-sized country from a European perspective; at the end of 1989, its population was about one-quarter of that of the FRG and its GNP some 10 to 15 percent. Its productivity level varied greatly across industrial sectors but in overall terms was estimated to have been roughly 40 percent of that of the FRG. Hence, even if the former GDR were eventually to attain the productivity level of the FRG, its absorption would amount to little more than the addition to the FRG of a country roughly the size of one of the larger West German Länder, such as North Rhine-Westphalia.

This unified state also differs from the Germany of prewar vintage with regard to its composition. The territory of a unified Germany, for example, will include only two-thirds of the area of the former German Reich. Until the end of the First World War, this Reich, with 541,000 square kilometers, was the largest nation in Europe and second only to Russia on the continent. By contrast, a unified Germany in 1990 will span some 357,000 square kilometers, placing it in fifth place in Europe behind France, Spain, and Sweden, and only slightly ahead of countries such as Finland, Norway, and Poland.

The relative weight of a unified Germany becomes clearer when it is placed outside the context of Europe. The population of a unified Germany, for instance, is less than one-third of that of the United States and three-quarters of that of Japan. Similarly, the size of the economy of a unified Germany will be only one-quarter of the United States and 60 percent of Japan. Although Germany is one of the world’s leading export countries, its dominance in this realm appears less formidable if one treats the European Community (EC) market as a domestic market for German goods, since over half of Germany’s exports are to EC countries. Similarly, Germany is highly vulnerable to changes in the world economy and is heavily dependent on imports from around the world—up to 100 percent in some key sectors.
<table>
<thead>
<tr>
<th>Variable</th>
<th>West Germany</th>
<th>East Germany</th>
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</thead>
<tbody>
<tr>
<td>Area (square kilometers)</td>
<td>249,000</td>
<td>108,000</td>
</tr>
<tr>
<td>Population: 1950 (millions)</td>
<td>50.0</td>
<td>18.4</td>
</tr>
<tr>
<td>Population: 1988 (millions)</td>
<td>61.7</td>
<td>16.7</td>
</tr>
<tr>
<td>Population of working age (15-65) (millions)</td>
<td>42.8</td>
<td>11.2</td>
</tr>
<tr>
<td>Pensioners 65 or older (millions)</td>
<td>9.4</td>
<td>2.2</td>
</tr>
<tr>
<td>Pensioners as percent of population</td>
<td>15.2</td>
<td>13.2</td>
</tr>
<tr>
<td>Life expectancy: 1988 (years)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Males</td>
<td>70</td>
<td>69</td>
</tr>
<tr>
<td>Females</td>
<td>77</td>
<td>75</td>
</tr>
<tr>
<td>Fertility rate: 1987*</td>
<td>1.3</td>
<td>1.7</td>
</tr>
<tr>
<td>Workforce: 1988 (including armed forces) (millions)</td>
<td>29.7</td>
<td>8.6</td>
</tr>
<tr>
<td>Employment (as percent of population)</td>
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<tr>
<td>Males</td>
<td>60.7</td>
<td>55.1</td>
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<tr>
<td>Females</td>
<td>37.0</td>
<td>48.3</td>
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<tr>
<td>Percentage employed in agriculture</td>
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<td></td>
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<tr>
<td>Industry</td>
<td>41</td>
<td>48</td>
</tr>
<tr>
<td>Services</td>
<td>54</td>
<td>40</td>
</tr>
<tr>
<td>Gross domestic product (billions)</td>
<td>$1200</td>
<td>$155</td>
</tr>
<tr>
<td>1988 per person</td>
<td>$19,500</td>
<td>$9,300</td>
</tr>
</tbody>
</table>

*Number of children a woman will bear in her lifetime

**SOURCES:** Commerzbank, Deutsche Bank, OECD

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*Fig. 2.1—The two German states compared*
Germany also suffers from a critical demographic problem. The contrast between the population and demographic trends of prewar Germany and Germany today, for example, is striking. Three decades ago, Germany had a population of some 60 million, placing it nearly 50 percent ahead of either France or Great Britain and exceeded only by Russia, with some 90 million. Together with the Austro-Hungarian Empire, then, the German-speaking area of Europe was by far the most populous on the continent—equaling that of France, Great Britain, and Italy combined. By contrast, the newly reunified Germany has a population of 79 million, including some five million foreigners. Moreover, both halves of Germany suffer from a declining birth rate. Hence the population of Germany is expected to decline by some five million per decade—such that within 30 years, the number of Germans in a unified Germany will be roughly that of the population of the FRG today and will be only slightly ahead of France, Britain, or Italy.

There has, of course, been considerable emigration of ethnic Germans from the East into the FRG in recent years; in all, approximately 1.2 million people, some 700,000 of whom were East Germans or ethnic Germans from Poland, Romania, or the USSR, left the Soviet bloc in 1989. Such flows will not, however, reverse the demographic trends of a unified Germany. As a result, Germany will continue to import foreign labor and will increasingly become a multicultural society with all the advantages and problems inherent in that process. Some estimates suggest that a unified Germany may have to import labor on the scale of some 500,000 annually by the end of the decade.¹

This process of emigration that has been taking place since the mid-1950s will be augmented by labor flows resulting from the implementation of the European Single Act of 1992 and the elimination of internal barriers against intra-EC immigration as well as by substantial migration pressures from the newly democratizing countries in Eastern Europe—pressures driven by the significantly higher birth rates in those countries and by Germany’s relative affluence and extensive social welfare system.² Emigration pressures emanating from the USSR may be even greater, however; Soviet officials have estimated that the liberalization of Soviet travel restrictions, combined with ongoing economic reform in the USSR, could lead some seven to eight million Soviet citizens to apply for emigration within the first year.

¹For background on German demographic trends, see the article by Josef Schmid, professor of demography at the University of Bamberg, entitled “Der Druck nimmt zu,” in Rheinischer Merkur, October 12, 1990.

after the regulations are introduced. While such problems will confront the EC as a whole, Germany’s advanced welfare system, its historic ties with the region, and the border it shares with the new democracies of the East make it a likely destination for those seeking jobs and prosperity in the West.

Although such statistics do not alter the centrality of a unified Germany’s role in Europe, they do underscore the fact that the Germany of today is far different from its predecessors in both its size and its composition. Above all, Germany is far more dependent on its neighbors for everything from labor to export markets. And while German resources and influence will doubtless increase as a product of unification, the collapse of Soviet power, and the enormous changes taking place in Europe, Germany will remain a country that is closely linked to its European neighbors and vulnerable to changes or pressures emanating elsewhere in Europe. Such trends will inevitably affect the manner in which Germans define themselves, their problems, and their preferred policy options, as will be discussed below.

3See the interview with Rudolf Kuznetsov, chief of the Visa Department in the USSR Ministry of Internal Affairs, in Pravda, September 26, 1990.
III. THE NEW POLITICAL LANDSCAPE

One key issue concerning the future of a unified Germany pivots on the question of how the political fabric of Germany might change as a result of unification. German unification has taken place through the implementation of Article 23 of the West German constitution, a measure that granted the former states of the German Reich the right to accede to the FRG—and the invocation of which has ensured that established postwar West German institutions will provide the political and legal basis for a future unified German state. Such a move did not merely represent a vote of confidence in postwar West Germany democracy, however; it was also a measure aimed at providing a strong guarantee to Germany’s neighbors that the future German state would continue along the democratic path that West Germany has followed since 1945.

The decision to unify via Article 23 was one of the early watersheds in the unification process. Despite the initial opposition of sections of the German Left in both states to the venue of Article 23, a consensus quickly emerged that this was both the safest and the most certain way to minimize the uncertainties of the unification process. In the spring of 1990, following the GDR election, Bonn thus moved to secure East German support for unifying through the venue of Article 23. Bonn’s decision to adopt a 1:1 exchange rate for the East German mark in connection with monetary union was part of a broader package of compromises whereby the GDR government simultaneously agreed to adopt West German law.

Bonn’s willingness to absorb the additional costs and economic risks of such an exchange rate in return for a commitment to unification on West German terms was but one of several examples of its willingness to assume considerable short-term financial costs in efforts to guarantee the continuity of structures that have proved so successful for West

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1Bonn’s Basic Law foresaw two possibilities based on Articles 23 and 146, respectively. The latter called for a new constitution to be drawn up by a future all-German parliament. It was initially favored, above all on the West German Left, by critics of West German democracy, who saw unification as a chance to modify West German laws or provisions in the constitution. Such sentiments reflected early hopes of the West German Left that they would benefit from unification and could therefore push for constitutional revisions that would reflect an expanded commitment to social and economic equality. It also had support among those in the East German Left who saw Article 146 as an issue of pride and equality and as giving them a chance to have a greater say in determining the “new” German state rather than simply being absorbed on West German terms.
German democracy in the postwar period. A second example of this pattern, and one that will be discussed later, was Bonn’s willingness to absorb considerable costs with regard to aid for the USSR in efforts to convince Moscow to accede to ongoing German membership in NATO. Here, too, Bonn was willing to pay for the maintenance of the external structures that have proved successful for the FRG.

At the same time, the new Germany will be more than merely an enlarged FRG. Indeed, one of the most interesting aspects of unification will lie in the manner in which the reintegration of a nation divided for 40 years by ideology will work out in practice and how that process will affect the future political fabric of Germany. Perhaps the most immediate impact of the collapse of the Berlin Wall on West German politics has been the reversal in the political fortunes of the two major parties in the FRG, the Christian Democratic Union/Christian Social Union (CDU/CSU) and the Social Democratic Party (SPD). Before November 1989, the CDU/CSU appeared to be in a stage of political decline. It had performed poorly, for example, in a series of local and state elections, losing power in Schleswig-Holstein, West Berlin, and Lower Saxony. On the national level, too, there were signs of strain and erosion in the CDU/CSU-Free Democratic Party (FDP) coalition after eight years of governance. And despite the strong performance of the West German economy, Helmut Kohl’s popularity had reached a record low in public opinion polls, leading to growing speculation over a possible change of government in Bonn and a return to power of the SPD.

The unification process has led to a remarkable reversal in the CDU’s political fortunes in several important respects (see Figure 3.1). First, Chancellor Kohl’s early advocacy of rapid unification, together with his handling of the diplomatic aspects of German unity vis-à-vis both the Western allies and the Soviet Union, has transformed him in the public’s perception from a provincial politician to a senior statesman, thereby giving his popularity a significant boost. Kohl’s political genius lay in the fact that he was among the first to recognize the opportunities that the collapse of communism in the GDR offered for his country, his party, and his role in history. Recognizing the extent to which Germans in the GDR were alienated from their system and state, Kohl perceived that the measured reform and lengthy period of confederation advocated by many East German intellectuals did not represent the sentiments or needs of GDR society as a whole. Indeed, while the notion of an indigenous GDR model may have enjoyed support among East German intellectuals, little enthusiasm for yet another “socialist” experiment emanated from the average “man in the street,” who increasingly saw unification as the quickest and best
If a Bundestag election were to be held as early as next Sunday, which party would you vote for?

**FRG**

- CDU: 44.3
- CSU: 43.4
- SPD: 38.9
- Greens: 10.8

**GDR**

- CDU: 48.9
- DSU: 2.4
- DSU: 51.6
- Of that: DSU: 2.4

**United Germany**

- CDU: 45.2
- CSU: 38.2
- DSU: 35.2
- SPD: 31.2

**SOURCE:** Allensbach Institute for Public Opinion

**Fig. 3.1**—Strength of political parties in Germany as measured by a random poll
guarantee of Western standards of freedom and affluence. Ignoring the advice of experts and his own intellectuals, the average East German took to the streets in growing numbers to demand that Bonn fulfill its commitment to German unity so that East Germans could reap the same benefits their West German brethren had long enjoyed.²

Kohl's personal credibility was also greatly enhanced by the emergence of the unification issue. As the chancellor remarked in an interview in early 1989, long before the changes in the East had become manifest, no chancellor since Konrad Adenauer had spoken so often in public of the German commitment to unity.³ Although Kohl's emphasis on unity was attacked by his liberal critics throughout the 1980s as anachronistic and out of touch with the times, the course of history vindicated Kohl as he stepped forward to claim credit for achieving German unity.

Chancellor Kohl's active role in the unification process also allowed his party to refurbish its foreign policy credentials. Throughout much of the 1980s, the CDU/CSU had found itself on the defensive on many key issues of European foreign and security policy, divided among itself on many touchy issues, such as nuclear weapons, and lacking the talent and expertise it needed to guide the public debate on security issues.⁶ The Christian Democrats were widely perceived as lagging on many core questions of foreign policy—above all toward the East, where the tone of the public debate was set either by veteran Foreign Minister Hans-Dietrich Genscher or by the SPD opposition.

With the collapse of communism in the GDR and the rapid emergence of the unification issue, however, the CDU's stubborn advocacy of unity suddenly appeared in a different political light. Kohl's active participation in the unification process also allowed him to portray himself as a statesman and to claim credit for unification. Kohl's central role in the process even permitted him to outmaneuver his own popular foreign minister, Hans-Dietrich Genscher, in claiming credit for achieving German unity; historically, Genscher may have been vindicated by the events of the fall of 1989, but it was Kohl who emerged

²As one worker exclaimed to great applause on the streets of Leipzig in mid-December in response to calls for an indigenous East German experiment in democratic socialism, "I have worked hard for 40 years, paid my rent on time, am still with my wife, I haven't seen the world, and my city is decaying. I won't allow myself to become a guinea pig again." As quoted in the Frankfurter Allgemeine Zeitung, December 13, 1989.
⁴Kohl, for example, was widely criticized in West Germany for raising the issue of a divided Germany and unification in his talks in Moscow in July 1983 with Yuri Andropov.
as the primary political benefactor. Combined with the CDU's solid reputation as the party of economic competence, this enabled the CDU to pursue an aggressive strategy toward redefining the political agenda in German politics and to present itself as the champion of German unity and solid economic growth. In an interview in early February, Volker Ruehe, the new general secretary of the CDU, sketched out his party's political strategy for the forthcoming months when he stated:

And what about the SPD's commitment to unification? No one has forgotten that it was only a couple of months ago that the SPD called unification an illusion, that Willy Brandt termed the goal of unification one of the great lies of the Federal Republic, and that Egon Bahr went so far as to term our advocacy of unification environmental pollution. And the close ties between the SPD and the SED [Socialist Unity Party] were also a fact. Moreover, in economic affairs the Union clearly has more competence. In addition, I believe that many people want a degree of continuity in government policy at a time when so many other things are changing. Our policies have made us so strong in economic terms that we are now in a position to help others.

Such factors, Ruehe continued, would constitute considerable handicaps for the SPD in the East and could translate into a comparative political advantage for the CDU. According to Ruehe:

The SPD in the GDR has three Achilles' heels that one doesn't even have to point to because the population in the GDR is fully aware of them. First, the SPD has a good many former SED members in its ranks, a fact that many people don't exactly find positive. Second, [the SPD] suffers from a lack of credibility with regard to its commitment to achieving German unity in years past. One hasn't forgotten that the SPD was willing to abandon a single German citizenship and wanted to close the Salzgitter Center for monitoring human rights violations. The third and most important point is the fact that economic and social issues are the core issues in the GDR, and the Social Democrats in the Federal Republic and in the GDR are both weak in their commitment to a market economy. In the programs of both parties one finds calls for great state involvement in and control of the economy.

These factors help explain the strong performance of the Alliance for Germany—a coalition of conservative parties in the GDR forged with the help of the West German CDU—in the March 1990 elections.

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6 Kohl's desire to stake out his position on German unity was reflected in the fact that Genescher was not even consulted prior to Kohl's unveiling of his ten-point plan for German unity in November 1989. For Genescher's view, see his interview in Der Spiegel, October 1, 1990.

7 See Ruehe's interview in the Rheinischer Merkur, No. 6, February 6, 1990.

8 Ibid.
in the GDR, as well as the subsequent performance of the CDU in Eastern Germany. (See Fig. 3.2.) In the spring of 1990, for example, Chancellor Kohl was able to effect a shift in the East German electorate of over 20 percent in favor of the Alliance for Germany through a set of aggressive and well-organized campaign rallies. In the longer term, however, it is clear that Kohl and the CDU seek to capitalize on strong anticommunist sentiments and on the clear desire for rapid economic growth and consumption in the GDR in their efforts to fashion a new political base for the CDU in the East. Anticommunism and prosperity were in fact two key elements that Konrad Adenauer used in the 1950s to forge the CDU's initial political base and to turn that party into the largest political party in the FRG. West German conservatives have made it clear that they will seek to make patriotism and economic competence the key themes in German politics.

At the same time, the CDU will also undergo significant changes as a result of unification. In addition to gaining some 20 percent in its membership through its unification in both parts of Germany, for example, the CDU may have to change its programmatic profile. The West German CDU's strong liberal and Catholic wing, rooted in the west and southwest, will now be counterbalanced by a more northern and largely Protestant wing that will increase in strength through the addition of Christian Democrats from the largely Protestant former GDR. Former East German Prime Minister Lothar de Maiziere, Kohl's sole deputy as party leader in a unified CDU, has repeatedly emphasized that a unified CDU must pay greater heed to social and ecological issues and that the party must become more of a bridge to the East in foreign policy. In the words of the CDU's secretary general, Volker Ruehe, "the party will be more northern, eastern, [and] Protestant, and also younger." Those factors that have played to the CDU's comparative advantage have simultaneously been key handicaps for the SPD. There is little doubt, for example, that the rapid collapse of the SED regime and the groundswell of popular sentiment for rapid unification took the SPD by surprise. And although the SPD undoubtedly enjoyed excellent contacts in the GDR and Eastern Europe, such contacts were largely focused either on the ruling communist regimes or on small groups of dissident intellectuals—groups that were often Social Democratic in orientation but that, in retrospect, turned out to be unrepresentative of the sentiments of these societies as a whole.

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9See the article by Elisabeth Noelle-Neumann in the Frankfurter Allgemeine Zeitung, March 23, 1990.

cSee Ruehe's interview in Der Spiegel, No. 25, June 18, 1990.
<table>
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<tr>
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<th>PDS</th>
<th>SPD</th>
<th>Fed. of Free Democrats (Lib)</th>
<th>Other</th>
<th>CDU</th>
<th>German Social Union</th>
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<td>35.0</td>
<td>3.0</td>
<td>11.4</td>
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<tr>
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<td>3.6</td>
<td>11.4</td>
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<td>4.8</td>
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<td>7.7</td>
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<tr>
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<td>9.1</td>
<td>3.5</td>
<td>43.6</td>
<td>13.2</td>
</tr>
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| Election results | 16.3 | 21.8 | 9.4 | 3.5 | 40.9 | 6.3 |

Fig. 3.2—The results of the GDR elections of March 1990 (percentage of popular vote)
The SPD was also wedded to its own concept of Ostpolitik—one that was designed to effect change in the East through small steps and through gradual reforms implemented from above. Theirs was a vision that eschewed unification as a short-term goal, calling instead for looser forms of German unity based on an improved inter-German relationship that would ultimately lead to some form of confederation. It is only against this backdrop that one can understand why the SPD found itself on the psychological and political defensive following the crumbling of the Berlin Wall and the consequent surge of sentiments for unification. Although Willy Brandt quickly pushed for a volte-face in party policy by embracing the goal of unification in late 1989, considerable reticence nonetheless remained evident in party ranks—and this hesitancy to embrace the need for rapid unification was ruthlessly exploited by Chancellor Kohl.

A second blow to the SPD came from the discovery that it did not have a natural constituency in the GDR. Past conventional wisdom had held that the SPD would be very strong in the GDR; those parts of Germany constituting the GDR, for example, were Social Democratic strongholds before the war. In addition, Brandt’s Ostpolitik had seemingly been popular in the 1970s, and many of the leading figures in the GDR opposition openly sympathized with the SPD. Yet such factors turned out to be of limited value in GDR politics in the free-for-all that followed the opening of the inter-German border. Historic Social Democratic strongholds such as Saxony and Thuringia voted overwhelmingly for conservative parties as voters proved to be motivated more by anticommunism and consumerism than by prewar party allegiances.

The SPD’s dilemma has been reflected in the fortunes of the party’s candidate for chancellor, Oskar Lafontaine. Lafontaine very much represents a new generation of postwar West German Social Democratic politicians—one that is often termed Brandt’s “grandchildren.” A product of the radical activism of the 1960s, Lafontaine is a remarkably gifted speaker to whom Willy Brandt once referred in jest as a “successful combination of Napoleon and Mussolini.” Lafontaine has always been a divisive figure in the SPD—one who has enjoyed the reputation of a skilled tactician who is willing to challenge conventional wisdom and constituencies within the SPD in efforts to reach out to broader portions of the electorate either on the left or in the center, depending on the issue. Yet the issues Lafontaine addressed were largely those of a postindustrial society—e.g., the advanced welfare state, ecology, and disarmament.

LaFontaine also favored transnational integration and often criticized the CDU’s unification policy as an outdated attempt to resurrect the nation-state at a time when it should be transcended. Prior to the crumbling of the Wall, for example, LaFontaine had advocated that steps be taken toward recognizing an East German citizenship and had repeatedly criticized the CDU’s ongoing commitment to unification. In the immediate aftermath of the collapse of the Wall, LaFontaine criticized Kohl and the CDU for pushing the unification issue, increasingly raised the question of the potential costs of unification to the West German taxpayer, and even went so far as to oppose the first state treaty governing monetary union in July 1990. Although such arguments struck a resonant chord in West German public opinion, LaFontaine’s own party became increasingly uneasy about the impact of his strategy in the GDR and of the danger of being portrayed by the CDU as the party opposing German unity. Ultimately, the injuries LaFontaine suffered as a result of an unsuccessful assassination attempt in the late summer of 1990 weakened the candidate, leaving the party struggling for leadership at a key time before the crucial phase of election campaigning was launched and reopening old differences over the party’s future course and direction.

LaFontaine’s strategy clearly pivoted on blaming the CDU-led government in Bonn for the economic problems that have arisen in the GDR. By contrast, the coalition insists that such problems are the residual effect of 40 years of SED economic mismanagement. And while the prospect of further economic turmoil in the former GDR is very real, at least in the immediate term, it is not clear who would reap benefits from such a development. Although the opposition Social Democrats will clearly seek to ascribe responsibility for such problems to Kohl, the SPD does not enjoy a reputation as that party which can best handle economic matters. It will therefore be of interest to see which party or parties portray themselves as best suited to deal with economic problems in the future.

Whether such problems represent a short-term crisis in the SPD or a longer-term strategic dilemma is still not clear. Many Social Democrats candidly admit that they cannot compete with the CDU given a political agenda dominated by issues such as the national question, patriotism, or economic competence. At the same time, the Social Democrats insist that the postunification political agenda will shift toward issues of social justice and job security—areas in which the SPD is strong. Yet despite the SPD’s poor start in the East, politics in the former GDR remain very much in a state of flux. At the same time, many Social Democrats have been forced to concede that they overestimated the strength of social democracy in postcommunist
Central Europe while simultaneously underestimating both the depth of anticommunist sentiments and the manner in which 40 years of communism would discredit the tradition of social democracy in the region.\textsuperscript{12}

The SPD, too, will change as a result of unification, as it will also inherit a sister party organization from the East that differs in many ways from the West German SPD. Peter Glotz, SPD parliamentarian and editor of the party's theoretical monthly, \textit{Die neue Gesellschaft}, has suggested that through unification the SPD will acquire a wing composed of members who are far more traditional and in many ways reminiscent of the pre-Godesberg SPD of the 1950s in West Germany—e.g., members whose commitment to state intervention and skepticism toward the market are greater and who are less Atlanticist and more European in their political orientation. When the SPD met in late September for its own unification congress, a number of party leaders were forced to concede that they had some way to go before the two branches of one of the oldest parties in German history were reunited.\textsuperscript{13}

The impact of unification may be even greater, however, on the smaller parties within a reunified Germany. The West German liberal Free Democratic Party (FDP), for example, tripled its membership through its merger with the East German Federation of Free Democrats of the GDR, itself composed of two former East German bloc parties. In the West, the FDP's constituency has increasingly become a mixture of young affluent entrepreneurs and liberals—a constituency whose size is uncertain in the GDR. This has led to some concern that the FDP's own identity, based on liberal positions on social issues, a liberal foreign policy, and a strong commitment to market principles in economics, may be diluted and might thus revert to its more national vintage of the early postwar period. Moreover, much of the FDP's political staying power in the past decade has been tied to the enormous political popularity of Foreign Minister Hans-Dietrich Genscher, who remains the single most popular politician in Germany today. Although currently it is almost impossible to imagine German politics without Genscher, the foreign minister's health has been failing in recent years, and in the longer term the prospects of the FDP without the active leadership of the veteran foreign minister appear somewhat less certain.

\textsuperscript{12}See, for example, the interview in which Willy Brandt acknowledges that he and others prematurely expected a renaissance of social democracy in the former communist regimes of East-Central Europe, including the GDR, in \textit{Horizont}, No. 29, 1990, pp. 6-9.

\textsuperscript{13}See, for example, the speech by Wolfgang Thierse, deputy SPD chairman and former chairman of the SPD in the GDR, at the SPD party congress held in Berlin on September 27, 1990 (author's private copy).
The future of political parties on the far Left is even more uncertain. Although the Greens had become a hallmark of West German radical politics, they now find themselves in competition with a number of left-wing groups from the former GDR. Although an electoral alliance was formed between the Greens and the former East German party Alliance 90, the real competition on the Left has been waged between such alternative leftist groups and the new reform communist party from the former GDR, the Party of Democratic Socialism (PDS); both are competing for the vote to the left of the SPD, and both have thus far remained bitter political foes, a dispute rooted in the Greens' strong opposition to the SED regime and to "real socialism" as it was practiced in Eastern Europe. Led by the dynamic figure of Gregor Gysi, the PDS initially seemed to have a chance to survive all-German elections in December 1990—but the electoral prospects of the PDS suffered a critical blow in October 1990, when federal authorities entered PDS party headquarters without a warrant to arrest several party officials for making illegal money transfers to Soviet bank accounts. One former SED official arrested at that time subsequently confirmed that this money was being transferred to prepare the party to go underground in case the party lost in the forthcoming elections. This served only to confirm suspicions that the PDS's reformist credentials were merely a democratic facade and that the party remained dominated by old Stalinist functionaries from the former SED regime.\(^{14}\)

The future success of political parties in an all-German framework will in the final analysis rest on how well these parties adjust to the new themes and political agenda of a unified Germany. In this context, one must ask what impact the merger of the two states will have on German political culture and politics. A new German republic will continue to be pro-Western, liberal, and capitalist—yet it may also become more traditionally German and Eastern-oriented as the former GDR is merged with West Germany. It is often forgotten that the real revolution in the postwar period, in terms of political attitudes and political culture, took place in the West rather than in the East.

Indeed, one of the ironies of 40 years of communist rule in the GDR is that it has preserved many aspects of traditional German society—aspects that have long since faded in West Germany under the pressures of modernization and Westernization. Germans in the GDR, for example, were not allowed to participate in any of the processes that

\(^{14}\) See Frankfurter Allgemeine Zeitung, October 29, 1990. See also the statement by the PDS treasurer Wolfgang Pohl admitting his role in, and his motivations for, the transfer of funds—as broadcast by ADN International Service, 1630 GMT, October 26, 1990.
played pivotal roles in shaping West German democracy—except through the lens of West German television and the Western media. Moreover, no real integration in the East paralleled the positive forces of the EC and the Atlantic Alliance. Instead, both the Council for Mutual Economic Assistance (CMEA) and the Warsaw Pact were essentially instruments through which the USSR exerted its hegemony through a series of bilateral relationships.

As a result of this relative isolation, the countries of Eastern Europe—including Poland, Hungary, and Czechoslovakia as well as the eastern portion of Germany—have had little opportunity to transcend old nationalisms. Observers of the GDR, for example, have long noted the ostensibly greater “Germanness” of the GDR—a trait that was glorified in the early 1980s by a number of prominent German journalists and intellectuals, who presented the GDR as a country that was less brash, harsh, and hectic, and hence more traditionally German, than the ostensibly “Americanized” FRG. The GDR was often viewed as a sort of Heimatmuseum—a place to go to see the traditional German values and customs that had been preserved.15

Some Western observers attempted to portray such attributes as a potential sign of strength and legitimacy for the SED regime. In reality, however, it reflected only the alien nature of the communist system and the resistance of German political culture to Soviet cultural and political penetration. Moreover, the passivity of Germans in the GDR turned out not to be a sign of support for the regime but merely apathy—clearly the lull before the storm. When the East German communist leadership met to celebrate the GDR’s 40th anniversary in October 1989, few would have anticipated that within six weeks they would be toppled and that one year later the socialist German state would have officially disappeared. Perhaps nowhere in Eastern Europe was the collapse of communism so quick, decisive, and unexpected, and nowhere was the transformation of a society more dramatic. As the East German writer Stefan Heym noted in November 1989:

It was as if someone had thrown open the windows, after all the years of spiritual, economic, and political stagnation, the years of phrase-washing and bureaucratic caprice, of official blindness and deafness. What a change!... Someone wrote me (and the man is right): In these last weeks we overcame our speechlessness and we are now learning how to walk in an upright manner. And that, friends, in Germany where previously every revolution had failed and

15See Guenther Gasa, Wo Deutschland lebt (Hoffmann and Campe, Hamburg, 1983).
where the people had always been subservient—under the Emperor, under the Nazis, and later too.  

Politics in the former GDR thus remain in a state of flux. Party organization remains shallow. Moreover, the effects of 40 years of socialism are likely to persist for some time to come. As many Germans have noted in recent months, it was only after the Wall came down that many Germans in both East and West realized how much they had grown apart over the past four decades. As elsewhere in Eastern Europe, for example, East Germans had developed traits characteristic of the legendary Good Soldier Schweik in order to survive under a communist dictatorship, and they now found themselves confronted with the need to survive in a competitive capitalist environment. As Manfred Stolpe, a leading lay official in the East German Evangelical Church subsequently elected as head of the state of Brandenburg in the former GDR, put it:

East German citizens were not raised to think independently or creatively. There was and still is a certain passiveness, a defense posture which was needed to survive under East German conditions. It was part of the art of survival; it meant not being the first one to report and to go forward but rather to wait and see in which direction things were going to go. It is characteristic of East German citizens that they are very reserved. When they now meet West Germans who have learned to present themselves, an inferiority complex is created.

In the words of one West German expert, it was almost as if the political culture in the GDR had been frozen in time at a stage that characterized the FRG during the immediate postwar period:

For the citizens of the GDR the institutions that had until now determined the parameters of their lives have simply dissolved. What seems to have emerged is a certain continuity with the political culture and the traditional bourgeois values of prewar Germany. As a result, one has the paradoxical impression that what is seen in the Federal Republic as the end of the postwar period looks very much like the start of the postwar period in the GDR. For years to come we are going to be faced with significantly different regional struc-

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17See the interview with Manfred Stolpe in Der Spiegel, No. 27, 1990, pp. 42-43.
tures of political culture and values [in the two former German states].

The lesson to be drawn from these observations is that the Germans in the GDR are still on an important learning curve with regard to Western-style democracy, the competition of a capitalist economy, and the positive values of Europe and multilateral integration—and although the slope of this curve is undoubtedly high given the successful example of postwar West Germany, full assimilation will nonetheless take time. One should not forget that several decades elapsed before democracy became firmly rooted in West Germany and before the German political class developed confidence in its own institutions. And although West Germans were justifiably proud of their economic accomplishments even in the 1950s and 1960s, it was not until the 1970s that a strong attachment to and sense of satisfaction with postwar political institutions in the FRG really emerged. In the case of the former GDR, the process will undoubtedly be more rapid, but it could easily take a generation for the Germans in the GDR to fully absorb the political lessons that their Western counterparts have learned in the course of four decades. As Chancellor Kohl has noted:

More difficult than finding a solution to the economic problems . . . will be the task of overcoming the grave consequences for the psyche of the population of the GDR resulting from four decades of communist dictatorship. Here we confront problems for which there are no patent prescriptions. We, who have had the luxury to live in freedom in the Western part of Germany for many decades, must perceive the completely different experience of our countrymen in the GDR. We must attempt to understand how decades of repression have affected their thinking and perception.

We must realize that the last free elections before March 18, 1990, were held 58 years ago, in November 1932. Those who were able to cast a vote then, are now 79 years old or older. For all those who are younger, the election on March 18 was a unique experience up to that time.\(^\text{19}\)

Finally, what will be the impact of unification on German nationalism? The collapse of the Wall was followed by a surge of national pride and by manifestations of patriotism that took many observers by surprise, rekindling fears of a new German nationalism. The euphoria that swept the country following the collapse of the Wall in many ways


\(^{19}\)Kohl's speech honoring Alfred Dregger in Bulletin (published by the Press and Information Office of the German government), No. 92, July 17, 1990.
represented the pent-up release of a divided nation that had been struggling for four decades to define itself in terms of a national identity. Yet the unification of Germany will do more than finally bring to an end the painful realities of German partition; it will also allow Germany to rid itself of the identity crisis that has continually plagued it as a divided nation. Germans no longer need agonize over questions as to whether their identity is East or West German or all German; it is now simply German. Asked in an interview about the prospects of German nationalism, Chancellor Kohl stressed that unification might allow the Germans to find a new equilibrium in terms of their national identity as well:

I think it is now possible and perhaps even probable that the Germans will find that type of inner equilibrium that is so characteristic of other European nations. Heretofore we Germans have had a hard time with this for understandable reasons. Unity has opened the possibility of creating a natural form of patriotism, [and] one that is of course necessary in the long run for a nation's sense of itself—an enlightened patriotism that is committed to the values of freedom and whose goal is not a German-dominated Europe but rather a European Germany.

Such a form of patriotism means that we Germans accept ourselves as we were and are—with all of our strengths and weaknesses and with our history in all of its various parts. A sincere and honest acknowledgement of one's own historical roots is the basis and at the same time the precondition for going beyond the solution of our national question and remaining open for a true partnership in the spirit of Europe.

Foreign Minister Hans-Dietrich Genscher has been more outspoken. Speaking before the United Nations, Genscher claimed that his country in the postwar period had been one of the most willing to abandon national sovereignty in order to nurture the process of political and economic integration and to build a Western collective security alliance. A unified Germany, he suggested, would follow a "policy of the good example" and demonstrate its own commitment to defusing nationalism in Europe by remaining in the forefront of those willing to give up their national sovereignty in pursuit of a broader European unity.

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10See Hans-Peter Schwarz, "Das Ende der Identitätseurose," Rheinischer Merkur, September 7, 1990
Whether Germany succeeds in finding what Chancellor Kohl has termed its "inner equilibrium" will have implications for all of Europe. Should Genscher's prediction hold true—namely, that Germany will continue to be a driving force favoring the transcendence of national sovereignty and embracing multilateral integration—Germany could play a key role not only in promoting political and economic union in the West but also in helping overcome nascent nationalism to the East. Alternatively, should the wave of national euphoria released by the collapse of communism spill over into Germany and lead to rising national sentiment, the process of European integration might be slowed if not halted.

In the final analysis, the prospects for the political reconstruction of Eastern Germany are positive, and there is every reason to believe that democracy will quickly take root in the former GDR. Indeed, the preconditions for democracy are better in the former GDR than anywhere else in East-Central Europe. At the same time, it is equally clear that the need to reconstruct the former GDR in political and economic terms will absorb a good deal of Germany's energy and capital. Moreover, unification will inevitably add a new element of uncertainty to German politics. Nearly 20 percent of the parliamentarians in a new all-German parliament will come from the former GDR, and they will undoubtedly question many aspects of West German political life that have long been established practice or conventional wisdom. New alliances and coalitions will thus form both within the existing parties and across the political spectrum. The end result is likely to be a Germany that is democratic and Western yet quite different in character from the FRG that we have known for the past four decades.
IV. THE NEW ECONOMIC LANDSCAPE

Perhaps nowhere is Germany’s central role in shaping the future map of a post-Cold War Europe more evident than in the field of economics. How well Germany handles the challenge of economic reconstruction will have a major impact on ensuring the stability of Central Europe. Although in the short term West German resources directed toward the GDR will not be available for investments in Spain, Portugal, Eastern Europe, or the USSR, a booming German economy will in the longer term serve as a primary source of growth for the entire region. Similarly, the manner in which Germany elects to finance its economic reconstruction—i.e., through borrowing or tax increases—could have a critical effect on capital flows and interest rates both throughout the region and globally. Finally, Germany’s voice will be a critical one in debates over the future shape and speed of economic and monetary integration as well as in core European-American economic issues, such as monetary stabilization, trade liberalization, and the promotion of viable economic reform in the East.

The economic opportunities and challenges arising from unification must, however, be placed within the proper time frame. Unification will offer Germany tremendous economic opportunities by creating new production options resulting from simple economies of scale and a significantly expanded internal market; the addition of territory and population will increase German economic strength, augment its share of the European industrial product, and open potentially enormous opportunities for business. Similarly, the influx of significant amounts of private capital and massive public support, coupled with a strong demand for investment and consumer goods in Eastern Germany, will translate into increased economic output, a technologically upgraded industrial base, and growth in an all-German GNP that may approach some 5 percent annually by the end of the decade. Moreover, the collapse of Soviet influence and the shift to Western-style market economies in Eastern Europe have set the stage for expanded economic ties between Germany and the countries of the European Free Trade Association (EFTA) and Eastern Europe. Coupled with the stimulus provided by the Single European Act of 1992 and by the deepening of economic integration in Western Europe, such factors have led many commentators to speculate about the possibility of a second German economic miracle of the postwar period.
Yet at the same time, unification will in the short run impose an extraordinary burden on the German economy, as the capital costs for modernizing the former GDR will be nothing short of staggering. One estimate suggests that the West German government and private sources will have to provide some 500 to 600 billion deutsche marks (DM) to modernize East German industry, transportation, and housing—and if one adds roads, agriculture, and environmental cleanup to the equation, the estimates of East German capital needs will easily top one trillion marks. Moreover, West German sources will initially have to provide much of this capital—at least until East German production begins to generate its own capital. The dilemma facing German policymakers today is that there is a link between these two phases: in short, policies that might ease the initial shock of the transition to a free-market economy might simultaneously jeopardize long-run prosperity. Conversely, excessive short-run disruptions could jeopardize the political and economic stability that is required for a stable process of reintegration and unification.

The success with which Germany confronts these conflicting challenges will hinge in part on how successfully it overcomes the hurdles of economic reconstruction in the GDR. The magnitude of such challenges, however, cannot be underestimated. At the same time, the West German economy could hardly be better positioned to meet its current challenge—for unification has coincided with an economic upswing in the West German economy that has been evident since mid-1987. Moreover, the better-than-expected overall economic performance of the FRG in recent years has been bolstered by a judicious combination of interest- and exchange-rate policies, fiscal consolidation, and strong foreign demand for German investment goods. The economic impact of unification, in other words, is being superimposed on an economy that is already operating at high speed and close to capacity. In 1989, for example, real GNP in the FRG, spurred by strong exports and business investment, grew by 4 percent—the fastest rate recorded in the post-1982 upswing. Inflation there has nonetheless remained moderate, and economic buoyancy has allowed for the first significant inroads to be made in unemployment since the Kohl government came to power. This booming economy allowed the FRG to absorb much of the massive immigration from the GDR and elsewhere in Eastern Europe, above all Poland, that took place in

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1For further details, see the paper by Horst Siebert, president of the Kiel Institute of World Economy, presented at the United States-German Economic Policy Group Meeting in Bad Homburg, June 7-9, 1990.

1989—a wave of immigration that in fact provided mobile labor made necessary by the labor rigidities of the West German economy.

The surprising strength of the West German economy has been matched, however, by a growing awareness of the economic weaknesses of the GDR, once officially ranked as the 12th largest economy in the world. The collapse of communism and the opening of the GDR has allowed Western experts to get their first comprehensive look at the industrial and resource base of the former economic showcase of the communist world—and the results have been sobering. West German studies conducted in the mid-1980s, for example, placed East German labor productivity at one-half of that of the FRG—but more recent studies show the average productivity in the former GDR to be as low as one-third of that of the FRG. Similarly, with regard to the GDR’s industrial base, GDR Economics Minister Gerhard Pohl claimed in the spring of 1990 that his ministry had reviewed some 3,000 firms and had found that some 30 percent were competitive on the world market, with another 50 percent capable of becoming competitive with modernization. Yet subsequent studies have suggested that such numbers are overly optimistic. In fact, some 21 percent of the GDR’s industrial stock is now estimated to be over 20 years old, with 52 percent between 5 and 20 years old. While some 27 percent is less than five years old, official estimates now suggest that much of this equipment is already technologically obsolete.

A brief glance at the telecommunications sector highlights some of the problems facing the two German states. Western experts have suggested that the East German telecommunications system is at the level West Germany attained in the 1950s. Not only are most telephone lines worn out, but digital switching, the pivotal technology of modern telecommunications, is virtually unknown; instead, the East German system is based on electromechanical switching, with nearly one-quarter of the local switching centers having been engineered in the 1920s and 1930s. The GDR has only about 11 phone lines for every

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6See Siebert, op. cit.; and Deutsche Bank, Special: East Germany (Deutsche Bank, Frankfurt, 1990, pp. 7-11).

7See Pohl’s interview in Die Zeit, No. 25, June 15, 1990.

100 inhabitants, compared with 46 in the FRG; prior to the collapse of the Wall, over 1.2 million applications for a telephone were pending. The collapse of the Berlin Wall and the surge of sentiment favoring unification led to a proliferation of studies dealing with economic unification between the two German states. Most notably, the West German government asked the five leading economic institutes in the FRG to examine the issue. The German Council of Economic experts subsequently produced a comprehensive analysis, as did many leading West German banks, and a consensus was quickly reached on several key points. First, it was agreed that monetary union was by far the most important and urgent measure to be addressed. This economic measure, more than any other, was regarded as a symbolic step toward unity in that the dispute over a single German currency in 1948 had triggered the Berlin blockade, culminating in the effective division of Germany. Second, concurrence was reached that economic unification had to take place quickly; otherwise, different persons and enterprises would act under different rules. The economic chaos that would result, in the words of one German institute, would be akin to allowing right-hand drive and left-hand drive in the same city. The growing fragility of the East German economy and the ongoing flow of refugees from the GDR to the West only accentuated the political imperative of a quick merger to stabilize the deteriorating economic situation in the East.

Third, it was agreed that the unification of Germany was to be a friendly takeover. East Germany would adopt the laws, regulations, and processes of the West German capitalist economy, and East German enterprises would have to function within a competitive environment. In return, Bonn was to absorb the lion’s share of the early transition costs and would agree to a highly favorable exchange rate for monetary union. In part, this stance reflected Bonn’s longstanding position that West Germans had a moral commitment to help those Germans who had had the misfortune of having been on the wrong side of the border at the time of Germany’s division. Yet at the same time, it also reflected the realization that major economic discrepancies in different parts of Germany could beget considerable political turmoil.

A consensus also emerged on the broad outlines of a four-phase plan for economic unification. The first phase, implemented with the

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7The obsolete level of telecommunications technology in the GDR was directly linked to investment, or rather to the lack thereof. Whereas the West German Bundespost spends nearly 17 billion DM per annum for investment in telecommunications, the GDR postal service under the old SED regime received the modest sum of 600 million East German marks per annum (figures supplied by Deutsche Bank).

signing of the first state treaty and the start of monetary union, foresaw the implementation of West German economic laws and regulations, the initiation of price reform, reductions in subsidies, wage adjustments, and the like. The second phase, which commenced after the start of monetary union on July 1, 1990, was to focus on the privatization of state enterprises, the establishment of a commercial banking system, the revamping of the social security system, and the sanitizing of any monetary overhang left from monetary union. During the third phase, scheduled for 1991, foreign trade would be freed from earlier agreements and obligations. A fourth and final phase, described as an "adjustment period," was scheduled to last up to a decade and would be characterized by the use of appropriate monetary, fiscal, employment, and social policies to bring the former GDR up to the level of the Western sections of a unified Germany.

Such plans were clearly ambitious but perhaps unrealistic. At the same time, they highlighted the overall thrust of West Germany's economic strategy. As the unification process has unfolded, however, Bonn has had to come to grips with several new problems. First, it soon became clear that Bonn would have to inject large infusions of West German capital into East Germany simply to prevent the East German economy, budget, and social system from collapsing outright. In early 1990, Bonn thus announced the creation of a German Unity Fund, a government-backed instrument to raise bonds of 95 billion DM over the next five years. This fund was designed to cover two-thirds of the East German budget deficit up to the end of 1994, thereby establishing a solid financial base for the GDR and later for an all-German government. By late summer, however, Bonn was being called upon to deliver additional billions to help plug new gaps emerging in the East German budget and social security system as East German tax revenues failed to meet their targeted goals.

Second, it became clear that West German investment in the GDR was not proceeding as smoothly as Bonn had initially hoped. Although West German managers flocked to look at potential deals in the GDR, letters of intent were far more common than signed deals. The initial

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9The fund's total volume will amount to some 115 billion DM; some 20 billion DM will come from budgetary savings of the central government, and the rest will be raised outside normal budgetary channels. The fund will shift a sizable amount of funding for unity outside normal budgetary channels, thereby taking pressure off federal and state finances. It was designed to remove any need to raise taxes during the politically sensitive election year. Interest and principal payments will be born half by the central and half by the state governments. It is modeled after off-budget credit-raising mechanisms used in West Germany after the war to aid economic recovery. It is scheduled to be paid out in the following allotments: 1990, 22 billion DM; 1991, 36 billion DM; 1992, 28 billion DM; 1993, 20 billion DM; and 1994, 10 billion DM.
pattern of investment has been that service industries have moved quickly to establish a presence while manufacturers have continued to hold back. In part this has simply reflected the growing realization of just how formidable the problems in the GDR really were. In addition, many of the GDR's reported advantages—e.g., its role as a gateway to markets to the East—apply primarily to specific industrial sectors and hinge on the future political and economic evolution of these countries. Many West German manufacturers, then, saw the addition of the GDR as introducing a market no larger than that of one large West German state, such as Hessen or North Rhine-Westphalia—and many did not feel obliged to equip every large state with a production plant.

Finally, the very speed with which economic union has been effected has caused a number of crucial questions to be settled in principle, only with the details left to be worked out later—an approach that has underestimated the difficulties inherent in resolving such details, especially given the new and relatively inexperienced political leadership in East Berlin. Perhaps the best example of this trend has lain in the issue of property and privatization. Successive waves of collectivization over the years in the GDR have left behind a maze of claims that must now be untangled. Yet an estimated one million claims by West Germans have raised significant fears among East Germans that they might lose their apartments or weekend homes, or that the country will be quickly bought out by the capital-rich West Germans. The two German governments have thus attempted to tread a narrow path between the principle that private property is vital for the reconstruction of the GDR (and that all property in the GDR will therefore be returned to its previous owner) and a sense of social and political justice for the East Germans thus affected. Responsibility for the privatization of state-owned East German firms now lies in the hands of a newly created state trusteeship, or holding company (Treuhand-...
stalt), which is charged with the task of selling off some 8,300 East German companies as quickly as possible.

By the end of 1990, key tools of German government policy were in place. They consisted, first and foremost, of general financial assistance and credits funneled through the European Recovery Program (ERP) and investment loans provided by the Bank for Reconstruction and Development. These were flanked in turn by liquidity assistance provided by the Treuhand until former East German firms were privatized. By virtue of unification, former GDR firms also became eligible for the same export promotion assistance enjoyed by West German firms as well as EC-sponsored economic support programs. The spring of 1990 saw a series of compromises within the EC according to which the EC supported the integration of the GDR into the community; subsequent negotiations produced an agreement regulating the amount of EC assistance for which the GDR would qualify.12

In addition, the second state treaty of September 1990 transformed the five states of the former GDR into a regional-aid zone with a total of 45 billion DM earmarked through 1993 for regional-aid measures. Investments in the GDR can be subsidized up to 33 percent if they meet certain criteria. Up to 90 percent of infrastructure investments by local communities will be covered as well, with an additional 10 billion DM set aside for housing assistance. Bonn also moved to take additional steps to ensure that potential investors received needed guarantees concerning property disputes to facilitate the raising of capital and investment. Such measures are crucial in terms of creating new jobs—jobs that will be needed in light of the fact that economists estimate that up to 40 percent of East German companies could go bankrupt in the first year, that 2.5 to 3 million East Germans may be unemployed at some stage of the transition to a market economy, and that one of every two former East Germans may eventually have to change jobs.13 Unemployment and dislocation problems could have enormous political repercussions if they are not handled carefully and with some degree of compassion.14

12According to West German press reports, current plans call for the EC to invest some 4 billion DM in the GDR, of which 2 billion DM will be for infrastructure improvement, 1.6 billion for agricultural supports, and some 300 million for the environment. In return, the GDR will contribute some 3 billion DM through customs duties and the VAT. See Sueddeutsche Zeitung, August 22, 1990.
14In June 1990, West German Economics Minister Haukman stated in public that unemployment will not be allowed to exceed 10 percent in a unified Germany. See Sueddeutsche Zeitung, June 10, 1990.
Bonn's policy of shock therapy was, of course, not without its risks or costs; as economic and monetary union unleashed considerable short-term disruptions, it quickly became evident that many had underestimated the difficulties inherent in disentangling the administrative structures in the GDR and in ensuring the inflow of capital needed to turn around Eastern Germany's economy. East German industrial input, for example, fell some 12 percent during the first seven months of 1990, and some 42 percent compared with one year ago. Overall industrial production for 1990 is expected to fall approximately 20 percent, and sharp decreases in industrial and agricultural production could translate into a drop in GNP for 1990 for the former GDR of 10 to 15 percent.15

Initial growth projections for the German economy as a result of unification were quite robust. In the spring of 1990, for example, the German Institute of Economic Research estimated that economic and monetary union will add 1 percent to German GNP in 1991 and another 1.5 percent by 1993.16 Similarly, the West German Deutsche Bank predicted a growth rate for the territory of the FRG through the end of the decade of 3 percent per annum; coupled with a projected per-annum growth rate for the territory of the GDR of some 7.5 percent, this would amount to an estimated growth of some 4 percent for a unified Germany through the end of the decade.

By the fall of 1990, many of the initially optimistic projections for economic growth in the former GDR and for Germany as a whole had become less so. In a report issued in late October 1990, for example, Germany's five leading economic research institutes predicted that economic growth for Germany in 1991 would approach 2.5 percent, compared with some 4 percent for West Germany in 1990.17 Although the government as well as a number of leading West German banks immediately rejected such projections as too low, rising oil prices resulting from the Gulf crisis, together with other risks to the world economy stemming from an American recession, could dampen economic growth.18

Unemployment is also expected to worsen considerably before it gets better. Following the start of monetary union in July, unemployment in July and August rose to some 360,000, and an additional 1.44 million East Germans became so-called short-time employees. Many of the

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15Private sources, Deutsche Bank.
16See "Gesamtwirtschaftliche Auswirkungen der deutschen Währungs-, Wirtschafts- und Sozialunion auf die Bundesrepublik Deutschland," DIW Wochenbericht, No. 20, May 17, 1990.
17Frankfurter Allgemeine Zeitung, October 22, 1990.
latter would in fact be unemployed were it not for an assistance pro-
gram that allows firms to keep such workers on the payroll, with the
government absorbing the preponderance of the costs. Many of these
firms, however, may go bankrupt as soon as liquidity assistance expires
in the early months of 1990, as is currently scheduled. Although no one
knows exactly how much hidden unemployment exists in Eastern Ger-
many, some estimates have placed the figure as high as 15 percent of
the work force. Large-scale layoffs are expected in the electronics sec-
tor, light industry, and consumer industries. Unemployment is
expected to reach 700,000 to 800,000 by the end of 1990 and to peak in
the first half of 1991 with a figure that could go as high as 1.4 million
jobless and 1.8 million short-time workers.

Many economists nonetheless suggest that the collapse of the
economy of the former GDR will bottom out by early 1991 and that
strong signs of economic recovery will become evident by the middle of
the year. The combination of strong private consumption resulting
from pent-up demand, financial aid from the West, and investment in
areas such as construction, machinery, and equipment could facilitate a
turnaround in the economy in the former GDR sometime in mid-1991.

It is important to remember, however, that such challenges remain
those of a transition. Should Germany succeed in overcoming its
short-term problems, it can tap into considerable growth potential.
The mid- and long-term prospects for the GDR are impressive, for the
GDR has advantages that no other Eastern European country has.
Unlike Poland or Hungary, for example, it does not have to start out
with a heavy hard-currency debt; nor does it have to introduce money-
tary and fiscal stabilization programs to create a convertible currency.
Similarly, the former GDR was from the outset fully integrated into
Western capital markets. Although East German infrastructure needs
are enormous, it is difficult to imagine spending more than a fraction
of this per annum, the result being the likely prospect of a sustained
program of public sector priming for the economy for many years.

Although West German industry has thus far been slow to invest in
the former GDR, many of the obstacles hindering investment are being
removed as the German government implements additional incentives
and guarantees. A public opinion poll conducted in late September
1990, for example, revealed that although a mere 3 percent of West
German firms polled had already started production in Eastern Ger-
many, one-quarter of all firms planned to invest.19 The best guarantee
for an East German economic recovery thus continues to lie in the
West German government’s political commitment. Indeed, whatever

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19See Frankfurter Allgemeine Zeitung, October 1, 1990.
problems may arise in the short term, Bonn has already invested so much prestige and capital in the GDR that it can hardly afford to let this experiment fail. Furthermore, Bonn knows that the quicker and stronger the East German "takeoff" is, the lower its longer-term costs will be for the West German budget and taxpayer. Similarly, if firms in the GDR are to be given a chance to stay in business in the new and highly competitive environment of a unified Germany, it is essential that a decentralized wage-bargaining approach be adopted, particularly during the transitional phase of adaptation and adjustment. Hence the Organization for Economic Cooperation and Development (OECD) has singled out wage development in the GDR as the key to ensuring strong economic growth in the future.

Although the question of who bears the costs of unity could become a divisive one in West German politics, OECD estimates place the costs of German unity for the FRG at 1.5 to 2.0 percent of the GNP, a burden that the West German economy can easily accommodate. By the end of the 1990s, the gap between Eastern and Western Germany could thus be reduced to a scale equivalent to that which currently separates the more affluent southern states of the former FRG from the poorer states in the north. Germany's ability to achieve this goal will, of course, pivot on the policy decisions that it makes in the short and medium term. Ironically, it is the most draconian scenario—one entailing the rapid elimination of the many layers of bloated East German bureaucracy, the quick shedding of inefficient enterprises burdened by overemployment, and the concentration of new financial means into investment in the most modern industries as opposed to the propping up of inefficient industries—that would guarantee the most rapid economic growth. Yet such a goal must be carefully balanced against an array of additional policy objectives, such as smooth adjustment, minimizing refugees, protecting Germany's currency, and reassuring both East and West of Germany's ability to handle such complex and difficult problems.

How quickly and effectively Germany manages to meet the challenges inherent in economic unification could have major ramifications for the rest of Europe and beyond. Among some of the less developed countries of the EC, above all Portugal and Spain, concerns have been raised that German investment will be redirected toward the East in general and toward the GDR in particular. Moreover, in Western
Europe concern remains that German preoccupation with the reconstruction of the GDR will come at the expense of the EC and the future of European integration. The Bonn government has repeatedly sought to counter this impression by insisting that unification can and must be used as a catalyst to spur European unity and by pushing for an acceleration of steps toward monetary and political union—issues that will be discussed at greater length later in this Report.

The manner in which Germany handles the challenges of economic unification will nonetheless affect its neighbors in a number of ways. First, Germany's influence in Europe will be bolstered by the removal of economic barriers within the EC by the end of 1992. Yet 1992 will also force painful changes within Germany, as it will open or break up a variety of arrangements that have previously protected uncompetitive sectors of the German economy. According to the Kiel Institute of World Economy, only about one-half of the West German economy is currently free of state regulation and subsidy, and West German state subsidies have risen steadily throughout the 1980s to total 120 million DM annually. The GDR, in addition, was completely in the hands of the state. Should the political costs of a quick transition prove high, Germany might thus be tempted to continue to subsidize uncompetitive sectors of industry in the former GDR against its own longer-term economic interests.

A rapid and successful transition in the eastern part of Germany is also needed to ensure that Bonn does not lose political momentum in its efforts to forge greater European economic and monetary union. A standard claim among German politicians is that German unification will accelerate the process of European union as well, and one of the first and most crucial cases testing this thesis will be the decision concerning the pace and nature of monetary union. On all of these issues, Germany's voice will be crucial. The DM, after all, is the world's second largest reserve currency, second only to the U.S. dollar—and it is thus both the core of the European monetary system and the keystone of European financial developments. Indeed, both the nature of the European Central Bank and the policies it advances may well be modeled on the German Bundesbank. These developments are critical to an understanding of future German leadership in Europe.

Germany's handling of economic reconstruction in the GDR will also have major implications for its neighbors further east. In Eastern Europe, concerns have been voiced that German investment in the GDR will leave little capital for the rest of that region of Europe. At exports to Eastern Europe would grow from 3.5 to 8 to 10 percent as a result of unification (Sueddeutsche Zeitung, August 21, 1990).
the same time, Eastern Europe has clearly pinned its hopes on Germany to support its desire for closer contact with the EC. Similarly, a growing German economy offers the best guarantee of export-driven growth for the countries of the region. In the words of the Polish Finance Minister Leszek Balcerowicz:

> What happens in Germany is not only important for the Germans but for other countries as well, above all Poland. On the one hand there are certain dangers for the Polish economy but there are also opportunities. . . . We fear, for example, that new trade barriers will be erected on the Oder-Neisse border [by the EC]. We want to participate in the investment boom in the GDR. In order to do this we must have a chance to export our skills, for example in the construction industry. It is a question of whether a Germany fixated on itself exploits its interests without paying attention to the old and new structures emerging around it or whether Germany continues to be a leading advocate of trade liberalization.\(^22\)

German politicians have repeatedly emphasized the special role that countries such as Hungary and Poland played in the collapse of communism and the unification process. As a result, they contend that Germany has a special moral and political responsibility to assist such countries in their reform efforts. At the same time, little doubt remains that Germany sees this area as one of tremendous opportunity. In the words of West German Economics Minister Haussmann:

> The market of the former CMEA countries is the largest market potential in the world. In the short term, growth rates will be limited because of currency problems and transition costs. But we shouldn't forget that the GDR is by far the largest trading partner of the USSR. . . . This means that a unified Germany will automatically become the largest trading partner of the USSR. In terms of absolute growth rates there is not a single region in the world, apart from the developing countries, that has such a pent-up demand for consumer and investment goods. What is needed in the 1990s is to complement the market reforms in these countries with flanking measures—I don't mean credits but economic know-how, management training, etc.—so that the countries of Eastern Europe can use our assistance to put themselves in a situation where they can participate in the international division of labor.\(^23\)

Finally, the manner in which the Germans handle the economic aspects of unification will affect the United States in two important ways—the first resulting from shifts in international money tied to unification. The economic consequences of rebuilding the GDR in the early 1990s, and of rebuilding Eastern Europe later in the decade, m.

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\(^{22}\)See Balcerowicz's comments in *Die Welt*, June 25, 1990.

well constitute the third great financial shock the world economy has sustained since the end of the Vietnam War. The first such shock was OPEC's decision to quadruple oil prices in 1973–1974; the second was the Reagan administration's economic program of the early 1980s, which turned the United States into the world's largest borrower while Japan and Germany emerged as significant lenders. Each set into motion upheavals in global capital flows, currency values, and trade patterns that dominated the world's economy for nearly a decade.

The cost of rebuilding the GDR and other Eastern Bloc economies could well lead to a redirection of capital flows akin to those induced by Reaganomics in the 1980s and by the OPEC oil shocks of the 1970s. Indeed, rapidly increasing expenditures for German unification have already pushed the unified German government budget deficit up to some 100 billion DM for 1990, or some 3.3 percent of the GDP—compared with a deficit of only 21 billion DM, or 0.9 percent of the GDP for 1989. Some estimates suggest that the deficit may rise as high as 125 billion DM in 1991—more than five times the level of 1989. Yet excess German savings and a current account surplus of some $60 billion in 1989 suggest that Germany will in fact be able to finance much of its reconstruction costs without having to become an external borrower as did the United States in the early 1980s. At the same time, Germany's capital needs have already led to pressures for increases in interest rates, the magnitude of which will rest on how Germany finances unification—through raising taxes, increased public borrowing, or some combination of the two.

The consequences of this trend are very sobering for the United States. By 1990, some 12 percent of the roughly $3 trillion U.S. federal debt was held by non-U.S. investors. Although Germany did not play as direct a role in financing America's external deficit as did Japan, nearly $100 billion of U.S. assets were purchased during the late 1980s by British banks attracting funds from Frankfurt. Because the U.S. economy is dependent on foreign capital, such changes in capital flows away from the United States and toward Central Europe suggest that long-term interest rates in the United States are unlikely to decline significantly, the budget deficit reduction plan notwithstanding. This is hardly a recipe for economic relief for a U.S. economy heading into a recession.

The second crucial area in which unification will affect American economic interests lies in the EC. Germany's growing economic weight, together with the central position it occupies in the EC, means

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24See the analysis by David D. Hale, chief economist of Kemper Financial Services, published in the Washington Post, July 1, 1990.
that Germany will play a pivotal role in shaping the outcome of EC positions in European-American negotiations on an array of core issues, such as trade liberalization. At the same time, the EC market is perhaps the most important one for U.S. exporters and investors; the United States and the EC exchanged over $160 billion in trade in 1988, with the American trade balance improving dramatically in recent years. U.S. corporate investment in EC countries has grown considerably as U.S. firms position themselves to take advantage of EC plans to eliminate internal market barriers by 1992. Similarly, the EC continues to increase its lead as the primary direct investor in the United States.

A number of trends, however, may point the EC toward becoming a more inward-looking community than the proponents of 1992 contend will be the case. Germany’s importance to the United States lies in its role as the leading economic and financial power in the EC and in the role it can play in supporting a liberal German economic policy within the EC, within Europe, and globally. This role was explicitly recognized by Helmut Kohl in his commencement speech at Harvard University in the spring of 1990:

Open borders... imply that the Europe of the future must not seal itself off by protectionist measures. Only free world trade generates prosperity. This is in the enlightened self-interest of everyone. And it would be a disservice to the partnership between Europe and America if, in the economic sphere, our relations were marked by unfair competition and short-sighted egoism. Germany can do much to ensure that the EC remains America’s strongest partner in efforts to strengthen an open international trading system. More than ever before, German leadership must be engaged to bolster open European markets within an open world economy, underpinned by an efficient and effective international monetary system.28

Should Germany succeed in meeting these challenges, it is not difficult to imagine a unified Germany reemerging as the dominant country in a pan-European trading and financial bloc stretching from Portugal to Moscow. In Eastern Europe, the German economic presence is already strong and is likely to become stronger. Between 1985 and 1989, for example, West Germany’s share of the industrialized countries’ total exports to Eastern Europe rose from 17 to 21 percent—and the FRG is the region’s leading supplier in areas as diverse as textiles as well as capital goods. Moreover, in 1989, some 60 percent of Poland’s imports from Western Europe came from the FRG; the figures for Czechoslovakia, Bulgaria, Hungary are 57, 52, and 50 percent, respectively. And in 1989, the FRG cornered some 30 percent of the

entire Eastern European market, compared with 7 percent for Italy and 6.5 percent for France. Such trends may culminate in Germany's reassumption of the economic primacy it enjoyed in the region before traditional trade and investment patterns were destroyed during the Second World War and in the postwar period. Indeed, leading West German politicians have already sketched out the vision, in the words of Helmut Kohl, of a "pan-European economic space from the Atlantic to the Urals with over 500 million people."27

27 See Kohl's speech "Opening to the East: Opportunities for All," delivered at the 125th anniversary of the founding of BASF in Bulletin, No. 44, April 11, 1990.
V. THE NEW FOREIGN POLICY ENVIRONMENT

German unification both coincides with and is a product of far-reaching changes in the environment in which German foreign and security policy has been formulated over the past 40 years. The collapse of communism and the pending withdrawal of Soviet military power to Europe’s periphery holds promise of liberating Bonn from the strategic dilemma of being a front-line state exposed to overwhelming Soviet military power. Such shifts will inevitably reduce the FRG’s previously heavy dependency on the West—above all the United States—for its military security in Central Europe. Moreover, growing German power, coupled with the changing political landscape in Central and Eastern Europe as well as in the USSR itself, will present new challenges for future German foreign policy in the East.

The key question for the future is how German foreign policy priorities will be readjusted against the backdrop of this new Central European political mosaic. Three major challenges confront German foreign policymakers, and the answers they provide to these challenges will help determine the future map of Europe.

The first challenge facing Germany rests on the need to decide how German and European security can best be guaranteed in the future. Specifically, how will German leaders provide the alliance with a sustainable political rationale as well as a cohesive strategic mission at a time when the Soviet threat has diminished and the survivability of the USSR as a state seems increasingly doubtful? Will German leaders simply opt for a continuation of the key alliance structures that have provided them with security in the past, drawing down force levels in NATO, for example, while retaining the basic structures? Or will they ultimately opt to transform such structures into a more European defense alliance in a much looser cooperative relationship with the United States?

The second key challenge facing German leaders lies in the future of European integration. It has practically become second nature for German politicians to insist that German unification will accelerate the unification of Europe as well. The extent to which this proves true, however, remains to be determined, for the construction of European unity is a task that will take years if not decades. At the same time, Germany will play a critical role in resolving a number of key European issues, including the future pace and contours of further monetary and political integration following the implementation of the European
Single Act. Should the EC strive to develop a coherent foreign and security policy? And how do such questions tie into changes already taking place or planned for existing structures such as NATO?

The third and final challenge lies in reconciling such issues with the need to assist the new democracies in the East. Should the EC seek to broaden by bringing these countries into the stable structures of Western integration as quickly as feasible, even at the risk of diluting the cohesion of the community? Or, alternatively, should the EC, while offering looser associations with Eastern Europe, concentrate on deepening political and economic integration to increase its cohesion and strength, thereby giving the postcommunist countries of Eastern Europe a strong and viable partner with which to cooperate? Such questions are among the key issues that will help define the future political, economic, and military map of Europe. And Germany's voice in shaping the answers to them will be critical owing both to its central geographical position and to its political and economic weight.

Any attempt to address this question should first note that the far-reaching changes that have taken place in East-Central Europe have not negated the strategic thrust of previous West German foreign policy thinking. To the contrary, future historians will undoubtedly debate the causes of the collapse of communism in East-Central Europe for years to come. And although it was Soviet policy—above all the decision not to intervene in Eastern Europe—that facilitated the ultimate collapse of communism in the summer and fall of 1989, it has become clear that the West's strength and cohesion also played a pivotal role in bringing about the recent dramatic changes in Soviet policy. This was true not only because the West did in fact serve as a magnet for the East by discrediting communism and underscoring the fact that there was an alternative to it, but also because the unified Western position on German unification in NATO left the Soviets little option but to acquiesce in this regard. Thus, although German debate is often colored with gratitude toward Soviet policy and Gorbachev's role in the unification process, little doubt remains that the FRG's previous foreign policy course, together with its strong Western ties, added a crucial element to this success story.

If Germany's principal Western connection has not been called into question, however, important debates have emerged over how the three pillars of West German foreign policy—NATO, the EC, and the CSCE process—should be refashioned in accordance with the changing political and security environment. The one lesson to be learned from the course of events of the last year is that the West Germans displayed little inclination to deviate from their Western orientation or to cast aside their Western ties in return for neutrality. At the same time,
there already are signs that the Germans will seek to transform these institutions into optimal venues for pursuing Germany's own agenda in a changing world. Each offers a forum through which Germany can deal with its three most important interlocutors—the United States in NATO, France through the EC, and the USSR in the CSCE—and German influence in all three is likely to increase as a result of unification.

Germany's future foreign policy interests and priorities can be seen in the way in which the Germans have already moved to reshape these institutions. The question of Germany's future role in NATO, for example, has been at the core of the emerging debate over German foreign policy. At first glance, there are four compelling reasons a future reunified Germany should seek to remain in the Western Atlantic alliance. First, barring the complete disintegration of the Soviet state, the USSR will remain the dominant land power on the European continent. Thus, even if Soviet forces are removed from East-Central Europe, the possibility remains that a future Soviet government might seek to use its residual military forces or to reconstitute a force that is capable of pursuing limited strategic objectives vis-a-vis Europe.

Second, the fact that the USSR will remain a nuclear power provides an even stronger incentive for a non-nuclear, reunified Germany to remain within the alliance as well as to continue to seek an extended nuclear guarantee from its nuclear-armed Western allies.

Third, a close security relationship with the West has always been seen by the Germans as a form of insurance that would safeguard the stability of German democracy. For the founding fathers of the FRG, entry into NATO was motivated by the belief that their country's foreign policy posture would determine both the domestic order and the orientation of the new Germany. Although the days are long gone when NATO and the American presence were seen as a guarantee for West German democracy, a clear recognition remains that Germany's prosperity and freedom have been closely linked to its membership in a Western collective defense alliance.

Last but not least, the alternatives to Germany's participation in NATO are neither attractive nor cost-free. Although neutrality might at first glance appear attractive to some, it is potentially the most destabilizing scenario—for while Germany would be the most powerful state on the continent, there could be no ironclad guarantee that it would remain neutral. This would inevitably lead Germany's neighbors to vie for the loyalties of the German state, thereby tilting the balance of power on the continent. Alternatively, a neutral Germany could transform the alliances into anti-German formations designed to guard against the resurgence of German power. Finally, neutrality would not resolve the question of nuclear guarantees and might in the long run tempt a future German state to acquire its own nuclear forces.
This helps explain why there has been little enthusiasm, either in Germany or elsewhere, for Germany to revert to the balancing act it once played between the East and the West. The concept of neutrality has been discredited throughout the postwar period in West Germany, in large part via an influential school of historiography that has argued that the temptations of lying in the center of Europe and of attempting to play a balancing role constituted one of the principal reasons German history took such a disastrous course. Neutrality has also been widely perceived as leading almost inevitably to discrimination against Germany or to attempts to form anti-German coalitions in attempts to contain that country. Whether this stance will change with the passing of generations and as perceptions of threat and neutrality alter is an important question that we will address later. Suffice it to say that it would currently take an intellectual revolution to relegitimize neutrality as a foreign policy option among the current German political elite.

Factors such as these helped sustain the FRG through one of the most tumultuous phases in postwar diplomacy without altering its domestic consensus on foreign policy issues. It is, in fact, remarkable how well the consensus on German membership in NATO remained intact throughout the rush toward unity, especially in light of the often acrimonious debates of the early 1980s and in view of the doubts expressed in many alliance circles over an ostensible waning of German fidelity to NATO. In large part, this endurance resulted from the skill of the current Bonn coalition—above all Chancellor Kohl and Foreign Minister Genscher—first in managing the German domestic debate on security issues in a tumultuous unification year and second in convincing the Soviet Union, through the joint efforts of Washington and Bonn, that acceptance of German membership in NATO was in the Soviets’ interests as well. Delivering a speech in late May in which he again rejected the option of German neutrality or any agreement that sought to dilute Germany’s Western ties, Chancellor Helmut Kohl pointed to Germany’s checkered past and drew the following conclusion:

The first and most important lesson of history is that peace, stability, and security in Europe were always assured when Germany—the country in the center—could live with its neighbors in secure relations, with regulated compromise, and with mutually beneficial exchange. In contrast, when Germany chose or when criminal

1See, for example, Michael Stuermer, Das ruhelose Reich (Severin and Siedler, Berlin, 1983); and Michael Stuermer, Die Reichsgrundung: Deutscher Nationalstaat und europäisches Gleichgewicht im 19. Jahrhundert (Deutscher Taschenbuchverlag, Munich, 1984).
nationalists evoked some special German path, or when it was forced into isolation by its former enemies after a lost war, then the result was always conflict, instability, and insecurity for all of Europe. This painful history only permits one conclusion: there cannot be a second Versailles. It is therefore impossible for a unified Germany to even think about neutrality, demilitarization, or nonalignment.

Strong German support for NATO has in fact been a cornerstone of the current coalition since Helmut Kohl came to power at the height of the stormy INF debate in the fall of 1982. The Chancellor has repeatedly stated that NATO can claim credit for having brought about German unity and that it must continue to play an important role in organizing European security in the future. Recalling the basic geopolitical arguments of Konrad Adenauer, Kohl has repeatedly claimed that only the United States can balance the USSR as the traditional dominant land power on the Eurasian continent. In Kohl's words, "A trans-Atlantic security union is of existential significance for Germans and Europe. Only it can create true balance in Europe. A look at the map underlines this!"

At the same time, German leaders have played a crucial behind-the-scenes role in pushing for the changes in NATO that culminated in the July London declaration. Speaking in late May, Chancellor Kohl stated: "The alliance will have to rethink its strategy and structure. For our defensive all is not an end in itself but rather a reflection of the political situation. If this changes, then the alliance must change as well. The alliance of tomorrow with a unified Germany will therefore be a different one than the alliance we know today." Bonn's push for far-reaching changes in both nuclear and conventional strategy obviously reflected a desire to address Soviet security concerns during the "2 + 4" negotiations on a unified Germany's security arrangements—but it was also linked to the obvious fact that unification would render conventional NATO military strategy and doctrine anachronistic. An equally important motivation for German leaders, however, lay in the realization that NATO's traditional rationale was rapidly eroding in the face of a diminishing threat and that a new legitimation was needed for the alliance lest NATO be deemed irrelevant in the public eye.

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3In his first policy address as chancellor, Kohl termed the alliance part of the raison d'etat of the FRG state, a position he has retained in the face of criticism from the German Left.
4Ibid.
Finally, the strong support of Kohl and the CDU for NATO is reflected in their firm rejection of institutions such as the CSCE or notions of collective security as alternatives to the Western alliance. In numerous public statements, the chancellor strongly supported an expanded and institutionalized CSCE process but emphasized at the same time that the CSCE must be seen as a complement to, and not as a substitute for, NATO. Speaking in Budapest in July 1990, German Defense Minister Gerhard Stoltenberg laid down this position in no uncertain terms:

The issue today, and for the foreseeable future, is not to conjure up a completely new European security system. Rather, it is to create a cooperative collaboration of different but nonetheless complementary security structures. Such an approach offers great advantages, above all with regard to preserving stability. In our opinion such new structures could develop arising primarily from the CSCE process and in parallel to the proven structures of the Western alliance and the European Community.

Let me, nonetheless, make one thing clear in this context: We do not think that pan-European security structures, be they within a CSCE framework, or in some other form, can become the sole pillar of European security in the foreseeable future. Without the political security foundation of the Western alliance with its balance of power function that continues to be important, any overarching security system would be doomed to failure. General collective security systems in which everybody is allied to everybody in principle and thus has no particularly close ties to anyone have always proven themselves to be unstable in the course of history, for the strong and ruthless will always have the advantage over the weaker states. One has but to think of the League of Nations between the two World Wars.

It would also be a step back in historical terms if we were to give up the Western alliance and the resulting level of voluntary integration in favor of a pan-European collective security system. Instead it is important to see the Atlantic Alliance and the CSCE process as linked in a complementary relationship.6

The CSCE nonetheless remains an important policy instrument in the perception of German conservatives. A primary motivation for German support for the CSCE process in the 1970s and 1980s resided in the belief that the CSCE represented not only the best available means of institutionalizing detente in Europe but also an effective vehicle for the transmission of Western ideas—concepts that would promote internal liberalization in the East, isolate the GDR, and eventually facilitate a resolution of the German Question. With unification

accomplished, the CSCE process remains important as a venue for consolidating reform in Eastern Europe, as it provides the institutional framework that allows Germany to play an active role in managing change in Eastern Europe in a multilateral guise while also offering a forum through which the new democracies of Eastern Europe can develop their own concepts on future European security. Above all, however, the CSCE process is the forum through which the USSR can be engaged without allowing it to become the dominant power on the continent.

If there is a long-run alternative to the Atlantic Alliance in the minds of West German conservatives, it is European integration—a notion that has always lain at the core of conservative German foreign policy. Prior to the crumbling of the Berlin Wall and the subsequent emergence of the unification issue, for example, Helmut Kohl proudly stated that the greatest foreign policy accomplishment of his chancellorship had been the progress that had been made toward European integration. In the past, however, any discussion over the EC's assumption of a major foreign and security policy role seemed wildly optimistic; the overwhelming Soviet military power confronting Western Europe translated into a strong dependency on a large American military presence, and the progress toward European integration that would breed a new consensus on foreign and security policy issues was lacking. As a result, European unity was deemed significant largely for its ability to amplify Europe's voice in the alliance and for its bargaining weight vis-a-vis the United States—not for its potential to supplant the American role.

Two factors have altered this equation or have at least demonstrated the potential to do so. The first is the considerable progress that has been reached toward achieving greater political and economic cohesion in the EC and toward the goal of developing a foreign policy profile. The second is the collapse of any immediate Soviet threat and, consequently, the reduced need for military security in Europe. In short, the dramatic reduction in the Soviet threat, coupled with the Single European Act and with progress toward monetary and political union, have changed the terms of this political debate. Such developments, for example, have opened up the long-term possibility that a political union in Europe might ultimately assume primary responsibility for its own security. German conservatives nonetheless remain guarded in their discussion of the EC as a long-term alternative to NATO. Developments in the East remain in flux, the future of integration in the EC is also uncertain, and talk of supplanting the American role or presence could become counterproductive—catalyzing, it is feared, a premature American withdrawal from Europe well before the EC has reached any degree of cohesion on security matters.
Although little doubt persists that German conservatives aspire in the long run to a far more cohesive and autonomous Europe in a restructured trans-Atlantic relationship—one in which the American presence is significantly reduced and perhaps ultimately eliminated—a number of difficult short-term questions remain. First, many Germans have been among the most vocal proponents of the so-called broadening of the EC to include some institutionalized relationship with the new democracies of Eastern Europe; German leaders have repeatedly stated that they have an obligation to assist the new democracies of Eastern Europe by virtue of the latter’s role in bringing about the downfall of communism and German unification. Moreover, German leaders are keenly aware that should these countries fail to adapt to Western democracy and market economies, the ramifications for Germany could be tremendous. Although political and economic instability in Eastern Europe will impact all of Western Europe, Germany will be affected most acutely owing to its proximity. Images of mass migration or some type of new Volkerwanderung sparked by political and economic collapse in the East are understandably horror visions for German leaders, who know that such problems would immediately spill over into their own society.

A rapid broadening of the EC would, however, run the risk of slowing or even halting attempts to deepen political and economic integration within the EC. Bonn must therefore strike a balance between simultaneously deepening and broadening the European alliance. Skepticism voiced in the wake of unification over Bonn’s commitment to integration has led Chancellor Kohl to try to reconcile conflicting

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7The most forceful advocate of this line of thinking has been Alfred Dregger, who has for decades advocated the vision of a Europe stretching from Poland to Portugal emerging as a third superpower between the United States and the USSR. See Alfred Dregger, Der Vernunft eine Gasse: Politik fuer Deutschland. Reden und Aufsatze (Universitas Verlag, Munich, 1987). See also Dregger’s speech at the 38th CDU Party Congress, recorded in CDU Dokumentation, No. 19, 1988.

8If we don’t help our neighbors—in the first instance Czechoslovakia and Poland—get their economic homes in order, then we will experience great refugee migrations into the more prosperous areas of the West. We have to do everything we can to ensure that these people receive a means of subsistence at home. Precisely on the day of German unity I think of our East European neighbors who played such an important part in the toppling of the Wall and the opening of the borders. We always say that we are thankful. But they can’t buy anything with such declarations. They want to become members of the European Community. I see a great deal of hesitation on the part of the prosperous EC countries to accept our poorer relatives in the East. In my opinion, the Federal Republic has an obligation to be a broker for the interests of these countries in the EC. One has to invite these countries to join and not to wait for their applications. They have become democratic and market-oriented. They have furthered the cause of freedom and peace in Europe and they therefore belong to the European family that has organized itself in the EC. Germany should take the lead in making an initiative along these lines.” See Graf Otto Lambsdorff’s interview in Der Morgen, October 2, 1990.
goals and to convince key allies, such as France, that Germany's commitment to European unity has not faltered. The chancellor has repeatedly stated publicly, for example, that his country's commitment to stabilizing the East will not affect its political commitment to the deepening of West European integration and that any broadening will not be allowed to threaten the cohesion of the EC. According to Kohl:

Only a European community strengthened internally can be a driving force in the pan-European process. Europe does not end at the Oder and Neisse rivers. The people in Poland, Czechoslovakia, Hungary and the other countries of Central and Southeast Europe require a European perspective. The same applies to the EFTA countries, with which we enjoy close co-operation. We wish to create with them a European economic area, which could become a model for the whole of Europe to grow together.

It must not, however, simply be a matter of admitting as many countries as possible into the EC. Such a strong-arm act would not leave the Community unscathed. The fatal result would be that the EC would be reduced to the level of an elevated free trade zone: precisely what was not—and is not—our aim in unifying Europe. Hence those who want the political unification of Europe must restrict accession to the Community, for the foreseeable future, to those countries which are prepared and able to create the European Union without reservations.4

Such broad political commitments notwithstanding, the real difficulty ahead will lie in forging the details of future integration and in reconciling the competing interests of deepening integration in the EC and keeping that community open so as to deal with the aspirations of other countries in Europe—and ultimately transforming it into a pan-European institution. The chancellor's national security adviser, Horst Telschik, has noted that the growing interest of non-EC members in Western Europe, combined with increasing interest in Eastern Europe resulting from the revolutions of 1989 and the EC's past successes in assisting countries such as Spain and Portugal in their transition from authoritarian systems to democracy, makes it inevitable that the EC become a pan-European institution. No consensus has been reached in the EC, however, with respect to how this should be accomplished, with which groups of countries, at what cost, and with what kinds of tradeoffs. In Telschik's words:

The European Community must become the point of departure for pan-European solutions. Yet, what answers will the EC or its individual members provide for these questions? In general terms we say that we must create a pan-European peace order with structures that

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4See Kohl's article in the Financial Times, October 29, 1990.
transcend the alliance. But how is it to be shaped? President Mitterand speaks of a “European confederation.” The core would consist of the EC which would then form a confederation with the other European states. But the EC would remain a privileged community in this concept. The members of EFTA and the countries of Central Europe are placed in the same category and are kept excluded from the Community. Whether the USSR and the USA are included in such a confederation is also unclear. Nonetheless this French concept leaves open many options.

It is true that all twelve EC members agree that the Community should not be broadened until the end of 1992. The completion of the internal market, economic and monetary union, and political union all have priority. The realization of these goals within the agreed upon timeframe will be difficult enough. Yet, we must ask ourselves if the EC can really deny the EFTA countries entry if these countries ask for it and meet the criteria? Austria has already applied for membership. Switzerland, Norway, Sweden, and Finland have already introduced policies that are bringing them into line with the criteria for membership. Leading political and economic circles in three countries are already questioning whether it is in their interests to be pursuing policies corresponding to those of the EC while remaining outside the Community.

The situation in the countries of Central and Southeastern Europe is different. It would be premature to put them in the same category as the EFTA countries. They should become associated with the EC as closely as possible. In the long term, however, full membership for them should also be allowed. It is precisely a united Germany that must be the spokesman for these neighbors to the East. The result could be a Europe from the Atlantic to the Bug, a Europe of free democratic countries with the same economic system and currency, a Europe of fatherlands that culminates in a united Europe with Federal structures.10

It would certainly be a mistake to assume that Foreign Minister Genscher does not share the geopolitical concerns and arguments that underlay the thinking of the chancellor and the CDU/CSU—or the desire to ensure a future American role in European security affairs. Moreover, Genscher clearly shares Chancellor Kohl’s commitment to the priority of European integration and to Germany’s special responsibility to assist the new democracies of Eastern Europe. At the same time, the overall tenor of Genscher’s foreign policy approach has always differed from that of Kohl and the CDU in several subtle yet important respects.

In many ways, Genscher has come to incorporate many of the shifts that have taken place in mainstream German foreign policy thinking in

10See Telischik’s article on Germany’s future role in Europe in Die Welt, September 22, 1990.
the past two decades—a fact that helps explain why he continues to be the most popular politician in Germany. Essentially, the staunch Atlanticist of the mid-1970s became the symbol of detente and arms control as a special German national necessity and responsibility in the early 1980s. While Genscher has continued to advocate a close trans-Atlantic relationship and an American presence in Europe, his increasing support of Franco-German cooperation has reflected a conviction that the existing degree of West European dependence on the United States is politically unhealthy for both sides and that Europe must take steps to assume greater control over its own destiny.

Genscher has always perceived East-West relations in highly flexible and dynamic terms. He has become a master at maximizing his and his country's latitude in order to best exploit changing East-West trends to his advantage. Over the past years, for example, the FRG's foreign minister has repeatedly emphasized that the bipolar order is coming to an end and that changes in East-West affairs offer Europe a unique opportunity to assert itself in a more independent fashion. Genscher's early enthusiasm for Gorbachev must therefore be seen in the context of the fact that the veteran foreign minister was the first senior Western statesman to recognize the potential for change in Gorbachev's reform and to publicly call upon the West to take Gorbachev at his word. This reflected Genscher's belief that Gorbachev's reforms, if successful, could represent a unique historical opportunity to initiate a transition to a new cooperative system of European security based on a reformed USSR, on restructured alliances, and on a looser and more balanced U.S.-European relationship.

It is important to stress that these ideas and concepts were essentially articulated by Genscher and the German Foreign Office well before the revolutions of 1989 took place in East-Central Europe. The events of the last year only confirmed Genscher's conviction that changes in the USSR and Central Europe, along with German unification, offer Europe a unique opportunity to build a new, stable, cooperative order. In his public statements, the foreign minister has also repeatedly underlined the special responsibility that the Germans bear to become the driving force behind European unity so as to ensure that Europe does not revert to an age of disruptive nationalisms—and such that unification remains a positive force in European politics.

Genscher has repeatedly referred to six central building blocks for a new European security order. In the spring of 1990, Genscher publicly sketched out a new vision of Europe based on these elements. They include:
- The deepening of integration in the EC, leading to political union;
- The restructuring of trans-Atlantic relations between a unified Europe and the United States;
- The stabilization of the reform process in the countries of East-Central Europe and the USSR;
- The expansion and institutionalization of the CSCE process and its transformation from a series of conferences to an "Institution of European Security and Stability"; and
- The adaptation of security policy to the new situation in Europe and the creation of cooperative security through disarmament and the transformation of the alliances into political instruments.

Genscher also suggested a loose game plan that would include the sequence in which these new building blocks for a European peace order should be assembled—one in which German unification would be followed by the deepening of integration in the EC. At the same time, the EC would be impelled to include the reforming countries of Eastern Europe, leading to the creation of a common European space from the Atlantic to the Urals as a common democratic, legal, economic, ecological, and security entity. In the meantime, the CSCE process would have to be expanded and institutionalized if it was to be transformed into the type of durable collective security organization that could function as a safety net in times of crisis. During this transition, the Atlantic Alliance would function as a form of reassurance against setbacks in new processes of pan-European integration and as a caucus for keeping the United States actively involved in European security affairs. Nonetheless, growing European integration would ultimately create the preconditions for a restructuring of American-European relations into a much looser and balanced alliance.

Genscher is clearly loath to speak of any broad blueprint, and hence one will seek in vain for any detailed German "grand design" for Europe in his many speeches and policy statements. As the foreign minister himself remarked in an interview in the fall of 1990, the secret of success of "Genscherism" lay in remaining cognizant of one's long-term goals and in maintaining the flexibility to pursue these goals and to seek to push events in the proper direction.

The above-mentioned principles can therefore serve as a general guide both to Genscher's longer-term goals and to his thinking toward

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12See Genscher's interview in Der Spiegel, October 1, 1990.
the future evolution of institutions such as NATO, the EC, and the CSCE. Genscher has clearly opposed efforts to turn NATO into an institution for power projection outside Europe, preferring instead to turn it into a more cooperative structure—one that can work together with an expanded and institutionalized CSCE. While willing to accept future Bundeswehr participation in UN-sponsored missions, however, the foreign minister has firmly rejected any talk of German force projection or attempts to develop a new rationale for NATO as a forum for coordinating broader Western strategic and military thinking on a more global scale. Such fears appear rooted in Genscher's own views on how a country with Germany's past should define its role in the European and international arena, on his opinions with respect to the tools that should or should not be included in Germany's diplomatic arsenal, and on his fears that any steps in this direction would be exploited politically by the German Right.

It is nonetheless clear that Genscher sees Germany as having a crucial role to play in the building of a new Europe. In his words, "This historical task means the beautiful fulfillment of the Germans' European mission." The strengthening of the EC and the CSCE are, in Genscher's thinking, the means to achieve this goal. The foreign minister repeatedly refers to the EC as the "anchor of stability" in Europe and as an institution that must increasingly assume responsibility for integrating the new democracies of Eastern Europe as well. At the same time, Genscher has always insisted that the reconstruction of Eastern Europe must be a joint task for the West as a whole. Similarly, he has singled out the CSCE as the key "pillar" for a new European security system that includes the USSR.

One of the great ironies of the revolutions of 1989 in East and Central Europe and of the German unification process is how these events took the SPD by surprise and allowed it to capture little of the credit for the changes now taking place in Central Europe—despite the fact that the SPD initiated Bonn's policy of Ostpolitik in the late 1960s to 1970s while playing a crucial role in building Bonn's close ties with the East. The fact that the SPD, which has prided itself for its ability to

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14 According to Genscher, "Certainly, the economic development in Central and Eastern Europe is not something that we can manage alone, nor do we Germans have this ambition. I hope our Western partners will realize that we all have to make our contribution to creating a single Europe through participation in the economic development of Central and Eastern Europe. We do not want a new division in Europe. I see a great responsibility in this. A year ago it was important to prevent the building of a wall of missiles by stationing short-range nuclear weapons. Now it is necessary to prevent the building of an economic wall." See Genscher's interview in Sueddeutsche Zeitung, August 29, 1990.
conceptualize change in East-West affairs in Europe, was unable to capitalize on these dramatic changes was linked in part to the fact that it happened to be in the political opposition when the political avalanche swept through the region. It was also, however, tied to what appear to have been some basic conceptual errors in Social Democratic thinking on how change in the East was likely to occur and what its outcome would be.

Social Democratic Ostpolitik from the outset was predicated on three assumptions. The first was that change in Eastern Europe could occur only in small steps—and only if implemented from above via reform-minded communist leaderships. As a result, Social Democratic policy concentrated on building ties with reform communists in the region, including the SED regime in the GDR. The second assumption underlying Social Democratic thinking was that Bonn’s traditional stance in favor of unification had become an impediment to change in the East. While the SPD was by no means resigned to the status quo in the GDR, it increasingly came to reject unification, instead embracing calls for some looser form of confederation between the two German states. Third, the SPD believed that changes in security policy and arms control could and should be actively used as instruments of political engineering to create the type of foreign policy environment that would serve as a handmaiden for internal change. Throughout the early 1980s, the party passed one resolution after another calling for internal reform in Eastern Europe coupled with an eventual transition to a collective security system that transcended both alliances.

The thrust of Social Democratic thinking was thus to pursue policies that would render the inter-German border more porous and eventually irrelevant and, subsequently, to transcend the nation-state by creating new pan-European institutions. As a result, the SPD was politically and psychologically unprepared for the rapid turn of events that swept the GDR and Eastern Europe in the fall of 1989—for change in Eastern Europe came not in small steps but rather as a sudden political earthquake. Moreover, many of the center-left intellectual dissident groups that the SPD had cultivated over the years were swept aside in the tumultuous events that took place in these countries. Finally, the SPD’s ambivalence on the goal of unification came back to haunt it amid the surge of unification sentiment in the GDR. Sensing the growing danger facing his party on this issue, Willy Brandt initiated a volte-face on the German Question in late 1989 by embracing the coming together of the two states—but a number of prominent
SPD intellectuals continued to oppose unification for many months to come.\footnote{See Brandt's article in \textit{Die Zeit}, No. 47, November 17, 1989. Perhaps the best example of a prominent leftist German intellectual bitterly opposing unification was writer and SPD member Guenter Grass. See Grass's speech at the SPD party congress in December 1989, reprinted in Guenter Grass, \textit{Deutscher Lastenausgleich: Wider das dumpe Einheitsgebirge} (Luchterhand, Frankfurt, 1990), pp. 7–12.}

Finally, the rapid disintegration of communist rule, coupled with growing calls from the new democratic elites in several Eastern European countries for withdrawal from the Warsaw Pact, undercut many of the old Social Democratic arguments about both alliances serving as instruments of stability to manage a transition to a new security system. Faced with the de facto disintegration of the Warsaw Pact and the almost insurmountable obstacles impeding the creation of a new pan-European security system in the short term, Social Democrats had little choice but to embrace the position that a unified Germany should remain in NATO pending the creation of a new pan-European security system while insisting that the alliance undertake a major review of its nuclear and conventional strategies.\footnote{See the SPD position paper issued in late April and published in \textit{Stichworte zur Sicherheitspolitik}, No. 5, May 1990, pp. 24–27.} Even on this issue, however, the SPD soon found itself overtaken by events—for in the early summer of 1990, the ruling coalition in Bonn itself took the lead in pushing for far-reaching changes in alliance strategy in its run-up to the NATO London summit.

Social Democratic thinking on future European security is thus in a state of considerable flux as old concepts are being reexamined, salvaged, and adapted to a new order. Although foreign and security policy has traditionally been an area that the SPD has considered to be its strength, for the moment it appears to have lost its edge even in this respect to Foreign Minister Genscher and perhaps even to the CDU, which has sought to reassert its voice in the German foreign policy debate. At the same time, several key components of the SPD's foreign policy thinking are likely to remain constant. As an example, a strong undercurrent of opinion in the SPD still clings to the position of dissolving both blocs and sees the Western alliance's role solely in terms of managing a transition to a new security system. More than any other German party, it is the SPD that advocates that NATO is ill prepared to master the tasks of common security in Europe and that a quick transition to a new pan-European security system is needed. In the words of one SPD parliamentarian:
It may be true that NATO and the Warsaw Pact are useful, indeed irreplaceable tools for managing the transition from the East-West conflict to a new European security structure. But their task has become one of bankruptcy managers, the significance of which no one denies, but whose tenure is of limited duration. A new collective European security structure must and will develop around Germany and, equally important, it will coincide with a pan-European economic space which extends far beyond an eastern expansion of the European Community.

Germany does not want to become neutral and to become a wanderer between two worlds [in the East and in the West]. It wants to assume its traditional broker role with the East while remaining part of a Western community of values and a member of the European Community and without succumbing to the temptation of some third way. That this has become possible is the result of the policy of Mikhail Gorbachev. By abolishing the blocs and by bringing Western modernity into the Soviet Union, [the USSR] will find in Germany a natural and historical partner without Germany being compelled to give up its Western ties or to choose between East and West. It is for this reason that the German people, more than anyone else, have an interest in the success of the current policy in the Soviet Union.17

The SPD also remains strongly committed to European integration. In his keynote address as the SPD's unity congress in late September 1990, Oskar Lafontaine laid out his concept of a "twc-speed Europe"—i.e., a Europe in which the dual process of deepening West European integration could be wedded with an expansion of cooperation with Eastern Europe.18 In the words of Karsten Voigt:

The goal of the SPD is a United States of Europe. The European Community should be developed into a United States of Europe. East European democracies should be allowed to join. For economic reasons a full membership of the East European states is only realistic in the longer-term. Until then we should strive for other forms of cooperation such as a closer association. The European Community should also seek to establish a closer harmonization of the foreign and security policy of its members. Responsibility for defense matters, however, should not be given to the EC in the immediate future as this would only prevent the inclusion of the neutrals and the former Warsaw Pact countries.19

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18See Lafontaine's speech at the SPD congress in Berlin on September 28, 1990, and his concept of a "Europa der zwei Geschwindigkeiten" (author's private copy).

19See Karsten Voigt, "German Unity and a Pan-European Structure for Peace and Security," March 28, 1990 (author's private copy).
The SPD’s vision is clearly one of a unified European Left growing in its strength as a result of the overcoming of the division of Europe. Just as the SPD is striving for a new post-Cold War constituency in German domestic politics, so does it hope to knit together a new Europe-wide coalition based on democratic socialism and centered on the themes of social justice, ecology, and disarmament. As many Social Democrats themselves point out, the key question for the future is whether processes such as Eurointegration in the western half of Europe and the dramatic changes that have taken place in Eastern Europe will work to the benefit of the European Left or conservative forces. One of the many ironies that Social Democrats themselves are forced to concede is that the realization of a longstanding goal—that of overcoming the division of Europe—caught the SPD offguard and may unleash new forces of nationalism that will ultimately play into the hands of their opponents. In the words of Peter Glotz, member of parliament and editor of the SPD’s theoretical monthly *Die neue Gesellschaft*:

It would be foolish for the European left to assume that the explosive developments in East-Central Europe will automatically play into our hands. Reform communists in the 1960s in Czechoslovakia still believed, for example, in convergence; the future of Europe was socialism with a human face which would be pushed by reform communists in the East and social democrats in the West. Not much has remained of this theory. A considerable portion of the new political groups in Eastern Europe are inclined to reject any type of socialism, even democratic; in the United States and in Western Europe conservatives are convinced that the “victory of the West” has proven not only Marxism-Leninism to be a failure but democratic socialism as well. We cannot ignore the danger that the democratization of Eastern Europe, which most surely represents progress as it will lead to greater self-determination and progress in the sense of the European enlightenment, may paradoxically lead to a strengthening of the European right. The European left will have to fight to prevent this.20

In surveying the German foreign policy debate one year after the collapse of the Berlin Wall, one is struck by three facts. The first is how well Germany’s foreign policy consensus has held up despite the tumultuous events of the unification process. Many observers’ fears of a possible backlash against the Western alliance or the emergence of an agonizing debate over potential tradeoffs between European integration and German unity have thus far failed to materialize. In part this

has reflected the political skill of the German elite in ensuring that the question was never posed in the negotiations over German unity, together with efforts on the part of key Western powers to convince the Soviets not to exploit which potential weaknesses. Yet it also reflects the fruits of 40 years of successful policies along with a keen awareness among West Germans that Western integration not only brought them prosperity and security but ultimately contributed to the failure of communism in the East. The example of a successful West exerted a powerful magnet effect—above all on the peoples of Eastern Europe. Throughout the unification process, public opinion polls showed that while West Germans strongly supported unity, they were unwilling to sacrifice their Western ties in order to achieve it. Finally, the fact that unification took place on West German terms in foreign as well as domestic policy was an initial vote of confidence by the Germans in the East for the FRG's postwar orientation and institutions.

The second trend concerns German foreign policy goals. Unification has altered not only the German domestic landscape but the terrain of the foreign policy debate as well. Specifically, Germany is no longer a divided front-line state whose room for maneuver was narrowly restricted by the military presence of the USSR and by the need for an American counterweight; instead, it is now an ascendant power in a more integrated Europe in which the influence of the two superpowers is rapidly receding. And while the longer-term consequences of Germany's changing domestic landscape on foreign policy remain to be determined, the radical changes that have taken place in Germany's foreign and security policy environment have already altered the parameters of the foreign policy debate.

In short, German foreign policy goals are no longer centered on the need to shelter and defend an exposed and vulnerable medium-sized actor in Europe. Rather, they revolve around the desire to use growing German weight and influence to play a proactive role in constructing a new Europe. Although the goal of a new pan-Europe has always been at the heart of the foreign policy programs of all major German parties, it previously represented only an abstract, long-term aspiration. Now, however, the current political agenda includes the possibility of creating a new Europe—one that stretches from Portugal to Poland and in which Germany plays a principal leadership role on the basis of its political and economic weight and its crucial strategic position in Europe's center. This new Europe will continue to be closely linked to the United States but will also be increasingly capable of acting as an autonomous actor on the world stage. Germany's response to this new context has not been to reject or to abandon the institutions on which the FRG has relied in the past; rather, it has sought to recast such
institutions in a fashion that will allow it to use them toward these goals.

The third trend concerns the initial signs of Germany's maturation as a major European power. The German elite's handling of the unification process has lent a major boost to German self-confidence. Similarly, the collapse of Soviet power in the region and the likely diminution of American influence and presence in the region have created a power vacuum in the heart of Europe—a vacuum that Germany is predestined to fill. Moreover, 40 years after the war, Germans increasingly feel that they have earned their democratic credentials and are now increasingly willing to set aside previous self-imposed restrictions on their room for maneuver. Having accomplished unification and having regained their national self-confidence, Germans are proving increasingly willing to assume a more active role in Europe and beyond.

At the same time, deep ambivalence and internal divisions remain within the German political class over just how far and how fast Germany should move toward embracing a more active role and over what types of policy instruments it should emphasize. Among some German leaders, centered in the CDU and the Bundeswehr leadership, there is a growing sense that a unified Germany is simply too big and powerful to indulge in geopolitical abstinence and that German resources and leadership are badly needed to fill the vacuum left by the collapse of Soviet power in Eastern Europe and by the pending reduction in American influence in Western Europe. Proponents of this school clearly believe that a healthy sense of geopolitics is now needed to maintain elite and public support for NATO, a continuing alliance with the United States, and elite and public support for defense spending and the armed forces.

The recent crisis in the Persian Gulf has provided a major impetus for a debate that was already under way over Germany's future geopolitical role and responsibility in Europe and the world. Although Chancellor Kohl was unable to push through his initial plan for a more overt German role in supporting the United States in the Persian Gulf, the debate marked a watershed of sorts in German domestic politics as a new consensus emerged that the time had come to revise Bonn's constitution to allow the use of German armed forces in future crises outside the central front.21

21Differences remain on conditions under which German armed forces can be committed to such actions. The CDU position is that German forces should be allowed to participate in any multilateral Western action. As mentioned above, Schröder has limited his support to UN-sponsored missions as has the SPD.
This issue nonetheless has the potential to become a divisive one in German domestic politics. Issues of power, the use of military force, and geopolitics remain sensitive themes that have been taboo through much of the postwar period in light of Germany's past and the excesses perpetrated under National Socialism. Many Germans remain reluctant to adopt such a role for fear that it will still evoke resentment among their neighbors or residual mistrust in their own ability to manage such a role. At the same time, Germany is rapidly being thrust into a major leadership role as a result of the changes in and around it.
VI. FUTURE GERMAN ARMED FORCES AND DEFENSE PLANNING

The need to restructure future German armed forces has been a key element that has prompted Germany to rethink its future foreign and security policy goals and options. In part this was because specific issues, above all the future size of the Bundeswehr, rapidly became central to discussions over the regulation of the security arrangements for a future unified Germany. At an early stage in the process, German politicians sought to ensure that the future size and composition of German armed forces would not become a politically volatile issue and that such decisions would not be left to the whims of international negotiations.

Such thinking was also linked, however, to the realization among German politicians that the rapidly diminishing Soviet threat in the East—and the concomitantly dramatic fall in threat perceptions among the German public—automatically raised key questions about the very purpose and future role of German armed forces. Questions concerning the future purpose, size, composition, and missions of German forces could not be considered in a narrow military or national context, however; the need to think about the reorganization and eventual integration of former East German forces into an all-German structure inevitably posed broader questions concerning the restructuring of the Bundeswehr as a future all-German force.

More important, the need to think about the defense of a future unified Germany immediately touched on core aspects of NATO strategy and the missions of German armed forces. As a result, discussions over the future of German armed forces increasingly became a mirror in which one could read many of the emerging trends in thinking over the future of German foreign policy, its place and role in the alliance, and the broader purposes to which the instruments of German foreign policy should be applied both in and outside Europe.

The need to confront such core issues early on has propelled Bonn into the forefront of alliance debates over the future. This was also a debate in which the CDU and the ministry of defense have tried to take the lead in an attempt to capitalize on the success of Chancellor Kohl and to regain the initiative on foreign and security policy thinking that in years past has often been dominated by Foreign Minister Genscher or by the Social Democratic opposition. Addressing a forum of high-ranking German military officers in March 1990, CDU
General Secretary Volker Ruehe matched his praise for the role of the German armed forces in contributing to unification with a clear call for far-reaching changes in German and allied strategy:

We would never have reached this threshold of a new age if the alliance and the Bundeswehr had not provided for our external security. Our soldiers can be proud of their contribution to forty years of peace and freedom, forty years of prosperity, and forty years of European rapprochement and German-American friendship.

Looking back is not enough, however. We need phantasy and a sense of responsibility in order to develop a convincing program for our future security. Our people consist neither of peaceniks nor militarists. We have a society that is well-informed and capable of formulating its own views. Only some 13-15 percent of our population sees a threat from the East; but more than half of them see peace threatened in and from the Third World. Whoever takes a sober view of the situation will reach two conclusions. First, the Soviet Union will remain a world power in the area of nuclear weapons and sea power, and it will also be the strongest land power on the European continent. Second, Europe will not be able to become an island of peace in the conflict-ridden world, the dissipation of the East-West conflict and positive arms control results notwithstanding...

It is important to define the tasks, scope, and structures of future German armed forces now. Only in this way can we integrate Germany in a future European security landscape and only in this way can we influence the future of arms control according to our political and strategic needs. We must move very quickly to replace the concept of integrated forward defense close to the border for we cannot organize NATO's defense in the middle of Germany. Nuclear deterrence will also have to be given a new content.¹

Ruehe outlined five criteria to justify a future all-German military of some 400,000. First, according to Ruehe, Germany had to be represented in a future European security structure in a manner commensurate with its political and economic weight and geopolitical position. Second, Germany had to take into account the historically based fears of its neighbors; therefore, German armed forces should not be larger than those of either France or Poland. Third, Germany would continue to need allies and partners, as it was not self-sufficient in economic terms but rather highly dependent on open world markets and on unimpeded access to raw materials and energy sources. Fourth, Germany had to have sufficient forces to contribute to alliance defense needs and to assume the national defense responsibilities of territorial

¹See the opening remarks of Volker Ruehe at the Bundeswehr Forum at the CDU's Konrad Adenauer Haus on March 29, 1990, in CDU Pressemitteilung, March 29, 1990.
needs and to assume the national defense responsibilities of territorial forces, above all in the GDR. Finally, German forces had to remain affordable and structured in a fashion that corresponded with the arms control process in Vienna.

In the spring of 1990, Bonn played an important behind-the-scenes role in pushing for a reformulation of official NATO strategy—a role that culminated both in the London Declaration issued at the NATO summit in early July 1990 and in the concept of “flexible reconstitution.” This strategic review encompassed the three components of NATO’s military strategy MC 14/3—direct defense, deliberate escalation, and general nuclear exchange. Speaking before senior military officers in mid-June, Defense Minister Gerhard Stoltenberg publicly sketched out the broad outlines of Bonn’s thinking on future alliance political and military strategy. Given the achievement of German unity and the withdrawal of Soviet forces from East-Central Europe, the minister claimed that the alliance had fulfilled its goals as defined in NATO’s Harmel Report from 1967 and now needed to redefine its future mission and goals in accordance with changed strategic realities.

Stoltenberg also called for significant revisions in alliance strategy. Specifically, he called for a shift away from a strategy based on deterrence, flexible response, and deliberate escalation toward a new posture predicated on the concept of stabilization and reassurance. Although Bonn officials had been urging a shift away from deterrence as the core of NATO nuclear strategy, arguing that deterrence implied a confrontational stance that was no longer appropriate in a new cooperative European security regime, Stoltenberg’s remarks were the first high-level public pronouncements suggesting that NATO officially adopt a stance making nuclear forces the weapons of last resort. More specifically, German officials now urged that all short-range systems be removed from German soil and advocated future reliance on nuclear weapons consisting solely of air-based forces and some mix of dual-capable aircraft, stand-off missiles, or American sea-launched cruise missiles. According to Stoltenberg:

With regard to nuclear strategic options, there will be a shift in the relative weights of options and capabilities. If in the past we placed an emphasis on a ladder of deterrent options, in the future the emphasis will be less on deterrence of a specific enemy and more on serving as a form of insurance and as a factor of stability in a mutually agreed upon system of mutual security in Europe. In this context NATO will be able to change its concept of deterrence to one of reassurance. Following the successful conclusion of the current Vienna negotiations, we will be able to start follow-on negotiations
on SNF on this basis aimed at achieving a mutual minimum of nuclear weapons in Europe according to the principle of sufficiency.2

Noting the progress toward unification and the impending withdrawal of Soviet troops from the GDR and the rest of Eastern Europe, the minister noted that such changes also meant that NATO's conventional strategies based on the traditional NATO "layer cake" approach also needed to be revised:

Under these conditions NATO should replace the operational concept of forward defense with a concept of defense at the borders which will allow us to react accordingly to all possible forms of future military risk. It is crucial in this context that our defense concept is oriented toward a broad spectrum of potential military risks.

It is already clear that the previous form of a linear North-South oriented operational concept of conventional defense must be replaced. A flexible form of concentrating mobile forces wherever they will be needed in crisis will be implemented in its place. The ability for a step-by-step reconstitution of our defense potential will increase considerably in importance in connection with significantly reduced armed forces and a lengthier warning time in Europe.

German defense officials have nonetheless emphasized several elements of continuity in German defense planning. The abandonment of flexible response and the shift toward a greater emphasis on stand-off weapons, they insist, imply neither the denuclearization of Germany nor a return to massive retaliation as the basis for NATO's nuclear strategy, for such changes will take place in a Europe marked by conventional parity and in which the risk of military conflict with the USSR has seriously diminished. Similarly, the abandonment of NATO's traditional layer-cake approach and forward defense in the traditional sense does not mean that Germany will not be defended forward in the former GDR or at its new eastern border.3 Bonn's willingness to consider transitional solutions in which the former GDR receives a special status notwithstanding, German defense officials have always made it clear that a unified Germany will be defended as a single entity, above all as the decision has been made to eventually


3 According to Dieter Wellershof, "Forward defense is the most natural task of any state. A state will defend itself where it is attacked, namely at the border. But forward defense had a special historical meaning in the defense strategy of the alliance as the allies pledged themselves to defend at the borders of their partners. This should not be changed in an integrated alliance. At the same time, the previous concept of arranging forces in a layer cake, i.e., side-by-side in battle areas needs to be altered after unification and the removal of Soviet troops from Central Europe" (emphasis added). See Wellershof's article in Welt am Sonntag, August 26, 1990.
move the capital to Berlin. Finally, although allied forces in a unified Germany will be reduced, and despite the fact that foreign troops will not be deployed in the former GDR, Bonn defense officials have made it clear that their goal is to retain integrated forces in an echelon defense in which German forces assume primary responsibility for the initial phase of defense and the residual allied troops function as an operational reserve.\(^4\)

The basic contours of such changes in alliance policy were officially embraced several weeks later at the London Summit in July 1990, and were reflected in the London Declaration as official alliance policy.\(^5\) Shortly thereafter, these changes also set the backdrop for negotiating the final aspects of an agreement on the security status of a unified Germany between Kohl and Gorbachev. The main components include agreements that:

- A unified Germany can choose to be a member of any alliance on the basis of the principles of the CSCE process.
- A bilateral treaty between a unified Germany and the USSR regulates the withdrawal of Soviet troops from the territory of the GDR by 1994. Western troops will remain stationed in Berlin on a bilateral basis pending the removal of all Soviet troops from German soil.
- Articles 5 and 6 of the NATO treaty take effect for the territory of the former GDR upon unification. At the same time, no NATO troops will be deployed on the territory of the former GDR pending the removal of Soviet troops.
- German troops not integrated into the NATO command—i.e., territorial troops—will be deployed in the former GDR upon unification during the transition. Following the departure of Soviet troops, Bundeswehr troops can be deployed throughout a unified Germany, albeit without nuclear delivery systems in the former GDR. Foreign troops will not be deployed in the former GDR.
- The future peacetime size of the Bundeswehr will be set at 370,000 at the time of the successful conclusion of the negotiations on conventional forces in Europe (CFE).\(^6\)

\(^4\)German officials have stated publicly that they expect some 150,000 allied troops to remain in a unified Germany. See Stoltenberg's interview in *Welt am Sonntag*, August 12, 1990.


\(^6\)In March 1990, Volker Ruehe stated that the optimal size of a future German army would be 400,000. The opposition Social Democrats had proposed a reduction to 240,000, and Soviet officials had floated proposals also pinning a future Bundeswehr to some 260,000. The final result negotiated by Kohl was closer to the initial position suggested by the Ministry of Defense in Bonn.
A unified Germany renounces nuclear, biological, and chemical weapons and remains a signatory of the NPT (non-proliferation treaty).

With the final agreement negotiated between Kohl and Gorbachev, the overall parameters for future German force planning have been clearly set both for a transition period in which Soviet troops are withdrawing from the GDR and for the time period thereafter. At the same time, future German views on strategy and force planning will be closely tied to future threat assessments and assumptions. The conclusion of an agreement on the security provisions for a unified Germany, the Soviet-German agreement of September 1990, a CFE agreement, the withdrawal of Soviet troops from Eastern Europe, the democratization of Eastern Europe, and progress toward democracy in the USSR have radically altered past threat assessments.

As a result, German force planners have been forced to contemplate a wider variety of potential threats and to differentiate between their likelihood and their danger—both for purposes of planning and for the public debate. The most dangerous threat to German and Central European security in the immediate future continues to lie in residual Soviet strategic capabilities, both nuclear and conventional. At the same time, the likelihood of this residual Soviet threat is debatable and will become increasingly so if centrifugal tendencies in the USSR persist. It will therefore be increasingly difficult to justify NATO solely in terms of the threat to the central front, especially at a time when the West is itself engaged in efforts to assist reform in the Soviet Union. Western political and military strategy would be seen as out of sync and working at cross purposes. This is especially true in the case of Germany, where the interest in bringing the USSR into Europe is pronounced and where the threat in past decades has been largely defined in ideological terms.

German defense planning must therefore incorporate two additional categories of risk, both rooted in regional conflict: conflict resulting from intra-ethnic or other strife both in Eastern Europe and on NATO's southern flank. These could include complex scenarios in which conflict is neither initiated nor controllable by either NATO or the Soviet Union. Such scenarios, although they do not represent the classic East-West confrontation for which NATO has prepared in the past, may be far more realistic in the future than any direct conflict with the USSR. It is therefore in both German and allied interests that the debate over future alliance strategy and force planning be broadened to include a wider set of contingencies lying outside the central front. A redefinition of NATO's strategy in the direction of the
concept of "defense at the borders," outlined in the London Declaration of July 1990, could, for example, mean that German forces would plan and prepare to take part in a multinational NATO framework in defense operations not only in Central Europe but also on the northern and southern flanks of the NATO region.

Such changes will also place new demands and requirements on the structure and type of German armed forces for the future. The importance of operational mobility will grow, reinforcing a trend already evident as a result of the arms control process and the thinning out of the potential battlefield. Germany will need rapid reaction forces for initial defensive operations close to the borders—forces that must be flexible and available with little or no mobilization to give the German leadership maximum political flexibility in a potential crisis. They, in turn, will have to be complemented by additional screening forces as well as by air-mobile and mechanized operational reserves for counter-concentration. In the words of one high-ranking Ministry of Defense planner:

In preparing a defense concept for the future, one must cover residual and new risks. Defense at the borders calls for a high degree of flexibility, an optimum of warning time, and an appropriate mixture of quick reaction and mobilizable forces.

The fact that Germany has to orient her defense concept toward several categories of risk means a major shift in strategic thinking away from planning at the intra-German border toward possible contributions in other regions. The defense concept for the future must serve both the most likely and the most dangerous case. In terms of the future orientation of the German forces, this means that part of the German forces must be available for initial operations on the basis of a quick reaction capability with almost no need for mobilization, thereby maximizing flexibility in response to a potential crisis.

Other elements, designed to ensure the buildup of the armed forces, may be cadred to differing degrees to be available for follow-on operations. In addition, the forces for initial and follow-on operations must be capable of acting as national or multinational maneuver forces for the defense in centers of main effort, as screening forces, and as air mobile or mechanized operational reserves for counter concentration.

Leading German officials have already pointed to five characteristics that will be important for German armed forces in the future:

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• Growing significance for command, control, communications, and intelligence (C3I);
• A need for maximum operational flexibility and mobility;
• A strong defense system based on extended barriers operations and firepower;
• A responsive air defense; and
• The growing importance of reinforcement capabilities and the protection of sea lines of communication.

All of these factors point in the direction of a broadening of the political, economic, and military context in which future German security needs are debated. The need for such a debate lies not only in the desire to preserve the vitality of the alliance and German public support for NATO membership. Additional pressures for a broader understanding of German security and for new forms of German participation will also arise in conjunction with economic and budgetary trends and questions of future procurement policy. Arms control and falling defense budgets will lead to smaller quantities of major weapons systems and greater pressure to coordinate arms development and production—a process that has already been given impetus by the 1992 European Single Act. The Europeanization of the arms industry will increase pressures in Germany to loosen the country's traditional restrictive arms export regulations. This may, however, lead to growing tension in view of political pressures to be more restrictive on proliferation issues—above all in light of criticism of German export practices in the wake of the Persian Gulf crisis.

European integration will also have a pivotal effect on the old and often contentious issues of burden sharing and role specialization. In the past, such progress has been blocked or has remained limited because countries were reluctant, in the final analysis, to cede national sovereignty and to become dependent on another country's defense capabilities. While progress in this realm is likely to remain limited until European unification has been furthered, political union and the emergence of a more coherent European strategic identity do hold out the possibility of cutting the Gordian knot that has blocked progress in the past. In conjunction with trends in procurement, this could provide a major impetus toward a new understanding of burden sharing and role specialization for Germany both in Europe and in the trans-Atlantic relationship.


Such issues will set the backdrop for a new and crucial debate not only over the role of German armed forces but also over the overall strategy and purpose of future German foreign and security policy. German officials have emphasized their desire to see the alliance produce a document that would provide the political guidance to enable Bonn to manage its public debate while simultaneously allowing for German and other allied force planning for at least the immediate future. Such a document would transcend both the political goals of the alliance as outlined in the Harmel Report of 1967 and the various components of NATO strategy as outlined in MC 14/3.

While Central Europe will remain a focal point of German attention for the foreseeable future, the German debate must be both broadened and widened. This will inevitably raise touchy political questions, including a possible rethinking of constitutional provisions limiting the use of German armed forces outside the country. Similarly, the issue of German export controls and Germany's behavior in this regard will increasingly be seen as a test case of Germany's new global responsibilities. Yet it is in this broader context that German elite and public support for the alliance can best be consolidated. And it is in this context that a new Germany will be able to shed many of its past self-imposed restrictions on security thinking and assume a new and more mature role in a European global, as opposed to national, context.
VII. NEW CHALLENGES AND NEW RISKS

The challenge inherent in German foreign policy today lies in the necessity to balance the need to maintain and deepen integration in Western Europe, the need to rapidly support the political and economic reconstruction of the East, and the need both to consolidate a new trans-Atlantic relationship as necessary geopolitical backup or insurance during the transition to a new European order and to transform that relationship into a new and ultimately more balanced global partnership.

German leaders know that a race is currently being waged between integration in Western Europe and disintegration in Eastern Europe; hence, they know as well that they must forge a set of policies that facilitate the deepening of the EC while simultaneously keeping it open as a safety net to deal with the problems produced by the collapse of communism in Eastern Europe and the potential disintegration of the USSR. It is also understood, however, that a second race is taking place as well—a race to create a new trans-Atlantic bargain with the United States that would ensure active American participation in European affairs before the erosion of NATO’s structure assumes critical proportions.

Four dangers face German policymakers in their attempt to meet these challenges. The first lies in the residual uncertainties of German domestic politics in the wake of unification. The successful political and economic integration of the former GDR will be a time-consuming process that will absorb Germany’s attention and resources, especially at the outset. Moreover, the Germans from the GDR must learn to appreciate the benefits of Western integration and to become Europeanized if they are to ensure that Germany does not experience a resurgence of nationalism at a time when there will be growing pressures for it to cede sovereignty to multilateral Western institutions. The danger lies in the prospect that Germany will become preoccupied with its own internal woes at a time when the country is confronted with a full foreign policy agenda. Although the current German preoccupation with domestic issues may be understandable, it also harbors risks, as it could lead to a deceleration of precisely those processes that the Germans have underlined as key to building a new Europe.

The second danger is that Germany will not effect its political and economic integration into the EC as quickly or comprehensively as it hopes. Clearly numerous factors and issues are at stake in the debate
over the future of the EC, but a key issue among them is the future of Franco-German relations—a factor that both Paris and Bonn have long viewed as the motor behind EC integration. Yet despite Bonn’s rhetoric that German unification has furthered European unification as well, the reality of Franco-German relations during the past year has served as a sober reminder both of the complex problems inherent in integration and of residual uncertainties concerning Germany’s weight and a clear reluctance on the part of Germany’s neighbors to tie themselves closely to a country whose future politics and policies are still somewhat uncertain.

The details of Franco-German relations over the past year are beyond the scope of this study. Suffice it to say that they offer an object lesson in the manner in which political elites can maintain a dialogue on practically a daily basis while still misunderstanding each other’s motives and intent. Specifically, initial irritations in Paris over a lack of consultation were compounded by German irritation over French overtures toward Moscow in the fall of 1989 and, more recently, by France’s decision to withdraw French troops from Germany despite Chancellor Kohl’s publicly expressed desire that such troops remain. The key question for the future is whether such differences can now be buried such that agreement can be reached on the proper course and timetable for European political integration and for the establishment of a future foreign and security policy role for the EC.

From Germany’s perspective, France is hesitating precisely at a time when a new impetus from Franco-German relations is sorely needed. France, according to Horst Telschik, “... must now decide to what degree it is willing to work in an alliance with Germany in the Community.” In Paris, however, lingering doubts and suspicions remain over Germany’s commitment to integration in the wake of unification. Moreover, while the French political elite clearly remains committed to European unification, realizing that it offers the best guarantee that Germany will remain integrated in the West, unification has created the potential for the EC to fall increasingly under German influence—a prospect that makes it all the more difficult for France to contemplate abandoning further elements of its national sovereignty. Finally, the fear of a German preoccupation with the East and German-Soviet rapprochement persists in some influential French circles.1

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1See Telschik’s article in Die Welt, September 22, 1990.

While his views should not necessarily be taken as representative of the French government or President Mitterrand, the views of Defense Minister Jean-Pierre Chevènement in this regard are noteworthy. In a speech delivered in late May 1989 on the future of French defense policy and France’s role in the world, Chevènement underscored two “irreversible” factors as crucial for French and European security. The first
The third danger facing German policymakers is the possibility that they might be overwhelmed by the problems of political and economic reconstruction further east. Several powerful factors combine to leave Germany little alternative but to become actively involved in reform and change in Eastern Europe. First, Bonn has always felt a special moral responsibility toward Eastern Europe in light of Germany's historic role in the region; this motivation was at the core of Bonn's Ostpolitik in the early 1970s. Moreover, the key role that events in Poland and Hungary played in the eventual collapse of the GDR has strengthened Germany's sense of morality as well as its willingness to bolster the reform processes in these countries. Second, no Western country is more attuned to the consequences of the failure of reform efforts in the East than Germany. German leaders are profoundly concerned about the possibility that political and economic turmoil in the East might spill over into Germany in the form either of a new flood of refugees or of renewed nationalism—factors that could both have a direct bearing on Germany's own domestic fabric. Ultimately, Germany cannot afford not to become involved in the East, for its own domestic stability and security requirements are intimately intertwined with the fate of reform and democracy in this region.

Germany's engagement in the region is also being driven by indigenous demand. Although it would be premature to conclude that anti-German feeling resulting from the Second World War has faded entirely, significant changes have occurred as a result of Bonn's own efforts toward rapprochement and generational change. Indeed, many of the newly democratic regimes of the former Warsaw Pact look toward Bonn as their primary Western spokesman and see Germany as their gateway to the West. Moreover, much of Eastern Europe looks toward Germany, a prosperous and democratic country with an extensive welfare state, as an example of how to rebuild a devastated was the decline of Soviet power and an increase in German power and the possibility of a new Rapallo: "As we have been able to observe in the past, changes in the balance between these two countries—both of which tend to be expansionist—can lead to an accord for the subsequent period. There is an old confluence between these two peoples which has taken many forms from Catherine II to Bismarck. Our century has witnessed examples of this as well. Everybody remembers Rapallo and the Hitler-Stalin Pact. Let us not forget that it was the FRG that gave the starting signal for detente." The second factor singled out by Chevenement was the future of German public opinion, which he also saw as being influenced by developments in the USSR and likely to result in "some race for influence ... Central Europe" between Germany and the USSR. According to Chevenement, "Whatever happens, it is predictable that German public opinion—without going so far as to wish, for a return of Weltpolitik—will probably impose an active foreign policy consistent with that great power's traditions and potential." See Chevenement's speech, published in Defense Nationale, July 16, 1990, pp. 9-10.

country as well as a former dictatorship. As many of these countries turn West for political, economic, and educational assistance, they are increasingly focusing their demands on Germany as they discover that the Germans first and foremost have the political will and the resources to help them.

German political leaders repeatedly insist that they lack the resources to play this role themselves, especially in light of the enormous short-term economic and financial burdens placed on them as a result of unification. Moreover, for a political elite whose formative experiences have been gathered working through Western multilateral institutions, the notion of Germany assuming primary responsibility for managing change in Eastern Europe on its own is still an alien one. For this reason, Germany will continue to advocate a joint Western policy approach toward addressing the problems of this region.

Germany's dilemma lies in the possibility that problems in the East could emerge well before Western institutions such as the EC or the CSCE are capable of dealing with the political, economic, and security problems in the region. A Germany faced with growing instability on its Eastern flank and finding its calls for joint Western assistance for the region rebuffed could become increasingly tempted to adopt a go-it-alone approach in the region and to develop its own bilateral working arrangements with individual countries, including the USSR.

A related danger lies in the problems inherent in trying to manage a modus operandi with a disintegrating USSR. All of the dangers mentioned above with regard to Eastern Europe loom larger if one looks beyond the immediate horizon to contemplate scenarios involving the disintegration and possible breakup of the USSR. Should the USSR continue to disintegrate, the West—specifically the EC and Germany—will inevitably act as a pole or magnet that will exert a powerful pull westward—above all for the western republics of the Soviet state. Although conventional wisdom once suggested that German atrocities in the Second World War had left a strong anti-German sentiment in their wake in the western sections of the USSR, there are indications that the cultural and political predisposition of the newly emerging elites in the Western republics of the USSR may be far less hostile toward Germany than is commonly assumed. Whether the Western magnet will be an increasingly cohesive EC that has opened itself to the East or simply Germany, however, will depend on the time frame in which such events unfold, on how successful the EC has been in broadening toward the East, and on the policies key Western countries might pursue toward such newly autonomous or independent entities.
Although the various scenarios for the future breakup of the USSR and the consequences thereof are seemingly endless, such a development would place an inordinate strain on German attention, resources, and diplomacy—for it would lead inevitably to the creation of a power vacuum in the East that would result in turn in a critical restructuring of political and economic influence in the region. This would place enormous pressure on the West, above all Germany, to find some new modus operandi with the newly emerging independent or autonomous elites of the region. The West and Germany would also be compelled to reach some sort of mutual understanding with the USSR in order to try to manage this process of chaotic change.

The prospect of a zone of politically and economically unstable and weak states starting on Germany's eastern border is a potential nightmare for any German policymaker—especially were that zone to extend eastward to include the western fringes of a disintegrating USSR. Despite strong historical, political, and economic interests in the region, the current German political elite has little interest in assuming the primary or sole responsibility for managing the enormous problems and challenges left in the wake of the collapse of communist rule in Europe. At the same time, the power vacuum that is emerging in the area will inevitably exert a strong pull on Germany toward the East—especially if the elites of this region call for German political capital, financial, and commercial resources, and renewed cultural and educational ties. This has little to do with some mythical Drang nach Osten but rather would result from a Zwang nach Osten—or the imperative to become more involved in the East to prevent instability on the eastern flank from spilling over into Germany itself.

This helps explain the clear tone of concern that one can detect among some German policymakers as they contemplate both the unwillingness of many of their Western European neighbors in the EC to quickly broaden the community and the potential for instability on their eastern flank. The risk is that the inability or unwillingness of the West to develop a multilateral and coordinated approach to the region might result both in a political backlash and in growing social and economic instability in Eastern Europe, the consequences of which would directly affect the domestic fabric of Germany through such venues as increased migration from the East or a rise in national sentiment.

Such factors will also have a critical impact on Germany’s attitudes toward its Western commitments. A Germany that is unsuccessful in harnessing Western institutions such as the EC or the CSCE to address mounting political and economic turmoil on its eastern flank, and one that feels increasingly compelled to act on its own in the
region, could quickly find itself faced with the type of agonizing reappraisal of its relations with its Western neighbors that it has thus far sought to avoid. The pressures on Bonn to act in a unilateral or bilateral fashion, and in a manner contrary to its clear preference and own best interests, will thus grow considerably.

Although Germans are currently loath to draw a direct link between Western support for its policies toward the East and future commitments toward the EC or NATO, there is an implicit connection between the two. A Germany that finds little support or enthusiasm among its Western partners for dealing with issues in the East that directly affect vital German interests could be compelled to re think its relative priorities. Such a sequence of events could also lead Germany to question the effectiveness of its past multilateral approach and to dilute its commitment and contribution to NATO, the EC, or both.

Such scenarios quickly bring us to the fourth danger facing German policymakers—namely, a premature attenuation of the trans-Atlantic bond resulting from changing trends in German public opinion merging with American neoisolationism to produce a premature American withdrawal from European security affairs. The latter would place an enormous burden on the EC to assume a major security policy role precisely at a time when it is confronted with a delicate balancing act between deepening and broadening its scope. Although many German policymakers do want the EC to develop a security policy role, they see this as an incremental role that should gradually evolve to complement NATO and perhaps to replace it in the longer term. Any attempt to burden the EC with multiple new roles could lead to the political paralysis of that alliance.

At first glance, German-American relations would appear to be better than ever. Early and firm American support for German unity has been gratefully acknowledged by German leaders—and not only is the standing of the Bush administration in German public opinion high, but much of the radical chic anti-Americanism of the early 1980s has dissipated. Hence the threat to the American presence in Germany does not lie in some sudden surge in anti-American sentiments or in vocal calls for an immediate troop withdrawal. Rather, it lies in the possibility that the American presence will, in the medium or long term, come to be seen as unnecessary, irrelevant, and a growing irritant.

Public opinion polls have shown that West German support for NATO membership has remained strong and fairly constant throughout the unification process. When asked in the spring of 1990 whether they would prefer a total withdrawal of American troops from Europe or retaining some troops “to maintain stability,” the percentage
of West Germans who opted for a residual American presence was still some 62 percent. At the same time, the percentage of those who view NATO as essential to their country's security has fallen, reflecting a trend evident throughout Western Europe. Similarly, there is a strong public preference for the EC to assume a greater role in security policy over the longer run.

Such polls point to a strong desire on the part of the German public to remain part of a collective Western defensive alliance as opposed to striving for neutrality. This should not, however, be interpreted as suggesting that little if anything has changed in the German public mindset. There have in fact been significant shifts in German public opinion—above all on the question of the American presence, which is tied to the collapse of Western perceptions of the Soviet threat. The percentage of West Germans concerned about a threat from the East has fallen from some 65 percent in early 1980, following the Soviet invasion of Afghanistan, to a mere 14 percent in the summer of 1989 (see Figure 7.1).

The full magnitude of the shift in German public opinion on such issues can be seen in polling data compiled by the Allensbach Institute in West Germany through the use of so-called trend questions—i.e., questions posed over a lengthy period of time in an attempt to capture longer-term shifts in overall trends in the public mood. If one compares the years 1970 and 1990, one can see a near-reversal in German attitudes on the need for an American troop presence as a guarantee for German security. When asked in the 1970s whether German security could be guaranteed without American forces, one-half of respondents replied that this was not the case. Following the onset of Gorbachev’s reform policies in the mid-1980s, however, West Germans were roughly split on the question—and by the spring of 1990, after the revolutions in Eastern Europe of the previous fall, a clear majority no longer believed that American troops were needed (see Figure 7.2).

Since the early 1960s, Allensbach has also attempted to determine how Germans would react were they to read in the newspaper that the United States was withdrawing its forces from Europe—i.e., whether they would welcome or regret this news. Through the early 1980s, a solid majority of West Germans replied that they would regret such a step. Following Gorbachev’s ascent to power in the mid-1980s,
Fig. 7.1—Question: Are you or are you not concerned about a threat from the East?
Fig. 7.2—Question: Assuming that there would no longer be any American forces in the Federal Republic, could our military security be guaranteed or no longer guaranteed?

however, West Germans were divided on this issue as well, and by the spring of 1990 some 49 percent replied that they would welcome the announcement of an American troop withdrawal (see Figure 7.3). Moreover, a breakdown according to age and party affiliation clearly showed that support for an American troop presence is weakest among the younger age groups. Similarly, whereas the parties of the Bonn coalition are roughly split on this question, a solid majority emerged on the Left and among the electorate of the SPD and the Greens in favor of an American troop withdrawal (see Figure 7.4).

The trends just outlined could be exacerbated by the unification process if the addition of some 17 million former East Germans to the security debate added a new variable to the equation governing overall German attitudes toward the American role in Germany. Yet existing evidence on East German attitudes toward the United States is still fragmentary. Systematic polling started only recently, and attitudes in the GDR are obviously in a state of flux; after having been bombarded with 40 years of propaganda presenting the United States and NATO

<table>
<thead>
<tr>
<th>Date of poll</th>
<th>Security guaranteed (%)</th>
<th>Security no longer guaranteed (%)</th>
<th>Impossible to say (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 1970</td>
<td>20</td>
<td>50</td>
<td>30</td>
</tr>
<tr>
<td>May/June 1973</td>
<td>24</td>
<td>47</td>
<td>29</td>
</tr>
<tr>
<td>June/July 1981</td>
<td>33</td>
<td>35</td>
<td>32</td>
</tr>
<tr>
<td>July 1988</td>
<td>37</td>
<td>37</td>
<td>26</td>
</tr>
<tr>
<td>December 1988</td>
<td>34</td>
<td>34</td>
<td>32</td>
</tr>
<tr>
<td>July 1989</td>
<td>43</td>
<td>32</td>
<td>25</td>
</tr>
<tr>
<td>March 1990</td>
<td>54</td>
<td>21</td>
<td>25</td>
</tr>
</tbody>
</table>

SOURCE: Allensbacher Institute for Public Opinion
Fig. 7.3—Question: If tomorrow you were to read in the newspaper that the Americans were withdrawing their forces from Europe, would you welcome or regret this news?

as the leading cause of tension and as a possible catalyst for war in Europe, East Germans might initially harbor overly critical attitudes toward the United States and American policy.

An initial United States Information Service (USIA) poll conducted in the GDR in June 1990 prior to the final agreements on a future security arrangement for Germany nonetheless found significant differences between West and East German attitudes toward German membership in NATO. A mere 26 percent of East Germans wanted a unified Germany to be in NATO, with 56 percent favoring neutrality; a similar poll conducted the same month in the FRG produced a 58 percent majority favoring NATO membership, with some 31 percent preferring neutrality (see Figure 7.5). Similarly, some 70 percent of all East Germans favored the withdrawal of all American military forces from Western Europe (see Figure 7.6).

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<table>
<thead>
<tr>
<th>Variable</th>
<th>July 1989</th>
<th>March 1990</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Welcome (%)</td>
<td>Regret (%)</td>
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<tr>
<td>Population as a whole</td>
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<td>30</td>
</tr>
<tr>
<td>Men</td>
<td>39</td>
<td>31</td>
</tr>
<tr>
<td>Women</td>
<td>37</td>
<td>29</td>
</tr>
<tr>
<td>Age groups</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16-29 years</td>
<td>48</td>
<td>20</td>
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<td>30-44 years</td>
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<td>28</td>
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<tr>
<td>45-59 years</td>
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<td>26</td>
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<tr>
<td>60 and over</td>
<td>31</td>
<td>39</td>
</tr>
<tr>
<td>Party affiliation</td>
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<td></td>
</tr>
<tr>
<td>CDU/GSU</td>
<td>24</td>
<td>49</td>
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<tr>
<td>FDP</td>
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<tr>
<td>SPD</td>
<td>46</td>
<td>16</td>
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<tr>
<td>Greens</td>
<td>63</td>
<td>9</td>
</tr>
<tr>
<td>Republican</td>
<td>56</td>
<td>31</td>
</tr>
</tbody>
</table>

**SOURCE:** Allensbach Institute for Public Opinion

**Fig. 1.6—Question:** If tomorrow you were to read in the newspaper that the Americans were withdrawing their forces from Europe, would you welcome or regret this news?
**Question:** As you may know, the FRG is currently a member of NATO (that is, the North Atlantic Treaty Organization of Western Europe, the United States and Canada). In your opinion, should a united Germany belong to NATO, or should a united Germany be a neutral country and not a member of NATO?

<table>
<thead>
<tr>
<th>Country</th>
<th>GDR</th>
<th>FRG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>06/90</td>
<td>06/90</td>
</tr>
<tr>
<td>Sample size</td>
<td>(774)</td>
<td>(504)</td>
</tr>
<tr>
<td>United Germany should belong to NATO</td>
<td>25%</td>
<td>58%</td>
</tr>
<tr>
<td>United Germany should be neutral, not a member of NATO</td>
<td>55%</td>
<td>31%</td>
</tr>
<tr>
<td>Don't know</td>
<td>18%</td>
<td>11%</td>
</tr>
<tr>
<td>Tally</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Note: The data from the Federal Republic of Germany were obtained from a June 1988 survey conducted by telephone, whereas the GDR data were obtained by means of a personal interview survey. Differences in samples may be sufficient to make direct comparison of results from face-to-face and telephone polls only suggestive of the general direction and magnitude of differences in public opinion in the two Germanys.

**SOURCE:** United States Information Service

**Fig. 7.5—East and West German attitudes toward German membership in NATO**

It is hardly surprising that the dramatic events of the last year have produced major shifts in public opinion, above all in a country where security has been defined and discussed in very narrow terms and in which the threat has been defined only in the context of the need to deter a direct and immediate Soviet threat. Moreover, such polls must be seen as a barometer of the public mood—not necessarily as a prescription for future political decisions. Politicians react to as well as shape public opinion themselves.

At the same time, such polls underline the credibility gap that must be closed if German public support for NATO is to remain effective. They also demonstrate how rapidly diminishing threats perceptions have led to a significant erosion in public support for an American presence on German soil, thereby making it necessary that the allies develop a new rationale and justification for an ongoing U.S. troop presence. Arguments that have been used in favor of an American
Question: Some people have advocated the withdrawal of all Soviet military forces from Eastern Europe. Others say it is important to keep some Soviet military forces in Europe to maintain stability. Which view is closer to your own?

<table>
<thead>
<tr>
<th>Variable</th>
<th>Response</th>
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</thead>
<tbody>
<tr>
<td>Withdraw all Soviet forces</td>
<td>75%</td>
</tr>
<tr>
<td>Keep some Soviet forces to maintain stability</td>
<td>19%</td>
</tr>
<tr>
<td>Don't know</td>
<td>6%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

Question: Some people have advocated the withdrawal of all American military forces from Western Europe. Others say it is important to keep some American military forces in Europe to maintain stability. Which view is closer to your own?

<table>
<thead>
<tr>
<th>Variable</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Withdraw all American forces</td>
<td>70%</td>
</tr>
<tr>
<td>Keep some American forces to maintain stability</td>
<td>22%</td>
</tr>
<tr>
<td>Don't know</td>
<td>8%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

SOURCE: United States Information Service

Fig. 7.6—East German attitudes in June 1990 toward the potential withdrawal of Soviet and American troops

troop presence in years past—i.e., that they have acted as a stabilizing force for German democracy—are likely to be largely irrelevant for a younger generation of Germans. It will be increasingly difficult and perhaps impossible to justify either a strong Bundeswehr or a residual allied troop presence solely in terms of a residual Soviet threat, above all at a time when Germany is pursuing a policy of rapprochement and assistance toward the USSR. Not only is it politically inopportune to stress such risks at a time when the German government is eagerly constructing a new relationship with the Soviet Union, but the presence of Soviet troops on German soil for the next four years will continue to give Bonn an interest in not offending Moscow.

Recognition of this problem has led Bonn to take a lead role in advocating a fundamental change in the policies and structure of the alliance as well as a broader definition of German security interests,
including new and expanded roles for German, American, and other NATO troops. Atlanticists in Germany also urge the forging of a new strategic partnership between a unified Germany and the United States—a partnership that would obviously continue to be rooted in geopolitical factors. The bottom line of the German-American relationship remains rooted in a security partnership based on geopolitics—namely the need for the United States to balance the USSR as a continental superpower, above all in the nuclear realm. Without a clearly recognized sense of geopolitical interests, the presence of American troops will be increasingly difficult to justify.

At the same time, geopolitics is not enough. The future of the American presence in Germany will not hinge entirely on perceptions of a residual Soviet threat. Instead, it will be seen in a broader context—one that takes into account the need to develop coordinated strategies in the realm of trans-Atlantic commercial and economic issues as well as a joint policy toward the USSR and Eastern Europe. German officials point to the need to expand on Secretary of State Baker’s speech in December 1989, in which he called for a new relationship between the United States and the EC. Not only is such a relationship in American economic interests, but it would also create a broader political and economic base for an American role in Europe as well as an institutionalized mechanism with which to ensure that tensions over trade and commercial issues do not cause undue harm to the trans-Atlantic strategic relationship.

German officials also underscore the need for a joint Western Ostpolitik that includes the United States. In theory, German and American interests in the East will continue to run in parallel even in the face of a disintegrating USSR. Both countries will be interested in preserving an American presence and engagement to help fill a potential major power vacuum in Europe, and both will be strongly interested in retaining a good relationship with a rump Soviet state that will presumably continue to control a significant quantity of nuclear weapons. Moreover, both will be interested in preserving as much stability as possible in Eastern Europe and in the western portions of the USSR and will thus be inclined to negotiate agreements with the remaining Soviet or Russian state on these terms. Finally, while it is recognized that Germany has a key and perhaps decisive role to play in the region, no one—including the Germans themselves—wants to see the role of managing orderly change in the region become exclusively Germany’s.

These are the potential elements of a new strategic bargain between Germany and the United States. In the final analysis, major adjustments will be required in the way we see our own role in Germany and
in Europe. Specifically, American influence in European affairs will be more limited and diffuse. Moreover, Germany will be a more equal, assertive, and independent-minded partner that will want the United States to remain involved, but increasingly on terms defined by the Germans themselves. Future German attitudes toward the United States will hinge on American attitudes in areas deemed essential to German interests. Should German-American differences emerge on how to deal with the USSR, Eastern Europe, CSCE, or trade issues—all areas in which German political and diplomatic energies are likely to flow in the next couple of years—the American role could be marginalized in the Germans' perceptions.
VIII. GERMANY'S TRIPLE TRANSITION

The unification of Germany has launched the country on a triple transition. The first such transition resulted from the merging of the two German states, the augmentation of German resources and influence, and the consequences for the existing balance in Europe and beyond. Both the domestic and foreign aspects of unification have been accomplished under conditions that would have been considered wildly optimistic only a few years ago. Yet unification was not the result of diplomatic machinations but rather was a product of self-determination and of a popular, peaceful, democratic, and pro-Western revolt by the East German populace. Moreover, the key components of a final security arrangement for a unified Germany include NATO membership, a continuing American nuclear guarantee, and modest constraints on the Bundeswehr—in short, conditions that so obviously correspond to Western interests that few experts would have dared to sketch out such a result in past scenario writing.

German unification, however, must not be seen in isolation. Fundamentally, it is the result of a basic shift in the balance of forces in Europe whose ramifications extend well beyond Germany or Central Europe and that resulted both from the collapse of communism in East-Central Europe and from the pending withdrawal of massive Soviet military force from Central and Eastern Europe. Its result, however, is a fundamental change in the European security environment—one that will touch on the interests of all European actors. Its impact on Germany has nonetheless been direct and has certainly been more far-reaching than on other Western European or NATO countries. Not only has Germany been unified, but the FRG has been transformed from a divided front-line state exposed to massive Soviet power to one of the strongest actors on the European stage surrounded by friendly, democratic, and weaker countries.

The second transition lies in the internal political transformation that will accompany the unification process. It would certainly be premature to predict how the reintegration of two halves of a nation divided for 40 years by ideology will affect the future political culture and fabric of a unified Germany. Yet there is every reason to assume that the well-tested democratic institutions of the FRG are ideally suited to guarantee a quick transition to democratic rule in the former GDR as well as to lay the basis for successful democratic rule in an all-German framework. Nonetheless, one should not forget that at
least a generation elapsed before West German democracy matured to
the point at which Germans as well as their neighbors developed full
confidence in that system.

While the learning curve in the GDR will be steep, the political edu-
cation and adaptation of some 16 million Germans with little practical
experience in the ways of democracy will inevitably take time. Roughly
20 percent of a future all-German parliament will consist of
delegates from the former GDR—delegates whose political and intellec-
tual baggage is quite different from that of their West German counter-
parts. Many will have to be convinced of the merits of much of what
has long become established consensus in West Germany.

This will also be a process that will differ from the West German
experience in at least one important way. In the 1950s, a generation of
West Germans turned to the West, above all the United States, for
inspiration and ideas for building a new democracy. In the 1990s, East
Germans will turn to a successful West German model for inspiration
rather than seeking inspiration from an American model, whose attrac-
tion has faded in light of America's own internal problems. If one
believes that the FRG's experience with the United States as a society,
as well as with key Western European countries such as France, was
critical to the internal evolution of an open, liberal German democracy,
then the Europeanization and Atlanticization of the Germans in the
GDR will be a key task for Bonn and its Western allies.

Unification also coincides with a crucial generational transition in
both former parts of Germany. German unity has been accomplished
by a generation of German leaders who knew a single, unified Germany
in their youth and who rejoice in seeing a development that many had
long assumed they would never witness in their lifetimes. This was
also a generation, however, that grew up bearing the heavy burden of
the crimes of National Socialism and the holocaust, and for whom
nationalism and the cultivation of national pride were thus suspect if
not taboo.

This was, in addition, a generation that sought to give Germans a
new identity in the context of Europe and the Atlantic Community and
for whom America was not only a strategic ally but a conduit for
Western and democratic ideas. All these factors combined to make
German leaders in many ways the least national in terms of style and
substance. At the same time, there was also a correlation on a societal
level. Public opinion polls over the years have documented the ongoing
ambivalence of postwar West Germans on questions of national iden-
tity and national pride, leading Elizabeth Noelle-Neumann of the
Allensbach Institute to comment that Germany was a "wounded nation."\(^1\)

The building of a new Germany will be performed by a new generation of Germans that is emerging on the political scene—a generation that is solidly prodemocratic but one that is also far more self-confident. It has been raised without many of the doubts concerning the stability of German democracy that characterized its forefathers and has instead come to know Germany’s postwar accomplishments with pride. It is also a generation that is growing weary of having Germany’s democratic credentials and commitment to the West repeatedly challenged, and one whose sense of dependence on Bonn’s allies, above all the United States, is far less pronounced. It is, moreover, a generation for whom patriotism and national pride are increasingly seen as normal. The weight of German history will undoubtedly continue to cast a shadow, but this shadow will grow shorter with the passage of time.

Unification will reinforce German national pride for several reasons. First, the German elite’s handling of the unification process has already given German self-confidence and national pride a tremendous boost. Second, unification offers Germany the opportunity to rid itself of the identity crisis that plagued the FRG throughout the postwar period. The anomaly of the FRG and the GDR as two states of a common nation has been overcome—and with it many of the aspects of the "wounded nation" of the postwar period have been overcome as well. Germany will become more national if for no other reason than that those factors that once made it so difficult for Germans to cultivate a sense of national pride are slowly dissipating.

The result is likely to be a Germany that is democratic, liberal, and capitalist but also one that is more Protestant, more strongly oriented toward the East, and more consciously German. Whether this means that the country or individual parties are going to swing to the left or the right is not yet clear, as this will hinge on the ability of the parties to respond to new issues that emerge in German politics. But the comfortable and predictable patterns of postwar West German politics as most Western analysts have come to know them are likely to change in new, interesting, and often unpredictable ways.

Furthermore, a new unified Germany is likely to be increasingly engaged and preoccupied with the East. This has nothing to do with any ostensible Drang nach Osten but instead reflects the need to come to terms with potentially serious political and economic ferment that

could arise on Germany’s eastern flank. No country has a greater interest in the rapid consolidation of stable democratic rule and economic progress in the former communist countries of Central and Eastern Europe than Germany. Should the countries on Germany’s eastern border fail in their attempts to move quickly to a new political and economic order, forces could easily be unleashed ranging from mass migration to growing nationalism, which would place a tremendous burden on Germany’s social system and patience and could fuel a national backlash. Maintaining political and economic stability on Germany’s eastern flank is likely to become Germany’s primary security concern.

The third transition concerns German attitudes toward power, the use of power and influence as a tool of diplomacy, and the goals to which newly acquired German influence will be applied. This is, first and foremost, a question of the psychological transformation of a former divided, medium-sized power into the dominant political and economic actor on the continent. Throughout much of the postwar period, the FRG assumed a low foreign policy profile. Burdened with the weight of German history, the role of a front-line state, and an identity crisis rooted in partition, the FRG’s leaders deliberately chose to maintain a low profile and became masters at pursuing their goals through multilateral institutions, thereby avoiding any direct leadership role or direct responsibility of leadership.

Such factors have also profoundly affected the West German domestic debate about foreign and security policy. For much of the early postwar period any discussion of separate German “national interests” was taboo. Similarly, geopolitics as a school of thought or as a rationale for strategy was largely discredited in the public eye owing to its misuse under Hitler, and it thus survived only among elite circles of security policy analysts. The result was a style of foreign policy that was well tailored to the FRG’s needs as a divided, medium-sized country located at the East-West divide.

There have long been signs that such a role was anachronistic and perceived as such by both Germans and their allies. Twenty years ago, Willy Brandt pointed to the mismatch between German capabilities and its political responsibility when he termed the FRG an economic giant but a political dwarf. And in the early 1980s, Helmut Schmidt pushed his country to assume a greater leadership role in East-West

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2The plight of thousands of Poles trying to enter Germany to work illegally or simply to engage in black market transactions, together with the subsequent decision of the German authorities to reinstitute visa requirements after growing tensions in the border area, has already led commentators to refer to the Oder-Neisse river on the German-Polish border as the new Rio Grande in Europe.
affairs as the question of German dependence on Washington became a major domestic issue throughout the INF debate. As Germany unites against a rapidly changing political landscape, the country will inevitably have to question whether its old agenda and, above all, its old style and instruments of foreign policy are fully adequate to meet the new challenges.

How will Germans accommodate themselves psychologically to their newly acquired power and influence? Will they maintain the mentality of a medium-sized country, or will they again start to think and behave like a great power? In the mid-1980s, at the height of the peace debate centered on INF deployment, West German historian Hans-Peter Schwarz wrote a book entitled *The Tamed Germans* in which he lamented that his countrymen had come full circle from their previous preoccupation with power politics to a total disregard for geopolitical thinking and a tendency to view such thinking as highly immoral. Will such thinking prove to be an enduring part of the postwar German psyche, or will a healthy sense of democratically based geopolitical thinking emerge?

The prospect of Germany coming to terms with itself and the basic question of national identity should be a positive one for all neighbors in both East and West. In the final analysis, it offers the hope of a Germany that is more predictable both as a society and as a foreign policy actor. The prospect of Germany developing a normal and healthy sense of patriotism based on its postwar accomplishments is a development that should be greeted, not feared.

Quo vadis Germany? The course of German political behavior in the last year offers ample testimony to how strong the German commitment remains to preserving the structures that have served the FRG so well in the postwar period. At key junctures in the unification process, Bonn proved itself willing to assume considerable costs to assure that unity be achieved along the lines of Article 23 of the Basic Law. Similarly, Bonn was willing to make considerable financial concessions to the USSR to ensure that a future Germany would be allowed to retain the foreign policy structures that have served West German interests so well in the postwar period.

If such structures will remain the same, a unified Germany will still differ from either of the two German states as we have come to know them in the postwar period. The Germany that emerges from the unification process will not simply be an enlarged FRG. Such changes will not only be a function of the influence of Germany's eastern part on

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German political culture; equally important will be the results of generational change and the maturation of Germany as a country that comes to terms with the past and again assumes a dominant role in European affairs.

Similarly, German foreign policy will evolve for the simple reason that the country's strategic and foreign policy environment has been altered—and because the challenges now confronting a unified German state are so radically different from those that the FRG was compelled to deal with for four decades. The key challenge for Germany is to balance the requirements of Western integration with the need to confront the extremely difficult task of the political and economic reconstruction of the East. In the wake of the collapse of communism in Eastern Europe, Germany will be more likely than any other country in the Western alliance to see the promotion of political and economic stability in the East as a foreign policy imperative of the first order.

With regard to foreign policy instruments, Germany's clear preference will be to seek to accomplish its goals through existing multilateral institutions. Germany is likely to continue to see NATO, the EC, and the CSCE as important institutions through which it can pursue its multiple agendas of preserving geopolitical balance, pursuing European unity, and building a new Europe from the Atlantic to the Ural. At the same time, a unified Germany will continue to seek to use its new influence to shape these institutions according to its wishes and preferred approaches.

Perhaps the most important question, however, is whether and when Germany is prepared to reassume the role of a major actor both in Europe and beyond. Are the Germans ready for such a role, and is the rest of Europe and the world ready for it as well? The Germans are only starting to realize that their position in Europe, their resources, and the potential power vacuum that could emerge in Eastern Europe could quickly thrust an enormous responsibility upon them; not surprisingly, many of them are hesitant to play such a role. Yet Europe needs German resources, skill, and leadership if it is to master the challenges it faces.

The United States has been the key country throughout the postwar period that has facilitated the political rehabilitation of the FRG from its status as a defeated country and the maturation of Germany as a responsible European power. This also helps explain the early and decisive support of the current administration for German unity, in contrast to the initial reticence of several other Western allies. This American attitude has in part been the luxury of a superpower that enjoys greater distance. Yet it has also reflected a desire to move toward a more equal and balanced partnership.
This process has certainly had its high and low points as the relationship between the two countries has evolved, as Germany has recovered from the wounds of the Second World War, and as sporadic fits of rebellion against the influence of their erstwhile mentors have sent occasional waves through the German body politic and German-American relations. Similarly, it would be misleading to suggest that Americans have not shared others' concerns regarding certain trends in German politics. Yet the United States has repeatedly nurtured the process of rehabilitation in Germany.

German unification has undoubtedly altered the context of German-American relations, and many in both countries already question the future significance of the German-American relationship. Yet the United States still has a crucial role to play in Germany and in Europe—not as a controller or a mentor but rather as a key partner in Western leadership. It is a senior partner, first and foremost, in its role as interlocutor with the USSR on security issues. It is also in everyone's interests that Germany outgrow its previously narrow security mindset and that it not become preoccupied with itself and the sole Western power heavily engaged in the East. The best guarantee against such a scenario is to ensure that the problems of the East are dealt with jointly by the key countries of Western Europe in a multilateral guise that includes the United States.

Finally, the United States can and should encourage Germany to become involved in broader issues touching on common Western security interests. This does not mean that Germany should resort to the types of aggressive policies on the world stage that spelled disaster so often in the past or that it should pursue an expanded international role on its own. Yet unification must also mark the end of geopolitical and international abstinence.

It is only in this way that the German-American relationship will remain healthy and thrive. A division of labor in which the Germans deal solely with the East and in which the United States concentrates on crises in the Persian Gulf or elsewhere could simply accelerate a process of erosion and marginalization on both sides of the Atlantic. It would be a tremendous irony of history if the United States, after playing such a decisive role in building German democracy, promoting Germany's rehabilitation, and facilitating the achievement of German unity, should now become a marginal force in German and European politics.
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