

### **AICGS Transatlantic Perspectives**

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# How have European institutions influenced Germany's

economic recovery?

- How did Europe react to German reunification?
- What role did the U.S. play in Germany over the past sixty years?

## German Reunification: Myth or Reality?

### By Norbert Walter

Being the first resident scholar at AICGS helped me to better understand my country and its perspective. No event impressed me more than the Christmas Party in 1986 at the Institute. Both German Ambassadors were present. The Protestant German priest in town attended as well and brought his flute. After small talk he played several German Christmas songs. Almost everyone joined in singing, as did the two ambassadors—in tears. Gerry Livingston stood next to me and whispered to me: "Norbert don't you see, German reunification is in the final approach." I smiled in disbelief—but the then-director of AICGS proved correct.

In 2009 the Federal Republic of Germany (FRG) celebrates its sixtieth anniversary. Ever since the founding of the FRG in 1949, a milestone in German history, this country has been at the heart of political and economic developments in Europe. Sixty years ago no one could have foreseen the important role that Germany would play during the decades to come. In 1949 the process of regaining sovereignty resulted in the Occupation Statute, which was drawn up in April of that year by the foreign ministers of the Four Powers. It gave the occupation authorities the right to supervise the new state's foreign policy, trade, and civil aviation, as well as the right, under special circumstances, to assume complete control over their own occupation zones.

Only two years later, in 1951, Chancellor Adenauer's conciliatory but resolute foreign policy also secured Germany's admission into the Council of Europe, a body established in May 1949 to promote European ideals and principles. This sparked the integration of the FRG into a fledgling European Community (EC)—which went on to become the world's second most important economic region—and it was a precondition to the restoration of friendship between European countries that had long been bitter enemies.

Certainly, this process would not have been successful in any way without the support—politically and economically—of the Americans. It was when the Soviet Union decided to block the transit routes to Berlin in 1948 that the government and the citizens of the United States decided to step in and help. This marked the beginning of the airlift—when the largest and most unlikely rescue in history brought food and hope to the people of Berlin and thus to a whole generation of Germans. It was the beginning of a friendship between Germany and the United States that deepened in the years to come and supported the founding of the FRG with the granting of sovereignty and contributions to its economic development in the form of the Marshall Plan.

The second milestone—the reunification of the two artificially and harshly separated German states, the Federal Republic of Germany and the German Democratic Republic (GDR)—had massive implications for both the further development of the European Community (EC) and the transatlantic partnership.

While most EC governments were hesitant or ambiguous in their reactions to the fall of the Berlin Wall and the GDR regime in November 1989, it was Jacques Delors, the former president of the European Commission, who responded quickly and decisively in a series of moves to address the new reality. His proposal in the spring of 1990 for a single German state was eventually adopted by the Community as a whole. This proposal was aided by the fact that the EC treaties allowed for such an eventuality. In other words, accommodating both the enlargement of Germany and the Community could be done without a formal revision of the EC treaties, which would have required parliamentary approval in the member states. Accordingly, the territory of the former GDR was to be integrated into the Community's legal framework by 31 December 1992 at the latest, in time to meet the deadline scheduled for the completion of the single market.

For its own part, Germany did not press for increased representation in European institutions after reunification, despite the substantial increase in its population. This may have been wise considering the existing fears of other member states that Germany might follow a foreign policy approach that would again be considered expansionist and with the aim of controlling the European region. Yet in hindsight we know that these fears were unfounded, so this non-assertive attitude has to be seen in a different light today. It turns out that the mindset of the German government did not change over the last two decades. It is still not customary for Germany to position its leading qualified politicians in the most important European institutions—the European Parliament and the European Commission—as can be observed by looking at this year's European election process in Germany.

In addition, although there were feelings of having a common political, social, and cultural identity on both sides of the border separating the two Germanys—at least in most segments of the German population—there were huge differences between them in terms of economic inequality. The costs of this economic reunification over the last almost two decades were tremendous—approximately 75 percent of German GDP in 2009—and were financed by European budgets only to a small degree (which of course were also co-financed by Germany itself).

Nevertheless, the reunification of Germany also contributed to the further development of the European Union. It was a precondition for the process of implementing the European Monetary Union (EMU) and the launch of the single European currency, the euro. Germany played a very important part in this respect, contributing immensely to the design of the European Central Bank and not insisting on the Deutschmark becoming the European currency. Thus, one of the biggest effects of German reunification on the working of the Community is likely to be in terms of social and economic cohesion.

The fall of the Berlin Wall, and with it the Iron Curtain, paved the way for the European Community to expand eastward toward countries like Poland, Slovenia, and the Czech Republic. Strategic partnerships with these countries have culminated in full membership status and increased the social, cultural, and economic wealth of the EU. Regarding the transatlantic partnership with the U.S., reunification supported so decisively by George H.W. Bush resulted in Germany's assuming a more European perspective. During the George W. Bush administration in particular, Germany's partnership with the United States was seen in the eyes of most observers to have cooled down. But when it comes to real friendship with the U.S.,

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German citizens do indeed still remember the important part that the U.S. played during both the founding of the modern German republic and on the road to its independence and subsequent reunification. This will and should, of course, never be forgotten.

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