

## CHAPTER 3

### THE SOCIAL AND ECONOMIC CONTEXT

[Economic Conditions](#)

[Social Forces](#)

[A Changing Social Context](#)

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**Quote of Note:**

*"Grow together, what belongs together."  
(Wächst zusammen, was zusammen gehört.)*

*Willy Brandt  
referring to the opening of the Wall in 1989.*

As unification became a possibility in 1990, popular accounts of the process sometimes referred to the new Germany as the fourth and richest Reich. A state of nearly 80 million people, 62 million from the West and 16 million from the East, located in the heartland of Europe. The combined economies of West and East (using mid-1980s statistics) seemed to dwarf most of its neighbors. Its physical and economic size creates new imbalances in the distribution of power within Europe. Some observers even noted that the combined German medal total in the 1988 Summer Olympics would best the two superpowers.

We now realize that the merger of two societies and economies is more complex than the simple addition of two columns of numbers on a balance sheet. The sum of the two national economies was than the two original parts; the sum of two national sports teams is less impressive than both teams taken alone. Unification creates new strengths, but it also redefines and potentially strains the social system that underlies German society and politics.

Unification merged two social and economic systems that had followed different paths of development for the previous four decades. In the West, the Social Market economy was based on capitalist principles and competition in global markets. The GDR based its economic reforms on communist economic principles and a centralized, planned economy. As the Federal Republic tried to become a post-industrial society, the GDR was still developing its industrial infrastructure. Everyday life styles and social norms reflected the differences in political and economic structures. The Federal Republic was a capitalist and pluralist society, where individual initiative and individual freedom were both encouraged. West Germans broadened their international perspectives, through the FRG's membership in international organizations and their own summer vacations to Majorca or the Aegean Sea. Westerners developed an orientation toward increased consumption that some critics labeled its "Coca Cola culture." In contrast, the GDR's communist system stressed economic equality over entrepreneurship, and norms of collective action over individual action.

This chapter describes the social and economic context for contemporary German politics. We first describe the tremendous social changes in both Germanies in rebuilding their societies and economies after the destruction of World War II. In addition, we consider how unification intermixed these social and economic systems, and discuss how this might affect the future political course of the new Germany.

## Economic Development Since WWII

In 1949, both German governments faced a common challenge to resolve the pressing economic problems they faced. In the West, high unemployment and low wages created severe economic hardships for many families. Housing and general living conditions were barely sufficient to the nation's needs. Public opinion surveys documented the public's broad discontent with their condition. These sentiments created widespread concern among Allied and German political leaders that the Federal Republic might follow the path of the Weimar Republic -- democracy collapsing under the weight of economic problems.

The economic situation was even worse in the East. The war severely destroyed the economic and social infrastructure. The Soviets' extraction of reparation payments from their occupation zone further worsened this situation. In the immediate postwar years, reparation payments accounted for between a tenth and a quarter of the total national product. In addition, the creation of a new communist industrial and agricultural order at least temporarily depressed production in the East.

Despite these initial handicaps, both Germanies can boast a phenomenal record of success in rebuilding their economies and societies during the growth decades from the 1950s to the 1970s. Relying on Ludwig Erhard's [Social Market Economy](#) (*Sozialmarktwirtschaft*), the Federal Republic experienced a period of sustained and unprecedented economic growth.<sup>(1)</sup> The Gross National Product (GNP) increased most years from 1947 until 1972. The GNP grew by 67 percent between 1947 and 1952; by 1950 its value reached the prewar level of 1936. In other words, the smaller West German state had recovered from the destruction of war within a few short years and matched the productivity of the larger German Reich at its prewar zenith. In the 1950s, the average annual growth rate for the GNP (6.2 percent) was considerably above those of most other Western industrial nations. In the 1960s the growth rate slowed, largely because of a slight recession in 1966-1968. This slowdown was only temporary, however, and the overall growth rate for the 1960s averaged about 4 percent -- still high by West European standards.

The FRG's improving economic condition was broadly mirrored in most other measures of economic performance. By the early 1950s, personal incomes reached the prewar level, and growth had just begun. Over the next two decades per capita wealth nearly tripled, average hourly industrial wages increased nearly fivefold, and average incomes grew nearly sevenfold. Goods that once had been luxuries for the upper classes became widely affordable. The most vivid example involves the Germans' love affair with the automobile. In 1950, very few average West Germans could afford their own car; by the early 1970s most families had a car and it was not unusual to see Mercedes sedans parked in working class neighborhoods. By almost all economic measures, the West German public at the beginning of the 1970s was several times more affluent than at any time in prewar history. This economic success was labeled the [Economic Miracle](#) (*Wirtschaftswunder*). Politicians were quick to strengthen the legitimacy of the Federal Republic by linking this affluence to the working of the new democratic process.

East Germany, too, experienced its own economic miracle that was almost as impressive as in the West. The Eastern economy was based on a system of collectivized agriculture, nationalized industry, and centralized planning.<sup>(2)</sup> In the two decades after the formation of the GDR, industrial production increased nearly fivefold as the government made large investments in heavy industry. The modernization of agriculture also spurred this economic sector. As a result, by the late 1950s the average East Germans had also surpassed prewar living standards. Over the next two decades, living standards continued to rise and East Germany became one of the strongest economies and largest trading partners among the socialist states in the Council for Mutual Economic Assistance (CMEA).

The social transformation of the growth decades was not limited only in improving economic conditions. In both Germanies, for example, economic growth led to a massive migration from the countryside into

the cities. In 1950 almost a third of the population in the FRG lived in rural areas; by 1990 this figure stood at 6 percent. The rural population initially accounted for an even greater share of the GDR population, but gradually shrank to less than 10 percent in 1990. Germany is now a heavily urbanized society, with a population density nearly ten times that of the United States.

Another byproduct of economic growth has been the expansion of public education in both Germanies. A modern economy requires a more educated and technically sophisticated public, and postwar affluence provided the funding for an expanded educational system (see Chapter 5). The average educational level of both German populations steadily improved over the past forty years. In postwar Germany the number of citizens with only primary schooling exceeded those with a secondary school diploma (*Mittlere Reife*) by approximately five-to-one. In the Federal Republic in the late 1980s, the better-educated group is nearly two times larger than the lesser educated. These trends are even more pronounced at higher educational levels in the Federal Republic. Between 1950 and 1975, enrollments in West Germany universities increased by more than 500 percent. Similarly, the number of Easterners with completed secondary education now outnumbers those with primary schooling by a four-to-one ratio.

With rising affluence came other changes in life styles and living conditions. Today, most workers enjoy four to six weeks of paid vacation plus about a dozen paid holidays. Germans became legendary vacation travelers. More leisure time also means more opportunities for participation in social groups, and even political activities. In short, life reached beyond providing for the bare necessities.

At one level, these patterns of economic and social change were generally similar for the two Germanies. Both nations made dramatic economic recoveries from the catastrophe of World War II. Both societies experienced similar byproducts of this affluence, in increased living standards, greater leisure time, and a new-found sense of social security among a previously insecure population.

Despite these commonalities, there were also fundamental differences between the developmental patterns in the Federal Republic and the German Democratic Republic. Both East and West Germany experienced their own economic miracles, but the magnitude of these advances was less dramatic in the East. In the mid-1980s, the West German living standard ranked among the highest in the world. At the same time, the real purchasing power of the average East German's salary amounted to barely half the income of a Western worker. While basic staples were inexpensively priced in the GDR, most consumer goods were more expensive than in the West and so-called "luxury" items (color televisions, washing machines, and automobiles) were often beyond the reach of normal East German families. In 1985, for instance, about a third of the dwellings in East Germany still lacked their own baths and toilets; barely 10 percent had telephones. Ultimately, the question is what standard should be used to judge economic progress: the GDR was the model of efficiency and prosperity among socialist states, although still lagging their more affluent relatives in the West.

The two Germanies also pursued different paths in rebuilding their economies. The Federal Republic's social market economy was based on a free market system and competition in the world economy. In addition, economic growth rapidly spread beyond the West's initial industrial base to include the service and technology sectors. In 1985, industry and the service sector accounted for equal shares of the national product. The Federal Republic was moving toward becoming a post-industrial society. In the East, economic growth was fueled by direct government investments in heavy industry and manufacturing. In the mid-1980s, the GDR's economy was still predominately based on industry and manufacturing, and the service sector accounted for only a small share of the economy.

Finally, the growth decades had different political consequences for the two Germanies. In the West, these developments generally strengthened the progressive elements of society and thus the new social

and political order. Rising education levels created a more knowledgeable and sophisticated electorate, that valued the freedom and pluralism of the Federal Republic. Urbanization exposed individuals to a greater diversity of political viewpoints, and urban areas were a center of progressive political movements, such as the Greens and citizen action groups. The growth of the mass media, especially television, created a well informed electorate that was better able to understand the complexities of democratic politics. Affluence financed the expansion of social programs and produced a new-found sense of social security among the populace. Similarly, the FRG's integration into the [European Community](#) and [NATO](#), and even the affluence to take summer vacations abroad, developed a more cosmopolitan view of the world among the public.

In contrast, these same forces of social change and modernization often undermined the basis of the East German state. Expanded university education, for example, created new demands for greater individual freedoms and citizen influence that ran counter to the principles of the regime. Similarly, the East German government sought to restrict access to a free press, and especially Western television broadcasts. People could not translate their increased leisure time into international travel or a richer social life, as occurred in the West. Thus, the growth decades had mixed effects on East Germany, and encouraged some of the processes that ultimately spelled the demise of the regime.

### **The Collapse of the East German Economy**

One of the most remarkable features of German unification was the virtual collapse of an East German economy -- an economy that was heralded as the showcase of the communist world. In the mid-1980s, economists claimed that GDR living standards rivaled those in Britain, and the total East German economy ranked among the dozen largest economic systems in the world. Within a few months, this mighty system lay in ruins. What happened?

The breakdown of the East German economy was precipitated by the events of the revolution: the exodus of skilled workers to the West in 1989, the disruption in production caused by political instability, and the enticing economic promises of West German politicians. But the root causes of the GDR's economic woes go much deeper. The GDR economy looked strong in the sheltered environment of the socialist economic bloc, but it could not compete in the international marketplace once it opened its borders. The government's impressive growth statistics and production goals often papered over a decaying economic infrastructure and outdated manufacturing facilities. A system that guaranteed everyone a job and had no real cost accounting method produced companies that were overstaffed, inefficient, and undercapitalized by Western standards.<sup>(3)</sup> East Germany's positive trade balance similarly was the product of the artificial accounting practices of the Council of Mutual Economic Assistance (CMEA) nations. Moreover, many of these products were below the quality standards expected on the world market. In short, the East German regime was effective and successful only as long as it stayed within the closed economic system of the CMEA bloc.

Since its fall, analysts have debated whether the collapse of the GDR's economy and the hardships this created were inevitable. Kohl's critics claim that the Federal Republic intentionally sought to weaken the GDR's economy, thereby increasing the stimulus for rapid unification on Western terms. Indeed, competition between the West German and East German economies was like racing a Porsche against the GDR's antiquated two-cylinder Trabant -- in such a race the outcome is foreordained. In retrospect, it is clear that other economic strategies could have unified the two economies with less disruption and personal suffering. Other analysts note, however, that a more conservative economic strategy may have delayed or prevented political union. Kohl's government followed the quickest course toward German union, even if this ultimately would be a harsher course for the Germans to follow.

The FRG took several steps to rebuild the economy of the East and then raise it to Western standards. For instance, the government-directed [Treuhandanstalt](#) (Trust Agency) privatized the 8,000 plus firms that the GDR government had owned. All of these firms were sold off or closed by 1994, when the Treuhand itself was disbanded. However, privatization did not generate capital for investment as had been planned; and disputes about property ownership further slowed the pace of development. The sale of the GDR's economic infrastructure generated a net loss for the nation!

Slowly, the economic prospects for the unified Germany have improved as the government and the public confronted the problems. Government tax incentives and loan programs encouraged investment in Eastern firms. New legislation furnished more guarantees for companies or individuals seeking to invest in the East. A tax surcharge provided the necessary funds for reconstruction. Unemployment remains high, but there are real prospects for future improvement. The long process of economic modernization in the East is now continuing.

### **Social Forces**

In Weimar Germany and earlier, sharp social cleavages produced intense political conflict realm. The nation often was torn by deep social divisions: urban interests against the landed estates, working class against the industrialists, Protestants against Catholics. Policy makers in the Federal Republic have contended with the same cleavages. Yet the growth decades led to the restructuring, diversification, and decline of these social conflicts. At the same time, other social conditions developed in East Germany. The merger of East and West has also reshaped the social context of politics, possibly moderating or reviving historical social divisions.

### **Social Class**

The class structure provides a clear example of the changing social compositions of the two Germanies during the growth decades, and the present gap that exists between East and West.

Ever since the Industrial Revolution spread to Germany, political conflict often resulted from the bourgeois-proletariat cleavage (and further divisions with the farming sector). Germany was, after all, Karl Marx's home that shaped his images of class conflict. This cleavage was also apparent during the formative years of the Federal Republic. A dichotomous view of society was prevalent: "They're up there -- we're down here." Social relations circulated within class strata and not across. The environment of the working class emphasized socialized economic beliefs, a conservative philosophy on social issues, and a limited world view. In contrast, the middle class milieu encouraged *bürgerliche* values.

Class distinctions still exist in the FRG between the traditional class strata of unionized working class and the old middle class (business owners and the self-employed), but the growth decades and the development of an advanced industrial economy attenuated these class divisions. Spreading affluence narrowed the life-style differences between social classes. When workers spend Saturdays washing their Mercedes and Sundays driving in the countryside, it is difficult to think of politics in rigorous Marxian terms. Increased social mobility and a more diversified economy transformed the dichotomized image of social class into a more differentiated view.

The importance of class differences also lessened as a result of the changing composition of the labor force. The basis of the economy shifted from industry and agriculture to a rapidly expanding service sector. The proportion of workers in manual occupations, for example, dropped from 51 percent in 1950 to barely 40 percent in 1985. Over this same period, the percentage of the work force employed in the agricultural sector shrank from 22 to 6 percent. Economic growth redirected employment to the service

and technology sectors, and government employment nearly doubled over the past three decades. The largest occupational category now is composed of salaried white-collar workers (*Angestellte*) and civil servants (*Beamte*). Sociologists describe this group as the new middle class because it represents a new social stratum that is not tied to the traditional class interests of farmers, workers, or business owners.<sup>(4)</sup>

The growth of the new middle class is an important change in the social and political infrastructure of the Federal Republic. Members of the new middle class do not share the political values of either the working class or the old middle class. Instead, they tend toward a mix of economic centrism and social liberalism. The growth of the new middle class and its mixed political identity have diminished the importance of political issues based traditional class divisions. Differences remain in the socio-economic condition of various class groups, especially in income inequality, access to higher education, and ownership of capital. On the whole, however, social status lines have narrowed and traditional class-based politics have decreased in importance within the Federal Republic.

The class structure of East Germany differed in basic ways from that of the West. The Marxist-Leninist state sought to create a classless society, and the East German government forcefully pursued this goal. Nearly 90 percent of the industrial and agricultural sectors were state-operated enterprises. In social policy, income policy, educational training, and other areas the government consciously acted to narrow social differences. The East German government further ensured the creation of a classless society by classifying nearly everyone as a member of the working class. A 1986 government report classified 89 percent of employed persons as working class, ignoring distinctions between manual and non-manual occupations. And in real terms, the service/technology sector represented a small share of the East German economy. Thus, the traditional contrast between the bourgeoisie and proletariat in a capitalist system was largely irrelevant to Easterners. If the GDR was not a true classless society, it was still correct that social divisions were narrower and much less readily accepted than in the West.

Agriculture also played a larger role in the East German economy than in the Federal Republic. In the 1950s about a third of the labor force was employed in agriculture, either on nationalized estates (VEGs) or on agricultural cooperatives (LPGs). This percentage has decreased by the late 1980s, but it was still several times larger than the farming sector in the Federal Republic.

German unification meant the merger of these two different economies and social systems: the affluent West Germans and their poor cousins from the East, a complex and highly stratified social system and a "classless society," the sophisticated and technologically advanced industries of the West and the aging rustbelt factories of the GDR. Easterners who had to adapt themselves to the class distinctions of a market-based economy, and this produced major changes in their employment situation and social identity. More than half of all employees in the East found themselves in a different job as a result of unification.

Today the occupational differences between West and East have steadily narrowed. The market economy has spread more service jobs to the East, and the percentage of Easterners in unproductive industrial and agricultural jobs has decreased. There has even been a growth in independent entrepreneurs in the East who have formed their own firms and businesses. But while the occupational structures have converged, one can still see differences in how both regions view economic values and economic issues, which affects their economic expectations of government (see Chapter 4 and 9).

In recent years, Germany's economic challenges have worsened with the worldwide recession that began in late 2008. In the mid 2000s, Germany's export-oriented economy benefited from global economic expansion and domestic economic reforms. However, when the recession decreased international trade and consumption within Europe, this created new economic strains. Merkel's government has moved very

cautiously, enacting two modest stimulus bills in early 2009. The recession (and the looming election in 2009) ended plans for broad structural reforms of the economic system and social programs. The Federal Republic faces greater economic uncertainty than perhaps at any other time in its history. Germany has joined with other EU member states to strength the banking and credit system and now faces economic slowdown with an unreformed economic system. This will be a major challenge for Germany in the years ahead.

## Religion

Religion has been another sharp basis of social cleavage in German politics ever since the Reformation. The *Kulturkampf* of the Second Empire and the existence of a separate political party for Catholics during the empire and Weimar Republic attested to the intensity of religious differences.

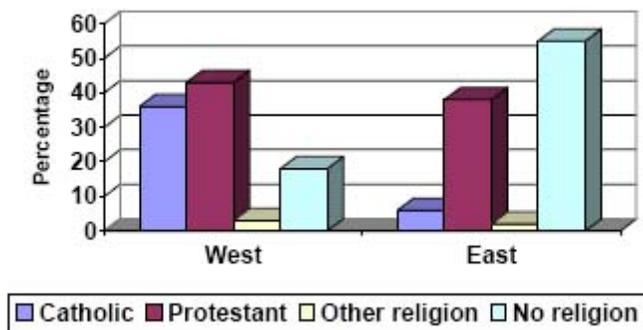
Religion remains an important element of society and politics. Catholics were a minority in prewar Germany; they found themselves at parity with Protestants in the new territorial boundaries of the Federal Republic. This religious equality encouraged more harmonious relations between the churches. Moreover, the Christian Democratic Union changed the political nature of the religious cleavage separating Catholics and Protestants by uniting both denominations in one religious party. The historical conflicts between Protestants and Catholics were largely replaced by differences between religious and non-religious individuals.

It is ironic, therefore, that the churches' contribution to the rebuilding of West German society also created the conditions that eroded some of their own influence. The modernizing forces of the growth decades produced a secularization trend that reduced the public's participation in the churches. The size of the religious sector has steadily declined during the past thirty years. In 1953, about two-fifths of West German adults attended church each week; over time this proportion had decreased by nearly half. Other indicators of religious involvement, such as the number of church weddings and religious vocations, similarly slid downward; interfaith marriages increased. A significant number of people--about a third of the public--remain integrated into a religious network and are influenced by the strict moral and cultural norms of the churches. But the general secularization of society has steadily reduced the overall role of religion in politics.<sup>(5)</sup>

East Germany began as a disproportionately Protestant state, since Protestants had been concentrated in the eastern portions of prewar Germany. In the 1950s, the GDR undermined the social and political base of the churches to create an atheistic communist society. Although never able to subjugate the Protestant and Catholic churches (see Chapter 7), the government's efforts and secularization trends similar to those in the West steadily eroded popular involvement in the churches and commitment to religious doctrines. For example, a 1990 survey found that 61 percent of Western Germans believed in God, compared to only 21 percent in the East.<sup>(6)</sup> Statistics on church attendance and other religious beliefs display a similar East-West contrast.

German unification thus changed the religious balance of politics in the Federal Republic. Catholics comprise 36 percent of the Western public, but only

Figure 3.1 Religion in West and East



6 percent in the East (See Figure 3.1). Easterners are both more Protestant and non-religious (55 percent). Protestants now outnumber Catholics by nearly 5 million people in unified Germany. Parity between denominations encouraged harmony that a new religious imbalance may test. A more Protestant (and working class) electorate also should change the balance of political preferences among the public and may potentially reshape electoral alliances.

Another change comes from the growth of immigrant populations in Germany. As noted below, immigration from developing countries has produced a permanent new minority in Germany. The largest number have Turkish origins. Consequently, about 4 percent of the public are Muslims, and this is even larger among the younger half of the population.

## **Regionalism**

Regionalism has been another source of social and political division in German history. Cultural and historical differences separating regions overlapped with economic and religious cleavages, creating distinct regional cultures. A large degree of regional government existed under the Second Empire and Weimar Republic. And even the "coordinating" efforts of the Third Reich were unable to homogenize the national character.

On the one hand, several factors work to moderate regional differences within Germany. The boundaries of the ten Western states ([Länder](#)) were arbitrary constructions of the occupation forces, designed to facilitate their administration of postwar Germany. Small regions were combined into more manageable states. The borders followed Allied military lines rather than historical, cultural, or economic patterns. The GDR similarly broke up historical regions and created new administrative districts. Most of the new eastern Länder formed in 1990 have more claim to distinct historical traditions, but they are new creations. Government policies, such as the income equalization provisions of the Basic Law, also worked to moderate regional differences in the FRG.

### [Map of Germany and its Länder](#)

On the other hand, the decentralized structure of society and the economy in the Federal Republic reinforce regional differences. Economic and cultural activities are dispersed throughout the nation, rather than being concentrated in a single capital city as in Britain and France. The Federal Republic's heavy urbanization has produced more than two dozen major metropolitan areas that function as regional economic centers. Economic activity is distributed among cities such as Cologne, Dresden, Frankfurt, Hamburg, Leipzig and Munich. The mass media are organized around regional markets, and there are even several competing "national" theaters around the country. Chapter 2 also discussed the decentralization of political power through the FRG's federal system of government.

The various states display substantial differences in their social structure and cultural traditions (Table 3.1). Hamburg and Bremen, for example, maintain their historical continuity as former Hansa city-states. Their largely Protestant and urban composition produces sizable SPD pluralities in most elections. In contrast, the other two northwestern states of Lower Saxony and Schleswig-Holstein are more rural. These two Länder normally return Christian Democratic pluralities.

**Table 3.1 The 16 German States**

State	Size (sq km)	Population (millions)	Major city	YouTube Video
Baden-Wuerttemberg	35,727	10,717	Stuttgart	<a href="#">Video on Baden-Wuerttemberg</a>
Bavaria	35,752	12,444	Munich	<a href="#">Video on Bavaria(7:06min)</a>
Bremen	404	663	Bremen	<a href="#">Video on Bremen</a>
Hamburg	755	1,735	Hamburg	<a href="#">Video on Hamburg</a>
Hesse	21,115	6,098	Frankfurt	<a href="#">Video on Hesse</a>
Lower Saxony	47,620	8,001	Hannover	
Northrhine Westphalia	34,083	18,075	Cologne	
Rhineland Palatinate	19,847	4,041	Mainz	<a href="#">Video on Rhineland Palatinate</a>
Saarland	2,569	1,056	Saarbruecken	<a href="#">Video on Saarland</a>
Schleswig Holstein	15,763	2,829	Kiel	
Berlin	892	3,388	Berlin	<a href="#">Video on Berlin</a>
Brandenburg	29,477	2,568	Potsdam	
Mecklenburg-Western Pomerania	23,173	1,720	Rostock	<a href="#">Video on Mecklenburg Western Pomerania</a>
Saxony	18,418	4,296	Dresden	<a href="#">Video on Saxony</a>
Saxony Anhalt	20,455	2,497	Magdeburg	
Thuringa	16,171	2,355	Erfurt	

Northrhine-Westphalia is the largest state, both in its population and economic importance. This Land was artificially constructed after the war and divides its cultural traditions between the autonomous orientation of its Rhineland heritage and the Prussian orientation of Westphalia. The population is nearly evenly divided between Catholics and Protestants. Because of the strength of the labor union movement in the Ruhr and throughout the state, it is a stronghold of the Social Democratic party.

Rhineland-Palatinate (Rheinland-Pfalz) and the Saarland represent the historical continuation of the prewar Rhine province. Their division in the postwar period followed the administrative boundaries between the French and American occupation forces. Baden-Württemberg combines the two prewar provinces of Baden and Württemberg, and was unified after the formation of the Federal Republic. All three of these Länder have large Catholic populations and generally conservative political party orientations. Hesse traces its history back to the Grand Duchy of Hesse. It is located in central Germany, in the area from Frankfurt to Kassel, and its residents are predominately Protestant.

The free state of Bavaria has retained the strongest regional identity of the western Länder. Bavaria is the modern successor to the Kingdom of Bavaria. The strong Bavarian regional identity enabled the state to maintain some degree of autonomy under the Third Reich. Even today, when one crosses the southern German border billboards first welcome the traveller to *Der Freistaat Bayern* and secondarily to the Federal Republic. The area is heavily Catholic and agrarian, and the residents are noted for their distinctive accent and dress. The CSU (Christian Social Union) was organized as a separate political party representing the interests of Bavaria, underscoring the state's political distinctiveness.

The city state of Berlin is now the capital of the Federal Republic. Berlin is a center of industry, culture, and scientific activity. Berlin still remains divided, however, in social and political terms, if not physically. West Berlin was the home to a strong alternative movement and a bastion of the Green party; East Berlin was the capital of the GDR and still gives considerable support to the Linke party. Berlin is the first among German cities, and it is a microcosm of the social changes affecting all of Germany as a result of unification.

The largest regional gap separates these Western Länder from the five new Länder in the East. Living standards in the East are still a fraction of those in the West. The new Länder are all disproportionately Protestant. All the Eastern states have fewer foreign workers than any of the Western states. Even population densities are lower in East. Of course, each of the new states also has its own distinct social and economic identity.

Saxony is successor to the historical kingdom of Saxony. It is the industrial heartland of the East, including both the industrial city of Dresden and the cultural center of Leipzig. Thuringia is another Eastern industrial center that emphasizes manufacturing as well as heavy industry. It is one of the smallest states in both population and size. Because of its mountainous geography and central location, it is known as the "green heart of Germany."

The two provinces of Brandenburg and Mecklenburg-Western Pomerania (*Mecklenburg-Vorpommern*) are generally rural areas, with relatively large agricultural sectors. Brandenburg is the largest of the new Länder in size, and surrounds the city state of Berlin. It lies in the center of prewar Prussia. Mecklenburg-Western Pomerania combines the historical region of Mecklenburg with the Western half of Pomerania that was divided by Germany's postwar border with Poland. It is the most sparsely populated of all the sixteen German Länder. It is a flat region stretching along the Baltic coastline, with the largest percentage of agricultural employment of any Land.

Finally, Saxony-Anhalt (*Sachsen-Anhalt*) is a new political region that combines the former GDR districts of Magdeburg and Halle. Its natural resources have made this region a center for the eastern mining, metals and chemical industries. In addition, there is a large agricultural sector in the north. Its industries have struggled through the transition to a market economy, but its natural resources and location proximate to Western industrial centers hold good prospects for its future economic development.

## Gender

Gender differences are another traditional source of social differentiation in German society. Social norms in both Germanies historically defined the women's family role in terms of the **Three K's** -- *Kinder* (children), *Kirche* (church), and *Küche* (kitchen). This stereotype was partially broken down in the postwar period, when women played a major role in rebuilding the society and economy.<sup>(7)</sup> But a gender gap still exists.

The FRG's Basic Law guarantees the equality of the sexes, but the specific legislation to support this guarantee often has been lacking. Until the mid-1970s, for example, a woman could not divorce her husbands without his permission. In most occupations it was illegal for women to be employed in evening work shifts. Gradually legislation is being changed, but the change is gradual. Many women have entered the labor force in the FRG, but they remain underrepresented among the professions of higher status, and higher level political positions. The salary differential between employed men and women has narrowed, but not completely. Cultural norms have also changed only slowly. Cross-national surveys from the mid-1980s indicated that West German males are more chauvinist than the average European, and West German women feel less liberated than other Western Europeans.<sup>(8)</sup>

The GDR constitution also guaranteed the equality of the sexes, and the East German government was more aggressive in protecting the status of women.<sup>(9)</sup> Nearly 90 percent of the women in the GDR worked outside of the home. To facilitate the employment of women, the government provided free childcare services. Each 3-to-6 year-olds had a guaranteed place in a government kindergarten if both parents chose to work. Provisions for pregnancy leave and a "baby year" for mothers with large family were more generous than in the West, and mothers were guaranteed that they could return to their previous position of employment. East German women were underrepresented in careers with high status or authority, but they fared better than in the West. Similarly, the women's share of seats in the East German [Volkskammer](#) was nearly twice the proportion of women in the West German Bundestag. The situation of Eastern women was not ideal and often the government's rhetorical statements fell short of reality; but a greater effort was made to equalize opportunities for men and women.

East German women were one of the first groups to suffer as a result of the unification process. The proportion of women deputies decreased by nearly half in the first democratically elected Volkskammer of March 1990. Women also are disproportionately represented among unemployed. And as the costs of reconstruction of the Eastern society have mounted, the Federal Republic has cut back on child care services and other family support formerly provided by the GDR.

The greater expectations of Eastern women moved gender issues higher on the FRG's political agenda after unification. The government passed new legislation on job discrimination and women's rights in 1994. Most Eastern women feel they are better off today than under the old regime because they have gained new rights and new freedoms that were lacking under the GDR. Merkel's selection as chancellor in 2005 is stimulating further changes in gender norms and policies in Germany.

### **Foreign Population**

Another potential source of social division within German society involves the nation's foreign-born population.<sup>(10)</sup> When the West German economy expanded rapidly in the 1960s, a shortage of workers developed, threatening further economic growth. The government recruited [Guestworkers](#) (*Gastarbeiter*) from Southern Europe, concluding a series of labor agreements with Greece, Spain, Turkey, Portugal, and Yugoslavia. These agreements regulated the number of workers and the terms of their employment. Most guestworkers assumed jobs at the low end of the occupational ladder; doing work that Germans were reluctant to accept. This enables native Germans to move up the occupational ladder. The number of guestworkers rapidly increased, from just under 330,000 in 1960 to about 2.5 million in 1973. During the early 1970s a fleet of jumbo jets was constantly ferrying workers from southern Europe to their new jobs in West Germany.

The Federal Republic originally assumed that guestworkers would be temporary visitors, staying between three and five years. Indeed, several million workers came, worked long enough to acquire skills and some personal savings, and then returned home. Many other foreign workers, however, chose to remain and extended their stay indefinitely.

During the 1980s, the government took the position that the Federal Republic would not become a nation of immigrants. This led to policies aimed at reducing the number of guestworkers. An earlier ban limited further entries of non-European Union workers. As a consequence, foreign workers already residing in the Federal Republic became more hesitant to leave and many had their families relocate to join them, which increased the number of foreign residents. A series of government policies then restricted the immigration of family members. Other government programs used financial incentives to encourage guestworkers to return to their native country. In 1983, for example, the CDU-led government offered unemployed foreign workers a one-time payment of DM 10,000 and a refund of their pension contributions if they would

return home with their families. Government publicists proudly stated that the plan encouraged nearly half a million guestworkers, most of them Turkish, to leave the Federal Republic.

These policies to restrict the guestworker population did not really reduce the number of foreign residents in the Federal Republic. The number of foreigners held fairly steady throughout the 1980s at about 4.5 million. Restrictive government policies were counterbalanced by the reuniting of families, an influx of individuals seeking political asylum from Third World countries, and a high birth rate within the foreign worker community. This new social stratum is a permanent aspect of German society. Over 7 percent of the population in the West, and around 1 percent in the East.

From the beginning, the foreign population situation has presented several potential issues.<sup>(11)</sup> Their social location at the bottom of the occupational hierarchy makes these workers susceptible to discrimination on economic grounds. Policy studies in the FRG routinely find, for instance, that foreign workers pay more than Germans for comparable housing--when they can find it. In addition, foreign workers are culturally, socially, and linguistically isolated from German society, especially in the case of Turkish guestworkers because of the combination of ethnic, cultural, linguistic, religious and economic differences. Most major cities have their own foreign quarter, which resembles Ankara or Athens more than the Stuttgart or Berlin where it is actually located. The uncertain political status of guestworkers, since they lack the legal rights of citizenship, increases their vulnerability.

There are continuing tensions between Germans and foreign workers, because of their different social and economic situations. These social differences are not easily bridged. The foreign population also remains divided on whether they want to assimilate into mainstream German society or retain their cultural distinctiveness. Their children face an especially difficult future. Although raised in Germany, they are not integrated into German society and do not possess the rights of German citizenship; their homeland too is a foreign country to them. Assimilating these second-generation foreign population poses even greater demands on German society.

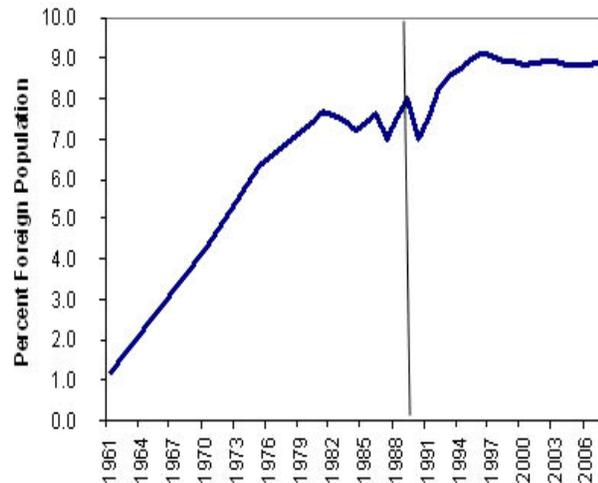
[YouTube video on German immigrants \(5:14min\)](#)

Unification further polarized relations with the foreign population. The social and economic dislocations accompanying unification intensified social tensions in the new Länder. There have been sporadic attacks against foreigners by small rightwing groups and youth gangs; not because foreigners are responsible for the situation in the East but because they are vulnerable targets of attack. Similarly in the West, the influx of East Germans, ethnic Germans resettling from Eastern Europe, and growing numbers of people seeking asylum has heightened sensitivities to ethnic issues. The conflict in the Balkans prompted tens of thousands to seek refuge in Germany because of its open laws on political asylum, and Germany became a destination for asylum seekers in other conflict zones. This further increased the diversity of the population, and the demands for social services. Since unification in 1990, the foreign population in Germany has grown to approximately 9 percent of the total population (see Figure 3.2), and is much higher in many urban areas.

The growth of Jihadist and Middle East terrorism as an international threat raised other issues that involved Germany's foreign population. In 1986 a Berlin nightclub was bombed, killing three people and injuring another two hundred. The bombing was tracked back to Libya. Several of the 9/11/2001 hijackers who destroyed the World Trade Center belonged to an Al Qaeda cell in Hamburg. In 2006 a Lebanese student was part of a plot to bomb German passenger trains, but the bombs failed to detonate. Other alleged terrorist plots appear frequently in the media, and Germans have watched terrorism hit other European states. Most people distinguish between these Jihadist movement and the peaceful foreign population in Germany; but this still produces tensions between the two communities.

These conflicts revived debates on the social and legal status of foreigners in the Federal Republic. Citizenship was defined as a right of German ancestry. An individual with a German great-grandmother could gain citizenship almost immediately after emigrating to the FRG. The child of a foreign worker who was born and raised in the FRG was unlikely to ever gain citizenship. There are debates on Germany's liberal constitutional guarantees for asylum seekers. These controversies reflected the changing social structure of the Federal Republic.

**Figure 3.2 Growing Foreign Population**



These debates prompted a series of policy reforms. The Federal Republic revised the Basic Law's asylum clause in 1993 (making it closer to U.S. immigration policy), took more decisive action in combating violence, and mobilized the tolerant majority in German society. The government changed the citizenship laws in 2000 to better integrate foreign-born residents into German society. Citizenship by blood was replaced by a pathway to citizenship for non-Germans. However, the gap between native Germans and Muslim immigrants is still wide. Attempts to liberalize naturalization of citizenship are linked to programs to educate the new citizens about German language, culture, and political norms. Most Germans now accept that the nation has become a multicultural society. Still, addressing the issues associated with permanent racial/ethnic minorities will be a continuing feature of German politics.

### **A Changing Social Context**

In the late 1980s, the Federal Republic seemed to be suffering from a societal malaise. Analysts were concerned by the slowdown in economic growth that followed from the global recessions of the 1970s and the early 1980s. Popular accounts of the mounting problems of Euroclerosis, an aging of economic institutions and an inability to compete with economies such as the Japanese, often cited the Federal Republic as a prominent example. Even the population size remained constant. Birth rates were declining. The German public was voluntarily following a course of zero population growth. In short, stability, moderation, and possibly stagnation had apparently replaced the dramatic socioeconomic changes of the postwar growth decades.

Although many of these problems carry over to the new Germany, unification has reshaped the social and economic context of German politics. For instance, the perceived weaknesses of the Western economy now look much different when the reference point shifts to the situation in the East. For the foreseeable future, the gap in living standards and life styles between East and West will continue to affect German politics. In economic terms, for example, there is a persisting difference in objective living conditions. Moreover, this gap directly contradicts the Basic Law's guarantee of an equality of living standards across the Länder, so these differences are inevitably politicized. By some accounts, it will take well into this century before the economic gap between East and West can realistically be expected to narrow. And the economic challenges Germany faces because of unification and more recently the global recession make the "difficulties" of the 1980s seem not so difficult by comparison.

In addition, a social gap separates East and West. Easterners are used to a different style of life, different customs, and even a different vocabulary for everyday life. Easterners normally read books, Westerners go to the movies. Easterners are still awed by life in the Federal Republic; Westerners find the East quaint and old-fashioned. Easterners are used to limited social opportunities; Westerners complain about the lack of cultural activity in the East. When travelling in Germany, one can often identify residents of the former GDR by their dress, actions, or accent. At the end of the 1990 Bundestag election campaign, the SPD Chancellor-candidate ungraciously expressed the feeling of many Westerners when he told a television journalist that residents of the new Länder were "another society, another people."[\(12\)](#)

These social and economic differences produce strains between the two publics. The press created a dichotomous image of Germans. Westerners complain about the backwardness of people from the East (*Ossis*) -- "Germany's Appalachia" is a common description heard in the Western press. Easterners counter with claims that Westerners (*Wessis*) are too self-centered and are slaves of a consumer society. They also sense a condescending attitude in Western actions toward the East. Even as they were celebrating unification the residents of the former-GDR openly worried about becoming second class citizens in their new nation.

Although citizens in the East and West share a common German cultural heritage, a common language, and a common history, forty years of separation have created social differences that now must be integrated into a single society. Having once successfully created a new social order, the Federal Republic must now replicate that feat if German unification is to succeed.

#### KEY TERMS

Currency Union  
Economic Miracle (Wirtschaftswunder)  
Guestworker (Gastarbeiter)  
Social Market Economy  
Three K's  
Treuhand

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2. Gert Leptin and Manfred Melzer, *Economic Reform in East German Industry* (Oxford: Oxford University Press, 1978); Mike Dennis, *German Democratic Republic: Politics, Economics and Society* (London: Pinter, 1988), ch. 2.
3. For instance, in applying Western accounting methods to Eastern firms after unification, it was found that many firms undervalued their products relative to the costs of production. Thus every new widget was produced at a loss, and the more widgets the firm produced the greater the net *decrease* in the national product.
4. Kendall Baker et al. *Germany Transformed* (Cambridge: Harvard University Press, 1981), chap. 8.
5. A great deal of the churches' remaining influence depends as much on their formal status as social institutions recognized by the state, as on their direct influence on religiously-oriented individuals (see Chapter 8).
6. Werner Weidenfeld and Karl-Rudolf Korte, *Die Deutschen: Profil einer Nation* (Stuttgart: Klett-Cotta, 1991), p. 64.
7. This situation is dramatically presented in Werner Fassbinder's film, *The Marriage of Maria Braun*.
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11. David Horrocks and Eva Kolinsky, eds. *Turkish Culture in German Society Today*. Berghen Books, 1996.

12. Ironically, this same politician (Oskar Lafontaine) led an effort to merge extreme leftist elements in the West into an alliance with the PDS party in the East, and became head of this alliance (*Die Linke*).

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