Deutsche Telekom's Role in the New World of Telecommunications

Adrienne Appello
Lehigh University

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

Recommended Citation
http://preserve.lehigh.edu/perspectives-v16/9
Introduction

The fall of the Berlin Wall on November 9th of 1989 and the subsequent reunification of Germany on October 3rd of the following year brought together a nation which had been divided, both geographically and socially, for over forty years. Friends were reunited, family members met for the first time, and new friendships were formed in the jubilant time following the reunification. Today, as Germany faces internal economic and social strife, that feeling of euphoria seems to have almost disappeared for the vast majority of Germans, both those from the former East and from the West. Germans who lived under the Federal Republic are seeing their prosperous way of life eroded by payments to the East, and those who lived in the East under the job-secure communist regime are facing an extraordinarily difficult labor market with very high unemployment. Though Germany was reunified economically and politically, it may take generations for complete social integration. All these issues are on the minds of every German; but, as in any society, opinions vary greatly.

In this essay, I report the results of a small survey of German public opinion regarding reunification which I undertook while on the Martindale trip to Germany. Although there have been many public opinion polls conducted since the reunification, I hoped to go beyond statistics and get a more personal and first-hand feel for how Germans see the reunification. The survey, consisting of personal and group interviews, was conducted in May 1997. Although the survey was small, an effort was made to sample a variety of demographic groups in order to obtain information which might best describe the "German Everyman." The group polled by no
means represented a scientific sample, but can better be described as a "convenience" one. (A list of those polled and the various questions asked can be found in Appendices A and B.) The interviews, eighteen in all, were conducted in German and English over a period of ten days which I spent in Berlin, Leipzig, Dresden, and Frankfurt an der Oder. Some of those polled were professors who had participated in question-and-answer periods with the Martindale group, others were tour guides, students or hotel officials, and still others were business people ranging from clerks to salesmen to proprietors.

In the following pages, I will first present general information on such topics as the German economic situation, Easterners' views of Westerners (and vice versa), and those demographic groups which seem to have been affected most by the reunification. I will then describe what various opinion polls conducted by German statistical organizations have found with respect to peoples' views on the subject. These results will then be compared with selected comments from those questioned in my poll.

The Economic State of Germany

The economic state of Germany and the effect it has had on the public has been a popular topic of debate for Germans. For many years West Germans had been accustomed to an Americanized way of life, and the strain on the economy due to transfer payments for the rebuilding of the East has seriously tested the West's dedication to reunification. Though the payments are merely temporary for the West, their negative effects, such as higher taxes and unemployment, have been widely felt. When asked how the situation has changed since the reunification, the Germans polled generally seem to have found life more trying. For instance, Miriam Lucas, a tour guide from the former Western German states, describes her life as being more difficult. "Everyone is for himself, and everything is more Americanized. Personally, my work is more demanding, but with no pay increase." Tim Gossing, a recent graduate of the German university system, agrees. "We are living out the modernization of Germany, and it's going the American way: people will have to work more for less money. The security [we] had in the past just won't be there." (Cowell, p A1)

The German Disease

The economic state of Germany as described above is fueled by an interesting, although difficult, situation. The German economy is suffering from what is not quite jokingly called the "German Disease," which describes an economy plagued with continued high unemployment and low inflation (approximately 1.7 percent), explained Oliver Schultz, a professor at the Free University in Berlin. Because of high real wages, unemployment increased by approximately 3 million in East Germany between 1990 and 1992, although it has since leveled off. Factories in the East have still not reached maximum possible efficiency, and low production combined with high wages means high unemployment. (Schultz) Unfortunately, the seed which can bring life to a struggling economy, entrepreneurial spirit, is being held back due to a rigid legal framework and a tax system which is hard to understand, explained Steve Casper, a researcher at the Wissenschaftzentrum Berlin. Budding businesses simply do not have the money to hire the proper legal advisors. Additionally, the Big Three German banks (Commerce, Deutsche and Dresdner) follow conservative investment policies and rarely invest in East Germany, much less in East German start-up companies. The consequences are few new jobs and an East German unemployment rate of 17 percent (over 30 percent unofficially) as of May 1997. In addition, almost all German entrepreneurial activity is coming from the West. (Casper)

The older generation in the West worked long, hard hours to bring Germany's economic miracle of the 1950s and 1960s to fruition, and members of this generation now seek comfort in their retirement years. Young adults, however, are burdened with the increasing welfare bills of the older generation, and must put up with fewer benefits for themselves. The guarantees of the welfare state must be reduced if future generations are to inherit a healthy economy, and the economic burden will fall heavily upon the younger generation. (Cowell, p A1) Because of the strong work ethic of older
Germans, as Casper explained, German companies and their workers were always very loyal to one another. Labor disputes were rare, and wages were satisfactory for both sides because both management and the union knew the other was too powerful to cross. Thus, most Germans would hold the same job for 20-25 years, and some for twice that long. (Casper)

It is also widely believed that the deutsche mark was introduced in the East too quickly following reunification. When asked about the advantages and disadvantages of reunification, many of those polled mentioned the speedy unification of East and West currency and how it affected workers. Daniel Schidlo, a student at the University of Leipzig, explained that the sudden changeover from the ost mark “gave Western companies the chance to take over markets quickly, driving Eastern companies out of business [and thus Eastern workers out of work] because Easterners had the marks to buy Western products, which [also] helped put Eastern companies out of business.” Rainer Schultz, a tour bus driver from the former East, agrees with this synopsis. He says that he is worse off financially since the reunification. “Unification occurred too quickly,” he said. Berte Ritter, a self-employed tour guide from the West, sees the effects of the reunification on most companies as negative. “Without the wall, [anyone] can come to the West, and [Eastern] companies can no longer get contracts.”

The West German Economic Takeover of East Germany

One positive effect of the Western takeover was an increase in efficiency at many factories in East Germany, according to Casper. Western technology was installed and maintained, just as in the West. Also, economic incentives for productive and efficient work were introduced in the East. Under the communist system, workers had always been paid the same wages, regardless of output. Because of the increased factory efficiency, fewer workers were needed, thus adding to the unemployment total. (Casper) Daniel Schidlo explained that East Germany had a unique advantage over other Eastern Bloc nations after the fall of communism. He stated, “Fortunately for East Germany, it had a ‘rich uncle’ in the West, unlike Poland or the Czech Republic, which had to develop their own systems, not have them installed upon them.” Schidlo, from the former Eastern states, says he and his family are doing better financially since the fall of the wall.

Of those in the East who have lost their jobs, women and workers over forty years of age have had the most difficulty. Joblessness has been terribly difficult for many to handle because East Germany was always a country with high employment rates. Before reunification, ordinarily 95 percent of East Germans of working age were employed. As of June 1997, the number had dropped to 66 percent. (Casper) The prospects for many women of ever finding a job, especially those who are married and over 40, are virtually hopeless. As a case in point, immediately after reunification Opel and Volkswagen, both Western companies, took over various automobile manufacturing plants in Saxony and Thuringia in the former East. Many of the former labor force were rehired to continue working in the factories, but only those who ranged in age from 20 to 30 were included. Furthermore, those who were rehired were paid less than 50 percent of what Western workers holding comparable jobs were paid, even though they were as highly skilled as Western workers. These same workers were still paid only about 60-65 percent of West German wages as of June 1997. (Casper)

In the survey which I undertook, people were asked several questions about how they had personally been affected by the Western takeover. The responses were mixed. Peter Illgnern, a businessman from Munich, says that for him things turned out well financially, but “it is more difficult for those in the East. On the average, they are earning [much less than] those in the West, and this is simply unfair.” Although Eastern wages are not as high as those of their Western counterparts, states Karl-Heinz Reuband, a professor at the Dresden Technical University, the overall level of satisfaction with the economy is about the same in both parts of the country because each group is comparing his current situation with the past. (Reuband) On the other hand, some Germans compare the takeover to a large company absorbing a smaller one, and they feel that West Germany acted unfairly and too quickly. Maximiliane Leiteren,
a china saleswoman from the East, views the Western takeover as a hostile action. “Many factories needed to be upgraded, but many of those in the West probably did as well. The West came in and simply pointed out what was bad.”

To improve the skills of the unemployed (especially young adults seeking their first jobs) and to help them gain employment, training programs have been implemented in both the East and West. The general consensus, however, is that they are not working. As Casper points out, young adults get the training, but the jobs simply are not available, and this breeds discontent. (Casper) Leiteren expresses an understandable gripe: “Social coverage [social security] was complete [under the Eastern system] and there was a good system of apprenticeships, but no longer.”

The Economic Future of Germany in a Unified Europe

Despite the many problems, there have been some signs of economic improvement since the reunification. For instance, nominal household income per capita greatly increased (48 percent increase) in the East from 1990-1993, while real household income per capita in the West stayed virtually the same over the same period. Average salaries increased 74 percent in the East from 1990-1993, but only 18 percent from 1988-1993 in the West. These facts give good reason for Easterners to be more satisfied than Westerners with the reunification and its economic effects. (Zapf, p. 5)

Apart from the above mentioned data, the future still looks somewhat turbulent for the newly reunited Bundesrepublik Deutschland. For example, at the end of September 1997, while the number unemployed was stabilizing in the Western part of the country, the unemployment rate remained high in the East. Germans placed a major part of the blame on the shrinking number of construction jobs available to East Germans, which play a major role in the region’s economy. The decrease in job openings was caused in part by inexpensive foreign labor. Companies would quite simply rather hire foreigners at low wages than Germans at high wages. Also, a shortage of apprenticeships has had a much more negative effect on the Eastern job market than on that of the West, leaving thousands of talented Germans deserving of an apprenticeship with no jobs and no chance to gain the skills and experience to get one. As of Autumn 1997, there were 47,500 unplaced apprentice applicants and virtually no vacancies in the East. (Press and Information Office...)

A major sticking point in German public opinion is the issue of the unified European monetary unit, the euro. To be considered for inclusion in the monetary alliance, a country in the European Union must have a national debt less than three percent of its GNP. (Schultz) This requirement has proven to be quite formidable, even for the traditionally strong German economy. As a people, Germans love the status quo and, having just combined the ost mark and the deutsche mark, have reasons to hold the euro in disfavor. In German politics, the main opposition to the euro comes from the Social Democratic Party. (Casper) The general public outcry is mixed.

Of the Germans I questioned, the majority were against the euro, and many of those who favored it did so only because it was in their company’s best interests. For instance, Schidlo is strongly against the euro, claiming that it “takes away from a country’s sovereignty.” Lucas agrees, favoring the unification of Europe but noting that “many concerns exist about a country losing its identity.” On the other hand, Edgar Fleischmann, a furniture salesman from the former West Germany, explains the advantages of the new currency. He says that the euro will be good for tourists and for businesses, but warns that true economic unification will take a number of years. He gets his furniture from Italy and Denmark, so the euro would be advantageous for him because of the elimination of currency transfer fees that the euro would bring about. (Fleischmann) As Peter Kopke, a university student from Rostock in the former East, explains, “The euro is good for the firms, but not for the people.” Ritter favors the euro as one step in the unification of Europe, but describes the changeover to the euro as a difficult process, considering the recent unification of the East and West German currencies. She says, “It will take a couple generations for people to become accustomed to it.” Boehm Sandro, a hotel clerk from the East, claims that
“the euro is a negative” for the richer countries involved. He possibly sums up the opinion of the typical German on the topic best when he explains, “Skepticism prevails.”

**Die Mauer im Kopf**

Though the real Berlin Wall came down on November 9, 1989, there remains a *Mauer im Kopf*, or a “wall in the heads,” of Germans as a whole. The initial feeling of euphoria which stemmed from the reunification soon gave way to prejudices about the people from the other side of the wall and the blaming of Germany’s financial woes on “the other half.” The wall had stood as the violent and absurd division of East and West Germany, and of eastern and western Europe as well. Since the reunification, both East and West Germans have trepidation concerning the changes. (U. Becker, p. 284) The unhappiness in the West due to the diminishing prosperity since the beginning of the reunification has been attributed mostly to the transfer of billions of marks to the East. Many West Germans resent seeing their Eastern brethren enjoying the same quality of life as in the West without having done anything to help bring it about. That this thinking is widespread is evident from various public opinion polls. For example, in a poll conducted by Ulrich Becker in November and December 1991, seventy-three percent of Westerners say that “Easterners want to live as we do in the West, but work like they did in the East.” Only 19 percent of Easterners agree with the above statement, while 73 percent say their work performances are on a par with those in the West. (Becker, p. 285)

The general feeling of the Germans I questioned was that Easterners’ views of Westerners are not favorable (and vice versa); but it does appear that attitudes are improving. For instance, Markus Mende, a professor at the Dresden Technical Institute, says the feelings between Easterners (known almost derogatorily as Ossis) and Westerners (Wessis) could be more friendly. “The West looks at the East as a third world country. Older Germans see their social security running out and blame it on [transfer payments to] the East.” Edgar Fleischmann agrees, saying that “initially the relationship [between East and West] was very good; then slowly economic recession crept in and those in the West blame the transfer payments.” On the positive side, he sees the East serving as an opportunity for investment by the West, and points out that there were signs of impending recession in the West even before the reunification, making much of the criticism of the West unfounded. (Fleischmann) Peter Kopke explains that in general the relationship may be temporarily shaky. He says, “Many in the East say things were better when the wall was there, with no Western interference. This will take a decade or so to go away.” Leiteren explains that contact between people from the East and West is intentionally limited. “People from the new states will go to Spain or Italy,” she says, “rather than the West.”

In many large public opinion polls, such as those conducted by Ulrich Becker and the Wissenschaftzentrum Berlin, East Germans have also shown rather negative views of themselves. As a whole, Easterners seem to have a collective feeling of inferiority. They see themselves as naive, gullible, shy, inexperienced and grim, yet friendly, honest, open and diligent. The reunification has only amplified these perceptions. In contrast, Easterners view the West as orderly and clean and agree that many different people and lifestyles are tolerated and accepted. Their view of the West itself is more rosy than their view of its inhabitants, however. Wessis are often seen as arrogant, superficial, egotistical, selfish and unemotional. As one Easterner explains, “Wessis look over us from above condescendingly.” (Becker, p. 285)

Of those Germans that I questioned, many agreed with the above generalizations. Reuband concurred in saying that Wessis are seen as more self-confident and arrogant, which, he assures, may or may not be true; but it is nonetheless believed to be the case because of observed behavior. He continued, “Forty percent of Easterners have heard derogatory comments from Westerners, mostly, ‘People have to learn to work here [in the East].’” Rolf Becker, a professor at the Dresden Technical University, explains that before 1989 those in the East were considered lesser siblings of West Germans. Since reunification, Easterners have been perceived as the less civilized losers of the Cold War, and Westerners as the winners. He also claims
that those opinions — formed immediately following reunification — have not changed much since 1989. However, he adds that there is now a growing resentment among Easterners, who, having experienced a strongly state-supported society, feel they are entitled to more Western help. (Becker) This, of course, angers Westerners, who link the decline in their own economic situation with the monetary help given to Easterners.

Public opinion on the matter varies from person to person, but again the overwhelming feeling is that the wall is back, not in a physical sense, but in the minds of the people. Hans-Peter Mueller, a professor from Humboldt University in Berlin, describes social relations between Ossis and Wessis in the following way: “The wall exists, as far as whom people socialize with and where they go in the evenings. West Germans really bring together East and West by going out into the East. Before the fall of the wall, there were closer relationships by phone and letters, but this is not so anymore. People simply go about their business.” Schidlo, an Easterner, says that the interactions between the West and East are poor at best. He explains, “If a Westerner knows you are from the East, he will shy away and not interact with you.” Hans-Jurgen Wagner, a professor from the Europa University in Frankfurt an der Oder, claims that the problem with relations between East and West Germans is a generational one, created by years of living apart from one another. It is “a problem which will take at least as long to solve as East Germany existed.” Lucas, on the other hand, sees hope for the future. “Everyone has prejudices,” she says, “and that is difficult to overcome on a large level; but meeting face-to-face could improve things. The situation is different, but not new, in Germany. For instance, much earlier in history the Prussians and the Bavarians wanted nothing to do with the Saxons.” Ritter claims that the relationships one develops with those from the other side of the wall vary from person to person. As she explains, “There is resentment on both sides, but it depends on the individual. The media tends to be anti-West, but it depends on what one reads and accepts in the papers and on television.”

One of the major benefits of reunification is the newfound freedom of travel for Germans, both for East Germans, who had rarely been able to leave their own country, and for West Germans, who had never visited the East. Each group is truly finding a modern-day “New World” when they travel for the first time to the other side of the wall. The trend seems to involve more East Germans traveling west than vice versa. (Reuband) The Germans I polled were very insightful when explaining how traveling liberties have opened their eyes to what they had never seen before. For instance, Edgar Fleischmann comments, “Everyone on both sides has economic disadvantages, but free travel is a tremendous advantage to both East and West, especially the East.” But Lucas, a Westerner who has traveled quite a bit as a tour guide, says she has traveled only infrequently into the East. She says that many Westerners have never been to the East, even today. As she explains,

Through her travels in the new German states, Ritter noticed the relative shoddiness of the East immediately after reunification: “After the wall fell, there were many badly built hotels in the East which demanded the same price as those in the West. The price was the same in the East as the West for worse meals.” She also feels that Berliners are unfriendly, and therefore she always travels out of the city to shop. (Ritter) Rainer Schultz has been into the West only a few times, but says that tensions can be seen, even within family circles. (Schultz) Mende explains the Westerners’ outlook in this way: “Westerners wonder, ‘Why should I travel into the East?’ and many older Germans simply will not travel into the East.” Those in the West feel the East has nothing more to offer than what they have in the West. Peter Kopke, on the other hand, travels extensively and claims that now and then he will find an Easterner who says, “You are making life difficult for us.” He says, however, that this feeling is not the norm.
Effects of the Reunification on Specific Groups

Though reuniting a country after decades of separation initially appears to have been a triumph on the surface, there are also those who have been placed at a great disadvantage due to the reunification. By far the most disadvantaged group consists of those that have become unemployed or those looking to training or apprenticeships as a route to employment. Almost all male workers in the East over 40 years of age have lost their jobs, and many have virtually no chance of ever holding one again. The same holds true for many young adults and many women. (Reuband) Youth find themselves in a catch-22 situation, having no experience and no chance of obtaining a job without experience. (Becker) Many women hold dead-end jobs, and those who are lucky enough to hold one of very few jobs in higher management are often paid less than males in comparable positions. (Reuband) The extremely high unemployment rates make coping difficult, according to Wagner; and many people have simply retired, giving up hope of finding work. (Wagner) In addition, the training and apprenticeship system is simply not working as well as it should. The assumption in the East is that training helps to find employment. Unfortunately, all too often the only help, financial or otherwise, those who are unemployed receive from training or education is the wages they receive for their participation; and in many cases, that is the sole reason for this participation. (Becker) Some companies no longer offer training, and this leads to further discontent and a feeling that there is no way in which an unemployed person can improve his or her situation. (Schultz)

A major area of unemployment in the East is one which most people would ordinarily think of as an important source of jobs: the rebuilding (literally) of the East. The massive amount of construction in the East has led to a huge increase in the number of construction-related jobs. Unfortunately, labor unions have pushed German wages too high. As a result many of the construction jobs are going to Polish, Irish and British workers. (Schultz) Partly due to this situation, there is a great deal of resentment on the part of Germans, especially among older people, toward foreigners. (Reuband) The seriousness of the unemployment problem in the East is reflected in the fact that the highest income increases in the East since the reunification have gone to retirees. (Zapf, p. 8) Of the people whom I interviewed, unemployment was the greatest concern. An example was Boehm Sandro, who feels the unemployment situation is severe: “Unemployment is the biggest problem. A disadvantage for the West is having to support the rebuilding of the East. For the East, the social structure is no longer in place, and the Easterners are no longer [secure financially]. They traded that for freedom. Whoever has work should consider himself fortunate. The East no longer has financial security.” Schultz agrees that the unemployed in the East have suffered the most from the reunification, while Mueller gives examples of why there is animosity and despair in the East. As he says, “Now that the East has all the West has to offer, they begin thinking about what they lost: social security, unity, solidarity.” Of course West Germans have not survived the reunification without economic woes of their own. Casper says that the average West German has “lost out economically” and that the government is bearing the brunt of the blame. West Germans feel the government and the Bundesbank, with its seemingly overly generous exchange rate of ost marks for deutsche marks, have failed them. (Casper)

Again, apart from the economic problems associated with the reunification, there have been quite a few signs pointing toward improvement in Germany’s economic situation as well. In a poll conducted by the Wissenschaftzentrum in 1994, 59 percent of Easterners said their overall situation had improved since the fall of the wall, while 17 percent in the West felt that their own situations had improved. Lucas feels these statistics are accurate: “Initially, the effect of the reunification was negative for Berliners, but not so much for Westerners as a whole, who have basically gone on as they were before. The Easterners may not have work, but they have freedom, and their children will grow up with freedom.”

The amenities of life have also become a reality for many Easterners. For instance, many people have been able to buy a house for the first
time. The percentage of private homes in the East with a phone rose from 11 percent in 1989 to 33 percent in 1994, and those with private cars rose from 23 percent in 1989 to 45 percent in 1992. (Zapf, p. 5) The above statistics alone do not signify a complete German economic revival, but they point to gradual improvement in an otherwise difficult situation. Based on these signs of economic recovery, Ritter feels that there have been more advantages than disadvantages for both young and old resulting from the reunification. As she explains, with an air of hope for the future of her homeland, “We will learn from one another.”

Conclusion

The economic state of the newly united Germany may seem bleak to many who have experienced better times. Those from the East were accustomed to full social and occupational security for life, and see much less of it since the reunification. Those from the West have always prided themselves on working hard for a living and for having the incentive to do so, something Easterners had never experienced. Westerners cannot understand how former East Germans expect to share in the wealth of a country’s economy which they did not help build. There is still much animosity between people who until recently resided on opposite sides of the Iron Curtain which separated East and West Germany. That animosity will require the freshness of newfound understanding and relationships to subside. Though opinions and attitudes vary from person to person, perhaps Edgar Fleischmann speaks for all of Germany when he explains that, though it will take a while, as the now popular saying claims hopefully: “What belongs together will grow together.”

Appendix A

Persons Interviewed

Rolf Becker, resident of Dresden, professor at Dresden Technical University.
Steve Casper, American living in Berlin, researcher for Wissenschaftzentrum Berlin.
Edgar Fleischmann, former West German living in Berlin, salesman for furniture store.
Gisela [Schumacher], former East German living in Berlin, nurse.
Peter [Illgner], former West German living in Munich, businessman.
Maximiliane Leiteren, former East German living in Berlin, saleswoman for china shop.
Miriam Lucas, American living in Berlin, tour guide.
Markus Mende, former West German living in Dresden, professor at Dresden Technical University.
Hans-Peter Mueller, former West German living in Berlin, professor at Humboldt University.
Peter [Kopke], former East German living in Rostock, physics/medical student at Humboldt University.
Nadia [Mattheus], former East German living in Frankfurt an der Oder, student at Europa University.
Karl-Heinz Reuband, former West German living in Dresden, professor at Dresden Technical University.
Berte Ritter, former West German living in Berlin, tour guide.
Boehm Sandro, former East German living in Berlin, hotel clerk.
Daniel Schidlo, former East German living in Leipzig, student at University of Leipzig.
[Rainer] Schultz, former East German living in Berlin, bus driver.
Oliver Schultz, former West German living in Berlin, professor at Free University of Berlin.
Hans-Jurgen Wagner, resident of Frankfurt an der Oder, Associate Director of Europa University.

Note: In some cases, fictitious names are used, which I have entered in brackets.
Appendix B

Interview Questions asked by the Author

1. What was your reaction to the falling of the Berlin Wall in 1989? *
2. What do you now think about the economic situation in Germany? *
3. What have been the greatest advantages and disadvantages of reunification? *
4. How has the economic situation changed for you personally and your company since reunification? *
5. What are your opinions on the euro?
6. How is the relationship between former East and West Germans? *
7. How do you get your daily news (e.g., newspapers, television)?
8. What are your opinions on the inconsistencies in the East and West German school systems?
9. Have you traveled much into parts of Germany or the world where you were not able to before reunification? What did you find there which you would label positive or negative?

* An asterisk denotes that this question was asked in every interview.

REFERENCES


Schultz, Oliver. Remarks to the Martindale group, May 27, 1997, Free University of Berlin.
