

## *Germany after Unification and Eastern Europe: New Perspectives, New Problems<sup>1</sup>*

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Today the “new” post-unification Germany is poised between two watershed events, the election barely a month ago of the first new leadership in 16 years, and the move of the government from Bonn to Berlin. The concerns about united German strength, voiced once at high levels by Margaret Thatcher (or more precisely, Nicholas Ridley) among others, have tapered off, and the academic literature on Germany today focuses heavily, and valuably, on showing how Germany is paradigmatic of a process of institutionalization that constrains its preferences and reshapes its interests in a multilateral fashion.<sup>2</sup> Thus this process happily consigns specters of German “special paths” and “Alleingänge” to history, at least under the current European constellation.

This is largely true; institutionalism is not a cynical facade for eternal national interests, and Germany is not an irredentist nationalist power in European Union clothes. In its relations with Western Europe Germany has been quite successful in dispelling such fears. In Eastern Europe, however, both the perception and the actual role of Germany is not bathed as much in the warm light of multilateral interdependence. Yet the challenge is not only for Germany to work harder to convince the East that it is well-intentioned. The deeper challenge is to confront the fact that, despite the best of intentions, historical and structural constraints converge to create a situation of asymmetric dependence, rather than asymmetric interdependence which is complicated further by the process of European integration and globalization.

The conventional wisdom is that economic development combined with European political integration will ameliorate such dependence, extending the multilateral framework which has reshaped interests in the West to the East, whose eyes are turned Westward. This is the path which many are working hard to realize, but there may be at least two catches: Economic prosperity and political integration may prove to be increasingly elusive, though not therefore impossible. More problematic is that the process of globalization--to use this catch-all term in its most general sense--is challenging many of the cherished assumptions of the West, making an extension of the assumptions to the East, much less any material results, more difficult.

Germany's relationship with the East is especially complex, not only because of historical atrocities but because Germany and Eastern Europe constitute each others national imaginaries. They both existed historically on the borders of modernity. Eastern Europe bears the brunt of the mark of being “the lands between”--between Germany and Russia, between East and West, but also between Enlightenment and Absolutism, agriculture and industrialization, ethnos and demos, between planned economies and free markets--*Zwischeneuropa*.<sup>3</sup> Yet Germany was also a “land between,” not even primarily in the obvious postwar division but in the German lands' historical tension between the Reformation and the Counter-Reformation, between the Enlightenment and Romanticism, between “the West” as devil and idol.<sup>4</sup>

Germany was also a margin of Europe, and in becoming modern it created Eastern Europe as its antithesis. This helps contextualize a rather blunt quote from the historian A.J. P. Taylor, who wrote in 1945 that “No one can understand the Germans who does not appreciate their anxiety to learn from and to imitate the West; but equally no one can understand the Germans who does not appreciate their determination to exterminate the East.”<sup>5</sup> Eastern Europe was not just “the Other Europe,” but also Europe's--and especially Germany's--Other. Today, Germany is almost synonymous with the West, and Eastern Europe aspires to “join” the West. Yet their still

ambiguous and tension-fraught relationships have to be understood in the light of this special bond of negative identification which, at least in the past, has locked Germany and Eastern Europe in an often deadly embrace. If the fatal aspect is gone, their fates are still intertwined, for as Vaclav Havel writes of the Germans, “they are part of our destiny, even a part of our identity...some regard Germany as our greatest hope, others as our greatest peril. The attitude they take towards Germany and the Germans has been a factor through which the Czechs define themselves.”<sup>6</sup> While Czechs worry more about Germany than Germans to Czechs, this sense of intertwining identity and destiny works for Germany at the level of Eastern Europe as well.

In this article I want to address a mixture of old and new problems facing Germany’s relation with Eastern Europe. First I bring up old problems that still echo today before turning to the underlying tensions which drove these problems and asking how and in what way do they relate to new issues? A discussion of new issues forms the second half of the article. The old problems emerged in a historical era torn between nationalism and democracy. Today, the dominant tension is increasingly between democracy and globalization. I aim to create a framework in which we can see how the old tensions influence and adapt to the new challenges at the dawning of the next century.

I restrict my geographic focus to what is perhaps more validly known as central Europe (though semantics are signifiers in a region where “nomen est omen”): Poland, the Czech and, to a lesser extent Slovak Republics, and Hungary. We cannot pretend, however, that the wars in former-Yugoslavia exist in some far-away sphere--they influence the relations, if not always openly.<sup>7</sup>

Under old problems I count those major issues which were, in one form or the other, major interwar issues, though not necessarily simultaneously. Much has changed, of course, and precisely what has changed is exemplary of new challenges for Germany and Eastern Europe. New problems are those which perhaps could not have been imagined, as such, a half-century ago, except in the most speculative or visionary forms.

<b>“Old” Problems</b>	<b>Then</b>	<b>Now</b>
Sudeten Germans (Czech Lands)	“Self-determination”  operative elements: Nationalism; Int’l law (“successful” i.e. Munich)	Restitution/apologies  operative elements: Historical memory, EU norms
German Minority in Poland	Irredentism  operative: Nationalism; Force	Minority Rights  operative: EU & Int’l norms; OSCE, German interests
Economic domination	structural assymetry (unwilling)  operative: Core-periphery assumptions	structural assymetry (willing)  operative: Transition to free market economy
Cultural domination	Privileged language  operative: Historical migration, Administrative/educational control	Potential media domination  Vehicle: Free market, cultural policy
Political domination	Realpolitik  operative: Expansionist/irredentist agenda	EU Politik  operative: Road to “Europe” through Germany
Security	Russian/Communist Threat  operative: Direct or indirect control; Force & patronage	“Instability”  operative: NATO, Int’l organizations/cooperation

Figure 1: “Old” problems which persist today.

The first “old” problem concerns the Sudeten Germans. The issue in the 1930s was a perversely cynical use of the Wilsonian principle of “self-determination”--the legitimacy of Masaryk’s Czechoslovakia was being challenged in Munich on grounds that the Sudeten Germans had a right to go “Heim ins Reich” (even though the Sudetenland had never been part of Germany). The issue of territorial annexation, of course, is gone in any serious way today. The current version of this problem has become one of the last open skirmishes over historical memory, debating interpretations of texts (the Munich Agreement in 1938, the decision taken at Potsdam and the consequent Benes order to expel ethnic Germans) and producing texts, such as the recent German-Czech Declaration, which are ambiguous enough to allow each side to make its own interpretation of what the other side meant.<sup>8</sup> Issues of restitution and reparation dominate, but the bone of contention continues to be the issue of apology, of apportionment of a form of “original guilt” (i.e. Czech actions have to be understood as a reaction to the Nazis), and elliptical historical sub-texts.<sup>9</sup>

Particularly interesting is the way that the European Union is brought into this by both sides. The entrance of the Czech Republic into the EU would somewhat “solve” the issue by allowing Sudeten Germans to settle in their ancestral regions since citizens within the EU can now settle where they wish. The Czech government sometimes mentions this almost as an enticement (bring us into the Union and the resettlement issue will be solved)--while the German expellees groups (Landsmannschaft) sometimes mention this almost as a threat (if you don’t let us resettle then “Europe” will force you to).<sup>10</sup> Czechs are also concerned that Germany would hold up their accession to the EU to wring compromises on the Sudeten issue. While this might not be true, perceptions, like feelings, can be self-validating and it points even more to the re-situating of the Sudeten issue within the discursive context of the European Union and thereby of “Europe.”

The second “old” problem also concerns territorial issues, but interestingly in quite a different way. The former German territory in western Poland, which unlike the Sudetenland had been a historical part of Prussia and Germany, was famously the focus of fanatical irredentism. Like the Sudetenland, there is no talk today of territorial claims. Unlike the Sudetenland there are actually a fair, if small, number of ethnic Germans living in the old territories.<sup>11</sup> By shifting the discussion to concrete minority rights instead of historical memory this issue between Poland and Germany is far less ascerbic and contentious. Minority rights have a larger international normative context in which to be embedded, and this has provided a more institutionalized structure which has focused on results rather than recriminations.<sup>12</sup>

Minority rights, however, as Aniol et al. point out, are themselves undergoing change as the distinction diminishes between collective and individual rights.<sup>13</sup> The German minority case is dealt with according to norms established by the Helsinki process and, most prominently the Copenhagen Declaration of 1990. At the same time that Poland and Germany seem to have reached understandings regarding norms, there remain potentially troublesome areas. The German government injects a huge amount of government money--DM46 million in 1993--for social services, culture and education.<sup>14</sup> One result of this is not only a better life for the individual ethnic Germans and a stronger community, but also potential for an emerging two-tier class system between heavily subsidized ethnic Germans and relatively poor Poles in the village or house down the road. Secondly, due to changes by the Polish government in line with European norms of minority rights the five percent clause for political representation has been lifted for ethnic minority parties, with the result that there are a handful of Germans in the Sejm and at least one in the Senate. Whether this increased representation will work to create more commonality of

interests between ethnic Germans and majority Poles, or less, depends in part on the attitude of the German government itself, on whose graces the ethnic Germans are dependent, but also on the Poles, who value good relations with Germany.

As in the Sudeten issue, the EU occasionally becomes part of the debate in somewhat unexpected ways. During the unification negotiations, the leader of the Expellees Federation (BdV) Hartmut Koschyk sought to have the region along the Oder-Neisse formally incorporated into the EU, a demand which uses the promise of Euro-regions in the service of privileged status and special rights for one group.<sup>15</sup>

From the specific cases of German minorities we move to the “old” problems of German economic, cultural and political domination. While in the past these were often enough realities, today these issues emerge as fears, driving mainly domestic debates in Eastern Europe and among some of the left in Germany. I include them because, while not “problems” per se with concrete solutions, they are old parts of the “problematic” of German-East European relations which remains vivid, especially in the East.

Economically, Germany dominated Eastern Europe in the interwar period in part through a planned and well-designed strategy to control trade, and in part by a core-periphery dynamic with its origins going back to the idea of a German customs union (List’s famous *Zollverein*) and the *Weltpolitik* notion of Germany as a hegemonic economic power. Today the issue is caged not in terms of Germany’s will to be a world power, but in the language of the free market. In both interwar and post-unification Eastern Europe there is a structural asymmetry, though the current asymmetry is based less on overt domination and more on, perhaps we can call it, willing submission to market forces. The fact that Germany is such a prominent player is cause for some (not inconsiderable) concern about whose interests these supposedly immutable economic laws really serve.

Germany might not be the sole, or even in every instance the major investor in Eastern Europe, but when you take together direct investment, trade and aid a picture emerges where Germany plays the central role. Germany is the largest trading partner of Eastern Europe: over 40% of East European trade goes to Germany, while only a fraction of that actually goes in reverse.<sup>16</sup> Germany maintains the largest market share in the EU--between 25 and 30%, where it does most of its business. (Of the relatively small amounts of exports to Eastern Europe from the EU, the German share in 1992 was over 53%.)<sup>17</sup> The German economy is dependent on exports to the West for its well-being, the East European economy is dependent on exports to Germany. Regarding aid it is worth noting that Germany has spent over DM56.5 billion between the end of 1989 and the end of 1996 on aid in Eastern Europe.<sup>18</sup>

Political domination also has a long pedigree, from the carving up of Poland just over two hundred years ago to the establishment by force of protectorates and proxy governments throughout the region during the war years. Today the fear of political domination arises not so much in the context of *Realpolitik*, but in *EUPolitik*. Germany’s role as an advocate for EU membership gives Bonn/Berlin an indisputable power over the internal affairs of its “Europe-hungry” neighbors, one which can hardly be called “domination” but does raise fears of undue influence.

Cultural domination was historically also an issue, though a far more complicated and nuanced one, at least till the imposition of Nazi pseudo-culture as the official form of idolatry in German-controlled territories.<sup>19</sup> Here we can’t avoid looking at the German language as the administrative and cultural medium for Austria and Germany in Eastern Europe.<sup>20</sup> The host of

writers and thinkers from Kafka to Freud are testaments to the non-nationalistic cultural dominance of German throughout the region.<sup>21</sup>

Today nothing remains of the nostalgic German-language coffeehouses of misty Mitteleuropa, but German cultural influence is being felt. First by mere attraction, since Germany is part of the West (not counting, be it noted, the ex-GDR), although here American pop culture reigns supreme. Second, culture is being supported by the German government to a very high tune, with “Begegnungsstätte” (237 in 1995--107 in Poland alone) and Goethe Houses opening throughout the region and German language instruction on the rise: over 13 million of the 20 million people estimated to be learning German today are in Eastern Europe.<sup>22</sup> Both these elements, however, are negligible and it is difficult to see them as a foretaste of undue German influence. More understandable, however, is concern over the third issue: at least in the Czech Republic, there is real concern over German control of the media. Czech ownership of the national press has declined from 100% in 1989 to 33% in 1995, and most of the foreign ownership is German: 2 German investors (Passauer Neue Presse & Rheinisch-Bergische Drukerei und Verlagsgesellschaft) control papers with 42% of the Czech readers, and in the southern and western regional areas of Bohemia the German press has a near-monopoly, often up to 80% control of a regional market.<sup>23</sup> Until now German ownership has effected the commercial end of the print media, not the editorial, but it is not hard to understand concern that editorial autonomy may also be subject to compromise. This is especially true given the potential for differing interpretations of the Czech-German history in the context of EU application.

The last “old” problem, or more exactly “problematic,” that I wish to touch on is the German perception of “security.” For prewar Germany, the East was a threat in many different ways: as possible enemies, as channels for Russian and later Bolshevik influence, and as the “Other” whose existence was a thorn in the eye of German racists, who coveted the agricultural land deemed necessary for German Lebensraum at the cost, of course, of the inferior people who occupied it. The means to achieve security were straightforward enough: force and patronage. Any overt racist elements disappeared during the Cold War, when Communism in the form of the Soviet Union was the overarching threat from the East. Today the “threat” is caged in terms of “instability,” and dealt with through international organizations, primarily NATO and to a far lesser extent the OSCE. In a sense this is the triumph of Ostpolitik: security with the East rather than against it, though Russia is notably missing from this equation. Security issues have become more transnational--organized crime, drug trafficking, terrorism and illegal immigration top the list. One “positive” result is that this shift in security issues lessens fears of ethnic conflict, though such happy pronouncements usually conveniently bracket ex-Yugoslavia to a dubious realm outside “Europe,” thereby avoiding thornier problems within otherwise accurate notion of transnational security threats.

Before we move on to the “new” problems, let us briefly ponder the common underlying tension in all the issues which we have just hurried through. At the most meta-level, the governing tension is one between universalism and particularism, yet what interests us here is less a philosophical discussion of that opposition than seeing how it plays out historically.<sup>24</sup> For the old “solutions” to the old problems we find the following instantiations of this tension: German policy toward Eastern Europe swung between the poles of ethnic and civic conceptions of national identity, between colonialist approaches (in the peculiar East-European-directed form of *Lebensraum*) and imperialism (in the German version of *Weltpolitik*), and between the modern principles of nationalism and liberalism.

*Lebensraum*--used in a broad sense as a world-view rather than merely particular policies--raises images of radical agrarian ideas mixed with anti-Western reaction against “soulless culture” and anti-Eastern ideas of inferior peoples.<sup>25</sup> Its culmination in Nazism is all too well known. *Weltpolitik* has more of an echo today--listen to the former Foreign Secretary and Chancellor Von Bülow almost a century ago: “Weltpolitik [was] merely the support and advancement of our industry, our trade, the labor-power, activity and intelligence of our people... We only wanted to protect the vital interests that we acquired in the natural course of events...”<sup>26</sup>

The tension between the universal and the particular has accompanied German history in one or another form. The current incarnations of the old problems shift the emphasis within the opposition. The prewar emphasis fell clearly on the particularist side, while the postwar falls more on the universal side. Rather than moving between nationalist and liberal conceptions of world order, today we can locate the main tension between sovereignty and integration, between the promise of political participation and vagaries of economic exigency--between the democratic state needing capitalism, but capitalism no longer needing the state in a necessarily compatible way. It is within this contemporary instantiation of the tension between the universal and the particular we can begin to sketch the new problems characterizing the relationship between Germany and Eastern Europe.

<b>“New” Problems</b>	<b>Caused by</b>
German role as both advocate and adversary	Germany as best supporter of Eastern Europe accession to the EU
Faltering of regional approaches	Fear of providing the EU an excuse to slow accession.
Internationalization precluding institutionalization	1. Global Economy 2. Catch-22 of integration requirements
(Post-Fordist) Immigration	1. Globalization (secondary labor market) 2. Becoming Germany’s gatekeeper
Integration not diffusing dependency	1. Obstacles to integration 2. German asymmetry
Politics pulling apart from Economics	Globalization--tension between democracy and capitalism
Eastern Europe stuck at the margins	1. Globalization 2. The “Western” Question

Figure 2: “New” Problems.

The first new problem in fact bridges new and old. For Eastern Europe, Germany is the key to the EU. While Eastern Europe may be shaped less by German interests today than by international pressures, while they react differently to international pressures, and while they seek multilateral rather than bilateral relations with EU members, Germany is still their biggest and best ally in the quest to “join” Europe, and that gives Germany, de facto, indisputable influence over the new democracies. This is fine as long as Germany refrains from overtly using their influence over the East European countries, and for the most part the German government has been extremely careful not to give even a hint (well, maybe a hint) of using their influence in the EU as leverage in bilateral dealings. An example of such a hint, perhaps, is when former Chancellor Kohl mentioned only Poland when talking about EU expansion in a governmental address.<sup>27</sup> The Czech Republic felt slighted, and there was much talk of this being a subtle hint that Germany may attach more conditions to their support of Czech accession. Germany denied and rejected any such interpretation of Kohl’s comments, yet the asymmetrical power relations combined with a need to work together with Germany results in a situation where, for the East European countries, Germany can seem to be simultaneously an advocate and a potential adversary.

Why is Germany such an important advocate in the quest for membership? The EU is not particularly open to East European accession and is not making it easy to increase EE-EU trade. The EU is more restrictive regarding trade with Eastern Europe than with other associated regions. Protectionist policies reduced Eastern Europe’s share of total EU imports to under 2% in 1992, and neither France nor the Mediterranean member states are excited about bringing poor potentially destabilizing states into the Union.<sup>28</sup> Polish membership could wreak havoc with the Common Agricultural Policy, and Spain, Portugal and Greece are loath to see structural funds reallocated to the new members. Only Germany has both the interest and the clout to make a difference in the seriousness and speed of Eastern European applications.

Embeddedness in the EU is supposed to be a way of reducing dependency on Germany, but it seems it will take more dependency on Germany before Eastern Europe will achieve less. This points at one of the other seeming paradoxes: both enlargement and/or deepening will increase Germany’s already considerable influence in the EU, yet the EU is seen as “the most significant safeguard against Germany’s individual hegemony.”<sup>29</sup> So much, then, depends on how Germany *uses* its influence.

The second new problem is the lack of regional cooperation resulting in part out of fear of giving the EU any excuse to delay their membership. It might seem as if a regional front might have more success articulating Central European interests and dealing with Germany. Yet as Valerie Bunce points out, the European Union gives them strong incentives to emphasize their individual assets to avoid worrying that they will be viewed through the perspective of the weakest link in the chain.<sup>30</sup> And since each country does have a distinct situation with relative merits, this is what gets emphasized, with the result that “the pattern of central European relations resembles a competitive race more than a regional arrangement.”<sup>31</sup> For Germany this arrangement makes it easier to deal bilaterally rather than multilaterally with their neighbors. The dynamic of European-wide integration, ironically, marginalizes and discourages regional initiatives, which might in theory better represent the convergent interests of, say, the Visegrad Group, vis a vis Germany, international financial organizations, or Brussels.

Integration also diminishes regional initiatives at the economic, as well as the political, level, as can be seen by minimal effect of the Central European Free Trade Association (CEFTA), which suffers from the structural fact that Central European countries have little to gain from



trade with each other since the profits lies in exporting to the West, while exporting to their neighbors risks stimulating uneconomic sectors, since there is much redundancy built into their economies from during Soviet rule. Trade *within* Central Europe only amounts to 4 - 8% of their total trade.<sup>32</sup>

Being so Westward oriented in their trade and dealing individually with international financial organizations contributes to the third problem which, using Peter Katzenstein's formulation, lies in Eastern Europe's rapid internationalization of the market combined with slow institutionalization of democratic and multilateral institutions.<sup>33</sup> The problem, however, is not that these two occur at different speeds, but that the first retards the second. Internationalization of the market is part of the process of globalization, and the process of globalization inhibits institutionalization. For the sake of argument I use here the two terms "globalization" and "internationalization of the market" interchangeably.

Globalization entails deep-rooted economic changes which, I argue elsewhere, are less immutable economic laws than the continuing trajectory of economic and cultural contradictions inherent in modernity. On a day to day level these are the vagaries of the global economy--cheap labor, credit crunches, increased capital mobility and decreased job security. Some of the more social consequences are the institutionalization of high unemployment and/or low wages.<sup>34</sup> The economist Lucjan Orłowski points out quite matter of factly that the most apparent effect of restructuring Eastern European economies to an integrated European economy will be high unemployment, which, he writes, "not only stems from the integration process itself but is the cost of continuing economic transformation and reintegration with the world economy."<sup>35</sup>

As Enzo Mingione writes, the decline of manufacturing and the increased diversification of jobs have consequences which "outline a complicated map of social disadvantage," a map on which Eastern Europe can be clearly found.<sup>36</sup>

At a deeper level these consequences are indicative of tensions within modernity--whether the state primarily constrains or furthers capitalism, whether the right comes before the good, whether democratic participation or representation is possible at a supranational level. If we dig deep we find the tensions which define our modern sensibilities: tensions between democracy and capitalism, self and other, and freedom and order. The fundamental assumption of the West, that free-market economics and democratic politics compliment rather than challenge each other, is under duress. Trade is often treated as an economic process independent from politics, so that there appears to be no apparent connection (or at least contradiction) between limiting a national government's ability to control trade and limiting their democratic legitimacy.

Minimal government interference in economics is certainly part of liberal politics, but it becomes a democratic problem at the point when, especially in Europe, it threatens the postwar compact between labor, government and business. This is particularly important in Europe, for this is the foundation of the "social market economy" and the corporatist and semi-corporatist arrangements which create stability and social harmony. The state risks becoming caught in the middle between domestic demands for employment and social services and business demands for lower barriers to trade, lower wages and less restrictions. Eastern European states, more than members of the EU, face this problem of "being caught in the middle" because they have even less recourse to supranational organizations whose laws directly affect their people. Thus the constraints of the global economy can dictate a relation between Germany and Eastern Europe with implications that may work at cross-purposes with political ideals.

Internationalization of the market hinders institutionalization because EU membership presents a well-known catch-22 of development: a certain level of economic prosperity is required

for admittance to the EU, yet that self-same prosperity will be difficult to achieve by remaining outside the EU. Claus Offe puts this a somewhat different way: he cites T.H. Marshall's progression of modern statehood from the laying of a constitution to the functioning of democracy to finally the institutionalization of the welfare state. Is it not the case, Offe wonders, that perhaps in Eastern Europe, impossible as it might be in practice, they need the welfare state first as the basis for the other two?<sup>37</sup>

This ties directly into another paradoxical aspect of the transition already hinted at: the transition to a free-market economy requires reducing social services, but with conditions as appalling as they are after the collapse of the socialist economies, political legitimation requires *expanding* social services.<sup>38</sup> Ideally, as prosperity increases these two demands will converge, rather than pull apart. But this is one effect of internationalization without institutionalization, and if this is a structural rather than temporal problem the net effect may be to reinforce Eastern Europe's asymmetrical positions vis a vis Germany and the EU, even as the Western countries face their own versions of this tension.

Katzenstein claims that this disjunction between internationalization and institutionalization is what sets Central Europe apart from other sub-regions in Europe (and therefore causes German economic influence to be interpreted as domination, a point to which we will return).<sup>39</sup> He also claims that the success of the region will depend less on new socio-economic relations with Europe than on redefining norms via new domestic and international institutions.<sup>40</sup> But these very domestic and international institutions face challenges to their development in part because the dynamic of European integration discourages multilateral regional organizations, creating competitors rather than collaborators, and in part because internationalization of the market undermines the conditions for political stability. The claim that "international competition, not political cooperation, characterizes a sparse political landscape in central Europe...likely to be transformed only by several peaceful and prosperous decades"<sup>41</sup> may certainly be true, but what if that prosperity is being challenged, rather than aided, by internationalization of the market? Katzenstein's earlier work on small states in Europe shows how they successfully decrease dependence on larger states, especially Germany, by increased European integration.<sup>42</sup> What happens if Eastern Europe, which is trying to do exactly this, find closer European integration increasingly elusive? And what does this mean for Germany's relation with Eastern Europe?

First, if, for all of the above reasons, accession takes unduly long (of course "unduly" is a matter of interpretation), Germany risks being seen increasingly less as an advocate for membership and more as a regional hegemon. Aniol et. al. claim that Eastern Europe perceives Germany more as a dominating power because of the twin effects of collective memories and insufficient multilateral institutionalization, but what might only be a matter of perception now might take on more weight as the promise of accession recedes. Germany might turn out to be a very benevolent hegemon, but being defined as Germany's periphery is, to say the least, not the ideal Eastern Europe image of themselves.

Second, the tensions between politics and economics affect Germany directly too. Germany is already feeling the strains of globalization, and any dismantling of its coveted social welfare system will hurt considerably. The cost of production in Germany, however, is simply too high, and in its heavily export-dependent economy companies will first try and produce elsewhere until wages decline at home. This may have two effects regarding Eastern Europe: 1. German companies, with their government's blessing, may use its neighboring countries even more as an *Absatzmarkt* and as a site for cheaper production. Eastern Europe is especially attractive because the wage differential is far greater than the productivity differential and producing in E.E. makes

sense even if Eastern Europe joins the EU, for then German companies can use East European production sites to export to what would be a growing Eastern market.<sup>43</sup> In fact this the incorporation of particularly the Czech economy into the German environment is happening “almost automatically,” as Vladimir Handl puts it, with or without the smaller countries membership in the European Union.<sup>44</sup>

The second effect is social: if German firms increasingly shift production to Eastern Europe, Germany’s cheaper labor neighbors become a new form of “threat” to German workers. This reinforces Eastern Europe’s role as Germany’s other, which had begun to be overcome. Together, these economic and social effect effects risk institutionalizing the perception of dependence rather than development.

This last point leads to yet another specter that haunts Europe: the specter of failed social integration. As mentioned earlier, one effect of globalization is to polarize the employment structure, creating socio-economic pressures which are transnational at a time when regulatory systems remain national, and therefore hard pressed to deal effectively with the social consequences of structural unemployment.<sup>45</sup> Combine this with another trend touched on above-- that of a shifting focus from collective to individual rights, and an ironic twist occurs. Individualism is an important, valuable and powerful fundament of the modern experience because it gives us control over our destinies (or at least the illusion, which may or may not turn out to be the same thing). The increasing marginalization which results from globalization, however, impels individuals to see their destiny as not controlled by them (or by their representatives in national parliaments), but by global forces seemingly outside their control. The irony is that this leads people to seek an element of control in traditional communal structures of national or kinship relations. People don’t just become alienated, they react, but not necessarily in ways compatible with democratic politics.

The Eastern Question today is also an existentially Western Question: how to solve the paradox of persistent social inequality in modern free-market democracies? More to the point for our topic: how to solve these paradoxes of integration without excluding or exploiting the East? (Exclusion and exploitation by default, *not* by design.) A study of social policy in the EU finds that economic integration and social disintegration would be, not surprisingly, disastrous.<sup>46</sup> For Eastern Europe such a development would risk keeping it perpetually “not ready for prime time Europe,” locking in and even exacerbating its asymmetries without giving it a chance to ameliorate them through integration. Institutional analysis reminds us that German-East European relations can only be addressed today in a European-wide context; future problems are also, at heart, European-wide.

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<sup>2</sup> I am thinking here especially of Peter J. Katzenstein's *Tamed Power* (1997), but also Markovitz and Reich, *The German Predicament* (1997).

<sup>3</sup> See *inter alia* Herterich and Semler, *Dazwischen: Ostmitteleuropäische Reflexionen* (1989) and Istvan Bibo *The Misery of the Small European States* in Bibo (1991) and Jenö Szücs *Three Regions of Europe* in Keane (1988).

<sup>4</sup> See Johann Baptist Müller, *Deutschland, eine westliche Nation? Konzeptionen und Kontroversen* (1993).

<sup>5</sup> A.J.P. Taylor, *The Course of German History* (1945), cited here in Jacques Rupnik, *The Other Europe* (1988), p.39.

<sup>6</sup> Vaclav Havel "Czechs and Germans on the Way to Good Neighborhood" (1994/5), p.5.

<sup>7</sup> The war in former Yugoslavia affects German and Central Europe not only through policy considerations, especially concerning NATO, but at a deeper level in the discourses of Western countries, including Germany, toward the East. See on this Stjepan Mestrovic, *The Balkanization of the West* (1994).

<sup>8</sup> See Vladimir Handl et al., "The Czech Republic and Germany" (1997) p.41.

<sup>9</sup> See Havel, *Ibid.*, where he touches on all of these themes, eloquently, as usual.

<sup>10</sup> Handl et al. touch on this point in *Ibid.*, pp.41-42.

<sup>11</sup> About 300,000 to 500,000 ethnic Germans live in Poland today. On German minorities in Poland see Piotr Pacewicz, "Polish and German Minorities: Assymetry of Problems--Symmetry of Solutions" (1992).

<sup>12</sup> See Wlodek Aniol et al., "Poland: Returning to Europe" in Katzenstein (1997B).

<sup>13</sup> See Wlodek Aniol et al., "Returning to Europe" in Katzenstein (1997A), p.205 and p.210-11.

<sup>14</sup> *Ibid.*, p.207, ff. 24.

<sup>15</sup> *Ibid.*, ff.25.

<sup>16</sup> Dieter Schumacher, "Impact on German trade of increased division of labor with Eastern Europe" in Black (1997) and Istvan T. Berend, "Germany and Central Europe: Geopolitical Destiny of Interrelationship" in Schönfeld (1997) p.12.

<sup>17</sup> Schumacher, *Ibid.*

<sup>18</sup> German Government figures in *Facts about Germany* (1998), p.229. The figure for 1989-94 according to Patricia Davis was DM36.2 billion, of which, she notes, 84% was dispensed bilaterally. Davis, "National Interests Revisited" (1998), p.105.

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- <sup>19</sup> For the transition from influence to imperialism see Alan E. Stanweis, "German Cultural Imperialism in Czechoslovakia and Poland, 1938-1945" (1991). Approximately 17.5 million Germans lived outside of Germany proper, mostly in Eastern Europe. See Milan Hauner (1994).
- <sup>20</sup> On a related point see the interesting essay by Katalin Radics on "German Influences in East-European Linguistic Movements" in Schönfeld, (1997).
- <sup>21</sup> See Rupnik (1989), chapter 3 ("The German Mirror").
- <sup>22</sup> For the Begegnungsstätte see Davis (1998) p104.
- <sup>23</sup> These figures are from Jerabek and Zich, "The Czech Republic: Internationalization and Dependency" in Katzenstein (1997B).
- <sup>24</sup> For a more theoretical discussion of this tension that is also focused on Germany see chapter 7 in Bach (1999).
- <sup>25</sup> See Woodruff Smith's *The Ideological Origins of Nazi Imperialism* (1986).
- <sup>26</sup> Quoted in Mommsen (1993), p.15.
- <sup>27</sup> The incident is recounted in Aniol et al. in Katzenstein (1997A), p.248, ff. 127.
- <sup>28</sup> Marer in Schönfeld (1997), p.121, see also Katzenstein (1997B), p.28.
- <sup>29</sup> Handl, *Ibid.*, p. 31.
- <sup>30</sup> See Valerie Bunce, "The Visegrad Group: Regional Cooperation and European Integration in Post-Communist Europe" in Katzenstein (1997B).
- <sup>31</sup> Aniol et al., p.250. See also *Ibid.* pp.262-3.
- <sup>32</sup> Bunce, *Ibid.*, p.260.
- <sup>33</sup> Katzenstein makes this point throughout (1997A), chapters 1 and 8, as does Aniol et al. in chapter 7 (e.g. pp. 196, 222,250), and Katzenstein again in (1997B) chapter 1.
- <sup>34</sup> See Enzo Mingione, "New Aspects of Marginality in Europe" in Hadjimichalis and Sadler (1995), p.18.
- <sup>35</sup> Lucjan T. Orłowski, "Economic Conditions of Accession of the East European Transforming Economies to the European Union" in Zloch-Christy (1998), p.144.
- <sup>36</sup> Mingione, *Ibid.*
- <sup>37</sup> Claus Offe, *Varieties of Transition:* (1997) p.48.
- <sup>38</sup> See Aniol et al. *Ibid.*, p.239.
- <sup>39</sup> See Katzenstein (1997A). p.260-61 and chapter 8 in general.
- <sup>40</sup> In his chapter with Aniol et al., *Ibid.*, p.197.
- <sup>41</sup> Aniol et al., *Ibid.*, p.250.
- <sup>42</sup> See his *Small States in World Markets* (1985).
- <sup>43</sup> Paul Marer makes the point about wages and productivity in Schönfeld (1997), p.125.
- <sup>44</sup> Handl et al, (1997), p.38.
- <sup>45</sup> See Mignione, *Ibid.*, p.29, and chapter 6.
- <sup>46</sup> *Ibid.*