

After the Wall—Reflections on the Legacy of 1989

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Foreword

Oliver Marc Hartwich

Historians have a habit of grouping historic events. One such grouping was proposed by Eric Hobsbawm, the eminent British Marxist historian. He famously coined the phrase the ‘short twentieth century’ in referring to the period from the beginning of World War I in 1914 to the disintegration of the Soviet Union in 1991.

Hobsbawm’s reasoning was lucid: the end of the ‘long nineteenth century,’ which had begun with the French Revolution in 1789, collapsed with World War I, created tensions that led to World War II, and was followed by the Cold War—heralded the end of the ‘short twentieth century.’

While there is not much to argue with Hobsbawm’s principal logic, the twentieth century was perhaps two years shorter than he thought. True, the Soviet Union formally dissolved in 1991. But few would consider this dying act of the USSR as the moment that captured the spirit of the times. In fact, most people may not even recall the precise time it happened (Christmas Day, 1991).

In contrast to this almost forgotten day are the historic events of 1989. The whole year was marked by radical change all over Eastern Europe, creating a number of historic days worth remembering. Poland held its first semi-free elections on 4 June; Hungary opened its border to Austria on 27 June; two million people in the Baltic states demonstrated against Soviet rule on 23 August—all showing just how fragile the Eastern bloc had become.

This sequence of historic events culminated in the most recognised symbol of the changes of 1989—the fall of the Berlin Wall on 9 November.

Former German president Richard von Weizsäcker once said that as long as Berlin's Brandenburg Gate was closed, the German question remained open. In fact, the closed Brandenburg Gate signified more than the German question. It stood for the divisions that had torn apart Europe and the rest of the world. East against West, capitalism against communism, democracy against dictatorship: all the ideological confrontations at the end of the short twentieth century were marked by the wall in front of the Brandenburg Gate.

This was why tearing down symbol of Berlin's (and Germany's) division made 9 November a decisive moment in history—not just for the German people but far beyond.

On this day, Hobsbawm's short twentieth century really ended.

In 2009, we commemorated the twentieth anniversary of these epoch-defining moments. In Berlin, current and past political leaders gathered to watch colourful styrofoam dominoes fall where the wall once stood. The tenor Plácido Domingo sang a German folk song; rock bands U2 and Bon Jovi performed in front of thousands gathered in the former death strip. The atmosphere was not one of solemn commemoration but of a big, open-air party.

There is of course nothing wrong with joyful celebrations, even if they drift towards the trivial and mundane. And yet, one cannot help but wonder whether over these past 20 years, the bitter reality of the Cold War has been forgotten and relegated to the history books.

As the 2009 celebrations in Berlin showed, there is a danger that 9 November is about to become a feast day only good for fireworks and parties. It is a bit like Christmas Day now that it is no longer just a religious holy day but also a secular holiday when families get together. Memories of the peaceful revolution of 1989 are disappearing, with anniversary celebrations becoming an exercise in empty rituals.

For this reason, it is important not to get carried away with the all-too-popular festivities around the twentieth anniversary of the fall of the wall. Instead, a more historical perspective is required. A perspective that does justice to the fact that this day in history marked the end of twentieth-century politics.

The Centre for Independent Studies held a special event on 9 November 2009 to commemorate these very historic events and analyse them from four different angles. Despite its geopolitical significance, the fall of the Berlin Wall had its most direct effects in Germany, where it led to the country's unification less than a year later. Unfortunately, the process was mismanaged, particularly by West Germany's political class.

Dr Lee Duffield recalled the breathlessness with which history had been made in 1989. As the ABC's European correspondent, he reported the famous press conference at which a spokesman for the East German government stumbled through the announcement about the opening of the wall.

Professor Martin Krygier used his speech to remind the audience that 9 November may have been the most visible symbol of change in the East, but it would not have been possible without the Polish movement for democracy and freedom that had started in the early 1980s. Indeed, the courageous Poles had gone through a remarkable struggle for reforms in their own country, including the elections of 4 June 1989, and it is deplorable that their heroic efforts were eclipsed by the fall of the Berlin Wall.

Finally, my CIS colleague **Dr John Lee** explained how the revolution in Eastern Europe shocked the communist leadership in Beijing. If authoritarian regimes could be removed by peaceful protesters, what would this mean for China, they asked themselves. Beijing was so worried about the fall of the wall that it obsessively analysed the events in Eastern Europe. Ironically, the fall of the Berlin Wall may have helped strengthen the Chinese Communist Party's grip on power.

Twenty years after these historic events, it remains an important task to keep the memories of this time alive. The struggle for freedom that the world witnessed back then holds lessons for the future. For this reason, an understanding of 1989 is something that should neither be left to history books nor turned into feel-good events. The contributors to this publication hope they have brought a new perspective to this chapter of modern history.

Historical and Personal Perspectives on the Fall of the Wall

Lee Duffield

The story of the fall of the Berlin Wall was an aspect of the ‘imagination gap’ that we had to wrestle with as journalists when covering the collapse of the Eastern Bloc in Europe.

With so many of the old certainties and habituated landmarks crumbling, it was scarcely possible to believe the remarkable events I was reporting as the ABC European correspondent based in Brussels at the time. Such sweeping social change was taking place in such a short time; the almost unthinkable was coming true.

The experience developed into a fascination and eventually my doctoral thesis, completed in 2002 and published in 2009 as *Berlin Wall in the News*.¹

Reporting the events in question was a two-track process. On one hand, a mass social movement was dictating the pace and direction of events; on the other, the institutional business of politics as usual had to be managed—and reported on—to provide a framework for all the change that was happening.

Where did the change in Eastern Europe begin?

The source of change was the failure of the Soviet Union. After reviewing 5,297 reports published in elite media outlets between July 1989 and January 1990, I am pleased to say that the news media got the story right. Present-day consensus on the history of the wall is in accord with the contemporary coverage. (My work for the 2002 dissertation *also included* extended interviews with correspondents who took part in that coverage and analysing histories appearing a decade after the fall of the wall.)

Poland has been the leading contender for the honour of starting the process of change. The visit of Pope John Paul II, who was Polish himself, to Poland in 1979 saw an assertion of civil society—citizens took to the streets and, ostentatiously and literally, turned their backs on the state police. Economic failures brought forward the Solidarity free trade union movement, which after a fresh crisis in 1989, brought the Polish Communist Party to the round table.

Out of the negotiations came the agreement to hold free elections (on 4 and 18 June 1989) in which the government party would be given a ‘start’ in the form of a bloc of pre-allocated seats. However, the communists lost government when they couldn’t win the three more seats they needed to retain a majority of the joint Houses, the Sejm and the Senate. This is a comment on the weakened state of civil society that, by their own accounts, no party knew enough of electoral politics to realise what would happen in the country’s prevailing dire circumstances or be prepared for a Communist Party defeat.

The spotlight immediately turned to the reformist leader of the Communist Party of the Soviet Union, Mikhail Gorbachev. He congratulated the winners. All of Eastern Europe watched keenly and noted that the Soviet Union did not intervene when, over the next few months, Poland set up a government headed and controlled by non-communist members.

Unfortunately for Poland’s role in these historical events, the Tiananmen Square massacre occurred in Beijing on the first day of the Polish elections, relegating the beginning of the end of the Eastern Bloc to the inside pages of newspapers. A massive transport accident in Russia and the death of the Ayatollah Khomeini in Iran also contributed to displacing the Polish milestone in the media’s ‘first draft of history.’

Hungary was another contender for the role of catalyst for change. After 1956, the Communist Party followed a moderate style of communism, or the so-called Goulash Communism, with elements of free market and a better record *on* human rights compared to other communist countries. In 1989, a reform faction was emboldened to take control and open the frontier with Austria. The Iron Curtain was breached and hundreds of thousands of East Germans began their

exodus, driving their Trabants through neighbouring states into Austria and West Germany.

East Berlin. That brings us to the crucial date of 7 October 1989 in East Berlin and the German Democratic Republic's (GDR) attempt to celebrate its fortieth anniversary. The exodus of citizens and workers was making a mockery of the anniversary by bankrupting the country and robbing the government of any moral authority to hold office.

I was among the hundreds of Western news correspondents allowed into East Germany for the 'celebrations.' We, of course, took the opportunity to assess conditions on the other side of the wall and broadcast the demonstrations. The scene was set for the opening of the wall on 9 November 1989.

From the journalists' perspective, it looked as if a wave of change was rolling towards the Soviet Union and, against all *pre-conceptions*, the Soviet state itself would be undermined. Again, the imagination gap came into play and invoked caution in reporting what seemed to be taking place. In reality, the collapse of the Soviet Union was already well advanced.

Soviet decline. Gorbachev had embarked on his policy of *glasnost* (reasonableness) and *perestroika* (reform) to try to save a nation in crisis. The Soviet economy—which was badly unbalanced and weighted against consumer production—was burdened heavily by military spending equal to the United States but based on a far smaller economy. As Gorbachev said repeatedly, the Soviet Union was also being bankrupted by crises—the Chernobyl nuclear accident, the massive earthquake in Armenia, and the oil prices that remained low for one reason or another for a protracted period. Although the Soviet Union had achieved Nikita Khrushchev's goal of equaling the United States in heavy industrial production, the West had moved on to newer and more efficient forms of production. The advent of computers had enabled a vast liberalisation of finance industries and the creation of new wealth, which the Soviet Union could not match. Personal computers, of course, were also a great challenge because of the cultural and political factors involved in releasing such a communicative force into general society. In its deteriorated state, the Soviet Union was unable to raise capital for investment and restoration.

Gorbachev's government sought to remove its burden by drastically cutting its military spending and going to the West for investment. This required rearranging relations with the West, which Gorbachev did with his 'road show' in Western Europe and the United States and by proclaiming his commitment to the 'common European home.' In these circumstances, when Gorbachev was making large concessions on armaments and seeking financial salvation from the West, he refused to support the Eastern European 'satellite' governments if they could not stand on their own feet in the face of public rejection.

Gorby, save us! So we return to East Berlin at the start of October 1989, with Gorbachev in town as guest of honour at the GDR's fortieth anniversary celebrations. He was presented as endorsing the communist government in East Germany even as contrary evidence became plain. He had let Poland go, and although the implications of that remained unclear, demonstrators shouted 'Gorby save us!'—or perhaps, 'Gorby, save US!'. Members of the loosely coordinated protest movement had surreptitiously passed a message to groups of Western journalists on 7 October to suggest they be at Alexanderplatz that night. The job was pooled among the correspondents, some including myself going to that popular meeting place, to witness the demonstrations begin with a staged fight, 'bystanders' closing in to keep back any *Stasi* operatives (or trustees of the Party) wanting to dissuade troublemakers, the crowd swelling, somebody declaiming, and others proposing a march to Gorbachev's reception at the Palace of the People. (One irritated police officer offered to kick this correspondent; later, the protesters were boxed in and many arrested.)

Gorbachev left midway *through* his visit to a war memorial to tell correspondents in the street what he had just told the Central Committee of the East German Communist Party, that 'those who do not keep up with history will fall by the wayside.' It was loosely translated among the journalists on the spot but all versions carry the same point—he would not support the neo-Stalinist East German government on its current trajectory. It is orthodoxy now that he denied the support that the East European governments needed, but it was still a new and uncertain idea at that moment.

We learned about an **incident at Leipzig** and reported it, although its full significance was not clear then. Protests had been building up each Monday night in Leipzig, and after the ‘Gorby’ demonstrations in the capital, the GDR President, Erich Honecker, demanded that the protest in Leipzig on 9 October 1989 be put down in an exemplary way. Live ammunition was issued to troops, and while this in itself did not portend a massacre on the model of Tiananmen Square, the situation was volatile enough with the numbers of protesters growing rapidly. Civil society asserted itself. The music director of the *Gewandhausorchester*, Kurt Masur, and other civic leaders *intervened with* the government, as did the national security director Egon Krenz, who was about to remove and displace Honecker. Krenz ordered that the protesters not be *assaulted*. The casualty of the night was *fear* among the citizens.

One million citizens were on the streets of East Berlin on Saturday, 4 November 1989. The government was gripped by paralysis and could scarcely administer the state, let alone produce credible new policies. With the evaporation of fear, some resolution had to be reached.

Schabowski’s announcement. In the following days, a new Communist Politburo was appointed, which seeking desperately to save itself began announcing measures amounting to a general liberalisation. After its first meeting Thursday night, 9 November 1989, spokesperson Gunter Schabowski announced on live television that new visas would be introduced permitting citizens to cross the ‘internal’ German frontier to the West. He confirmed these visas to Berlin would apply immediately, essentially making it legal to cross the Berlin Wall.

Schabowski had dropped his bombshell late at night, almost as an afterthought. He might have explained the government’s intention to bring in the change over a few days, more in the normal order of things, but in his confusion didn’t. It is possible that his political confreres and consociates might have hesitated with announcing the decision had they guessed it would be presented as an ‘immediate’ deed. In any event, the citizens fully understood the meaning of the announcement and rushed to the frontier demanding to be let through the wall without any visas. They were going to be let through anyway, and so the gates were opened. The street party that followed was a manifestation of a mass social movement taking power.

The announcement was foreshadowed. The decision to open the frontier had been indicated in advance, among several proposed changes, as evidenced in the record of media coverage. The following is an extract from my book, *Berlin Wall in the News*:

The welter of concessions announced and published in news media ... included promises of freer travel and ending of censorship (see ABC radio, 17, 21 October 2009) ... amnesty for the border crossers and for protesters detained during Gorbachev's visit (*The Times*, 28 October 1989; *The International Herald Tribune*, 28–29 October 1989; *The Guardian Weekly*, 29 October 2009), ahead of removing altogether the crime of fleeing the republic (*The Australian*, 3 November 1989) ... Gunter Schabowski, the politburo spokesman, was foreshadowing 'big changes' including an unspecified lifting of certain travel restrictions (ABC Radio, 9 November 1989) ...

The broad range of informed opinion relayed in the news media ... stayed firm that the hastily implemented reform program would fail to meet public demands for change. Typically Wolfgang Schenck, spokesperson for the dissidents' contact group, East-West Forum, considered only a substantial material change could modify the public mood, specifically 'it would take a strong gesture like opening the Wall' (ABC Radio, 8 November 1989) ... The possibility of a passport reform was raised within a week of the change of leadership, Krenz ordering a reform of travel laws—though perhaps 'over some years' (*The Times*, 21 October 1989; ABC Radio, 22 October 1989) ... It was mentioned also in one of the first utterances of the reform-minded Hans Modrow as Prime Minister (ABC Radio, 20 October 2009), and given out as an agenda item for a communist party politburo meeting as 'passports for all' (*The Times*, 24 October 2009). *The Australian's* correspondent, Nicholas Rothwell, wrote extensively on the announcements then being made about

travel: on the foreshadowing of a plan to issue a new form of passport (*The Australian*, 21–22 October 1989); and about citizens being urged by Krenz to await the new law ... (*The Australian*, 23 October 1989). Reuters reported that the promised passports law was being drafted (*The Australian*, 26 October 1989).²

Arrangements of governments. Politics remained to be done to clean up the situation in institutional terms and set up for the business of government.

The US government under Ronald Reagan turned out to be highly informed with a clear view of events and the resultant destiny. Vernon Walters, the US ambassador in Bonn, made occasional statements in the news media correctly predicting the course of events—perhaps benefiting from access to both German and US intelligence. The United States early on declared support for a reunited Germany within an expanded European Union. In this, it marginalised the Thatcher government in the United Kingdom, which was recalcitrant on reunification. US Secretary of State James Baker was instrumental with other leaders in setting up the ‘4+2’ talks (the wartime Allies and the two Germanies) to formally end the post World War II partition of Berlin.

The French President Francois Mitterrand was also President of the European Council in the latter half of 1989 and spoke often for the then European Community. He met the West German Chancellor Helmut Kohl on two or three occasions to arrive at the famous ‘deal’ sanctioning Germany’s reunification in a strengthened and expanded European Union; the French and others would accept reunification, and Germany would underwrite the Euro currency—giving up the deutschmark.

Helmut Kohl became the man of the moment, a party politician who would only speak in German and *would* think to be, mainly, in the right place and the right time. His Ten Point Plan just after the wall opening outlined the joint work needed to be done by the two German governments through commissions in areas such as health or the environment but with no timetable. This plan was jettisoned just before Christmas Day 1989 when on a visit to Dresden he was mobbed

by crowds calling out, ‘we are one people’—to which he responded by including the term ‘fatherland’ in his address. On 14 February 1989, at a Bonn meeting with 17 GDR Ministers to discuss collaborative commissions, the cooperation was suddenly cancelled—a development signaled by the absence of a communiqué. The reason: the GDR had agreed to hold free elections; polls had started to indicate an emphatic victory for Kohl’s conservative political formation and strong support for reunification; and so the politician Chancellor decided bluntly to go for that goal—electoral victory and speedy reunification.

Kohl had made other arrangements thoroughly. Discussions had started to reassure Poland on guaranteeing the Eastern frontier. Nine days after the fall of the wall, Saturday night (18 November 1989), at a European Summit in Paris, and later at Strasbourg, Kohl cited the goal of a reunified Germany within a European framework—a European Germany, not a German Europe. Kohl had similarly met with US President George H. Bush and provided financial incentives in August 1989 to Hungary to open its Western frontier—repeatedly thanking the Hungarian government for the courage it displayed in following through with its undertakings. Most of this activity was transparently handled and followed prominently and accurately by the media; at times, business was handled covertly—as with the visit of the Hungarian Prime Minister Miklós Németh and Foreign Minister Gyula Horn to Bonn—though still picked up and reported on after the event.³

German reunification and the European future. Finally, on 3 October 1989, Germany was officially reunified in a ceremony before the Reichstag building with crowds gathering off the Tiergarten, waving both their German flags and the European banner. That night, three grand orchestras combined to present Beethoven’s Ninth Symphony, and the German music *Ode to Joy* became the anthem of the European Union.

The five GDR states acceded to the Federal Republic of Germany—the Bonn republic, West Germany—in a seamless legal move under one constitution. The reunified country became a part of *both* NATO and the European Community. The ‘1992’ project for European expansion—with a single market, open internal borders,

and a single currency—was already being worked on among member countries in 1989. In 1990, after free elections, the new governments of Eastern Europe surprised the European Community by demanding emphatically a fast track to membership—wanting both to be distanced from the Soviet Union and to partake the freedom and prosperity of the West. Therefore, from the Berlin Wall came reunification and, with that, the formation of the European Union as it is today—an amalgam of 27 member countries with close to 500 million citizens and accounting for 30% of *the* world's GNP.

Endnotes

- ¹ Lee Duffield, *Berlin Wall in the News: Mass Media and the Fall of the Eastern Bloc in Europe* (Saarbrücken: VDM, 1989).
- ² As above, 179–180.
- ³ *The International Herald Tribune* (26–27 August 1989, 1 September 1989).

'In Poland Everything is Possible, Even Changes for the Better'

Martin Krygier

I came across my title in a book prepared for Adam Michnik's sixtieth birthday by some of his close friends and admirers.¹ The book included many reminders of an earlier Poland, including a transcript of a telephone conversation in 1986. Adam Michnik was in Poland, recently released from yet another stint in gaol.² On the other end of the line was a group in New York, celebrating the publication of the English edition of his *Letters from Prison*.³ Holding the phone and relaying questions from New York was Czesław Miłosz. My title comes from Michnik's answer to the question: 'How are things in Poland at the moment?' Michnik responded: 'As my master, Antoni Słoński used to say, "Poland is a weird place where inexplicable things can happen: in Poland everything is possible, even changes for the better."' "

I begin with this line for two reasons: one, because I'm struck by how easy it is to forget what life in Poland (and throughout the communist bloc) was like and what was unimaginable only 20 odd years ago. The other is to remind those who have forgotten, or who never knew, how much has changed in this relatively brief period.

I first visited Poland in 1985. It was a deep experience for me—personally, morally, politically. I had followed the fortunes of *Solidarność* very closely, read everything I could, and knew a lot about communism. I was a long-time anti-communist, indeed congenitally so since I had inherited it from my parents, who were refugees from Nazism and exiles from communist Poland. I even spoke a version of Polish, albeit nurtured on Bondi Beach. I cared about what was happening in Poland, and I thought I knew more or less what was going on there. I had no expectations, however, of some of the most striking things—indeed many of them were as striking as they were banal—that I found there. I was so affected by them that I started writing a kind of intellectual journalism—quite unacademic, baring my soul—for the first time in my life.

My first article—which appeared in Australia, the United States, Italy and I believe in Poland in 1986—was called ‘Stalemated in Poland. Life As If.’⁴ The title comes from the discordant combination that Poland presented, on the one hand, of almost total stalemate between what became conventional to divide as *społeczeństwo* (society) and *władza* (the power) and, on the other, of what Timothy Garton Ash called ‘the principle of *as if*’ try to live as if you live in a free country. Garton Ash captured well the extent to which Solidarity had made that principle flesh in the lives, not merely of the Polish *inteligencja* but of pretty well everyone:

The Solidarity revolution was a revolution of consciousness. What it changed, lastingly, was not institutions or property relations or material circumstances, but people’s minds and attitudes ... millions of people across the country ... suddenly found that they no longer needed to live the double life, that they could say in public what they thought in private ... For a few months it really was *as if* they lived in a free country.⁵

And even when, after martial law was imposed, it no longer was possible to believe they were in such a country, people spoke without restraint, even to foreigners like me.

That was all exhilarating and exciting, but it was also what I had been led to expect by my reading. What I had not expected was much more mundane. It was the unrelieved pallor, the *greyness* of everyday life in Poland. Pallid and grey and sad and *hard*. The greyness was real and inescapable, but it was also a kind of representation, a metaphor, for the pervasive tone and texture of everyday life. I wrote at the time:

The image that kept recurring to me was of a curtain, not iron any more, too full of holes; but thick, drab, shabbily patched, unrelievedly grey and draped over nearly everything one saw; everything that didn’t move ... it is not simply to do with specific material things. It pervades all public space: the identical half-empty shops with identical and identically drab signs; the weary shoppers standing in the omnipresent queues; the dilapidated but not old

buildings; the uneven pot-holed roads; the shoddiness of cars and other finished goods; the drabness of clothes.⁶

Anyone who was there then will know what I'm talking about.

It was hard to find optimists at the time, but there was one. It was Adam Michnik. In one of those letters smuggled out of prison, he said:⁷

They [the rulers] are much too confident. They forget that the sociology of surprise is hidden in the nature of the Leading System [Communism]. Here, on a spring morning, one may wake up in a totally changed country. Here, and not once, Party buildings burned while the commissars escaped clad only in their underwear. Edward Gierek, so beloved by Brezhnev and Helmut Schmidt, so respected by Giscard d'Estaing and Carter, within a week travelled from the heights of power into oblivion. *Sic transit gloria mundi*.

I admired Michnik greatly; still do. But though I wanted to, I didn't believe him; certainly didn't imagine he would get even the *season* right. Not many other people did either at the time. I remain grateful that it never occurred to people like him to listen to people like me.

I returned to Poland in 1989, a month *after* the 4 June elections, which we now know to be the beginning of the end. But did we know it then? I wrote a piece for the *National Interest* in Washington called 'Life in an abnormal country.'

Poland, as any Pole will tell you, is not a normal country. The Polish economy is a surreal shambles; everyday life is hard, drab, and exhausting; queues are everywhere for everything; wages are low, prices high, and inflation galloping. Not only is life nasty, horrible, and brutish, but everything takes such a long time. And the whole country needs a coat of paint.

To those adjectives that came to me in 1985—grey, drab, sad, hard—I had added another: surreal. The texture of everyday life had not

changed, or if it had it was for the worse. There was runaway inflation, so that taxi drivers had given up altering their meters. They just changed the piece of cardboard with which they covered them, pretty well daily: X12; X14; X16. Queues were everywhere for everything; pensioners were rented to stay in queues while others worked; Polish currency, with which you could buy virtually nothing, was legal while foreign, ‘hard,’ currency, with which you could buy most anything in government hard currency (Pewex) shops, was illegal; the dumpiest hotel in the world was Warsaw’s Hotel Grand. This was no way to live a life; it was laughable, except it was not funny.

Those elections paved the way for the collapse of European communism. But was that what people thought? Solidarity had not planned to win the game but only to be allowed to play in it. And the communists had certainly not planned to lose. Both had difficulties coping with the results. What did they mean? What would they evoke? What tricks were *they, oni*, playing? On my last night in Warsaw, in August, Jacek Fedorowicz, that admirable satirist, cartoonist, comic, brave and intelligent man, told me with concern that General Kiszczak, head of the secret police, had conceded that he couldn’t form a government, and invited Lech Wałęsa to do so. What was Kiszczak up to? Were they just out to tar *us* with the brush with which *they* had so comprehensively smeared themselves?

And so many other questions that everyone was asking: What would the Russians do? And what about the neighbours? I left Warsaw the next day for London to stay with David Armstrong, an Australian friend, eminent philosopher, and friend of Poles and Poland. He told me that something might be changing in East Germany. In my wisdom, I looked condescendingly at him. These philosophers! So clever, so naïve. I went to Edinburgh for a conference where there were young Solidarity Poles and old regime time-servers. The former were nervous and suspicious; the latter seemed confident.

Last year I was in Warsaw where I teach a few weeks a year. I have become used to it. Though it’s special to me, it is basically just another European capital; a bit shabbier than many but also with some lovely renovations and innovations. It all seems pretty normal to me.

Because I was there during the twentieth anniversary of those first Polish (semi) free elections, however, I tried to work out just what

had been achieved. Among other things, I re-read my old articles. I discovered how much I had forgotten. In particular, I had to make some effort to recall just how much had needed to change to seem so ordinary. No queues; food and goods of all sorts, colours, shapes, sizes; restaurants in every language and every quality, rather than one language and no quality; more than two sorts of car, in fact every sort; radio taxis! and ones you could hail rather than seek out the stops where they stood unmoving until *you* found and went to *them*; more toilet paper than you could dream of; bookstores where you could actually touch and choose books rather than point and plead with surly intermediaries—and so *many* books and magazines from all over the world; huge shopping malls; advertisements, some gaudy some classy—all jostling for attention. Bustling energy, taut not slack. If you don't like it, you can leave. If you miss it, you can return. Pretty simple really.

Leszek Balcerowicz, the architect of Poland's economic transformation, tells me that systemic indicators now point in the right direction. He would say that, a critic might say, and I wouldn't know, but Poland has so far managed to weather the global financial crisis better than most of its neighbours and, indeed, most of Europe, which is no small feat.

So ordinary had all this seemed that I failed to register the historical novelty of it all until I went to visit Michnik recently and asked him how he summed up Poland's past 20 years: 'A miracle,' he said. Independent for 20 years, no war looming, free, democratic, unprecedentedly prosperous, in NATO, in Europe, comings, goings, open to everyone, to everywhere. Who could have imagined any of this 20 years before, indeed, 200 years before? I had to admit: only one person.

Other things are normal, too, and they are not all nice. Though there are still villains, there are no heroes any more. Michnik is still a hero of mine, but you won't find many people saying that. I guess it's hard to be a hero in a normal country, and that is perhaps a good thing. But those of us who remember the heroes of the past might feel some nostalgia for the recognition that some Poles really were outstanding then.

Indeed, I am struck by the rhetorical nastiness and brutality of Polish politics, the apparent polarisation, suspicion, accusations, complaints, anger, and resentment that animate so much of the Polish public debate. It is mainly bluster because no one seems endangered, but

it is ugly. Particularly when former allies are dividing into bitter and hostile camps as much as or even more than former foes. It's not hard to explain this sociologically, and as Balcerowicz said to me, Italian politics is worse. But that is not complete consolation, and I can't help but regret the passing of some of that perhaps illusory moral clarity once so readily available.

And though many of these resentments are fomented and manipulated by little men, in the words of a taxi driver, 'who are too small to be seen so they are determined to be heard,' there are reasons for many of them.

Many resentments were unavoidable. Some hopes were unreasonable. Some disappointments inevitable. No political order can deliver on the former or guarantee against the latter. Moreover, when something such as freedom becomes normal, it seems altogether less precious compared to when it seemed an impossible dream.

And not everything about post-communism is normal, not everything is nice, and not every vice was inevitable. Some people believe, with reason, that they have been dealt out of the successes others have achieved. More to the point, some blame the tribunes of transformation for siding with their former enemies against their former friends and for conspiring with the former against the interests of the latter. There *is* a great deal of corruption, there are 'hidden structures' and 'networks of dirty togetherness,' as the sociologist Adam Podgórecki used to call them—winners who do not deserve to win, losers who don't obviously deserve to lose, crimes that go unpunished, sacrifices that have gone without reward. There is a lot that is specific to post-communist transformation that is already built into economic, social and political structures, is not pretty, and not what people had in mind when they dreamed of living in a normal society.

And yet one still needs to ask, when assessing unprecedented social experiments such as the aftermath of communism, compared to what? That question can be further broken down into three alternative versions, which lead in potentially different directions:

- compared to where we were
- compared to where others in comparable circumstances are, and
- compared to our ideals.

The answer to the first alternative seems obvious: at least in the last few hundred years, Poland has never had it so good. To the second, Poles have it better than almost all their neighbours. As to the third alternative, ideals, there is room for argument. Certainly baseline values such as freedom, democracy and development appear secure, though in this part of the world such security is always relative. Higher aspirations are more complex, and there can be debate about how closely they have been approached or whether there were better ways to approach them. My own impression is that the overall balance is positive. And even if I exaggerate here, let me conclude with the title and refrain of one of my favourite rock songs. It's by Meatloaf, who is not Polish as far as I know, but has a lesson to teach: '2 out of 3 ain't bad.'

Endnotes

- ¹ This handsome book was not published but printed in a small number of copies as a present to Adam Michnik. He gave me one.
- ² Adam Michnik is Editor-in-Chief of Warsaw's daily newspaper *Gazeta Wyborcza*. He spent six years in prisons in Communist Poland.
- ³ Adam Michnik, *Letters from Prison and Other Essays (Society and Culture in East-Central Europe)*, translated by Maya Latynski (University of California Press, 1986).
- ⁴ Martin Krygier, *Civil Passions: Selected Writings* (Melbourne: Black Inc., 2005), 239.
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- ⁶ Martin Krygier, as above, 247.
- ⁷ As above, 259.

From a Revolution for Freedom into an Evolution of the Welfare State: Germany's Uneasy Unification

Oliver Marc Hartwich

Twenty years ago, the Germans were the 'happiest people on Earth,' said Walter Momper, the mayor of Berlin, as he summed up the mood of the crowd gathered outside West Berlin's Town Hall the day after the wall had been opened.

For nearly three decades, the monstrosity of the Berlin Wall had torn apart friends, families and lovers. It was an inhumane scar running right through the heart of Berlin. Where once there had been vibrant streets and town squares, the death strip had turned the city centre into an eerie no-man's land.

The wall had been built by the communist rulers of East Germany in August 1961 as more and more people were leaving behind oppression and misery for a better life in the West. To prevent the East German state from bleeding out, the East German government closed the border. First with barbed wire and improvised brickwork, then with increasingly sophisticated measures that turned the whole of East Germany into one big prison. Watchtowers, spring guns, tank traps, guard dogs, and landmines made the German-German border an almost impenetrable barrier.

I had visited Berlin in 1988, almost exactly a year before the fall of the wall. When I remember looking across the wall from one of the many viewing platforms on the Western side, it still sends shivers down my spine. The border was secured with brutal perfection.

Since the erection of the Berlin Wall in August 1961, at least 255 people had died trying to cross it. Another 617 people were killed along the 1,378 km long inner German border and the Baltic Sea. Most of the victims were shot, many had drowned, and some had bled to death.

In commemorating the events of 9 November 1989, our first thoughts should be with these victims of the wall.

They died because they wanted to be free.

The other victims of the East German regime should not be forgotten, either. The people whose lives were ruined by the secret police; whose ambitions were thwarted because they did not conform to the communist ideology; who were imprisoned, tortured and killed for their beliefs.

The ninth of November signalled the end of their suffering. It quite literally opened the gates to a new life.

For these reasons, the Germans were indeed the happiest people on Earth in the winter of 1989. The end of the second German dictatorship of the twentieth century was a blessing that could not be celebrated enough.

What made the fall of the wall even more remarkable was the way it happened. It was not a revolution from above but a peaceful revolution of the people of East Germany. First, they voted with their feet by leaving the country through Hungary and Czechoslovakia. Then, in tens of thousands, East Germans took to the streets of Leipzig and Berlin demanding freedom and political rights. And, ultimately, they pulled down the wall from the East.

I was a 14-year-old high school student in West Germany when all of this was happening. I recall spending hours glued to the TV watching history unfold in front of my eyes. Soon the first Trabis, these comically designed East German cars, were rattling through my home town of Essen. We suddenly had to get used to hearing Saxon accents not only on TV but sometimes even in the street.

It was a remarkable, fascinating time, and a time of great joy.

But when I look back over the 20 years that have passed since then, I cannot help feeling saddened by what has happened to Germany. And it is certainly not some kind of nostalgia because there is nothing to feel nostalgic about the years of division. Rather, it is for the massive opportunity that Germany has missed. Instead of making the most of its regained freedom, Germany soon started to lose it in the process of unification. Neither the political Left nor the Right had the policies needed to make the process of unification a social and economic success.

The embarrassing failure of the Left

That Germany's unification cannot be called a complete success is not least a failure of West Germany's lack of preparation for the events of 1989. In hindsight, it is astonishing how ill-prepared the West Germans were for East Germany's collapse. Maybe it was the monstrosity of the wall that made it seem as if nothing could ever change the country's inner division.

Older West Germans before 1989 believed re-unification was not going to happen in their lifetime. The younger ones would not even have understood what re-unification meant. An opinion poll among West Germans in 1987 revealed that 97% believed re-unification was not going to happen anytime soon.¹

A West German born after World War II would have grown up used to the reality of German division. East Germany would have been quite an exotic place. In all likelihood, the average West German of 1989 would have spent much more time in Spain, France or Italy than in Thuringia or Saxony. He would have known his way around Capri or Tuscany but not around Rügen or Mecklenburg.

To many of West Germany's politicians, the idea of re-unification had also lost its appeal. Lip service was paid to it once a year on the national holiday, the Day of German Unity, but such celebrations had become empty rituals. Only a minority knew why it was celebrated on 17 June, and even fewer really believed in the cause. For many West Germans, 17 June, which was meant to commemorate the uprising in East Berlin of 1953, had become just another work-free day that marked the beginning of the barbecue season.

The West German political Left had distanced itself from the idea of a united Germany. In the late 1980s, the Social Democrats attempted to cut funding for the Central Registry of State Judicial Administrations in Salzgitter, which documented and verified human rights violations by the East German government. This coincided with attempts by the party leadership to cooperate with the East German Communist Party, which culminated in the publication of a joint declaration in 1987: 'Our hope cannot be that one system replaces the other.'²

Even when cracks in Eastern Europe became clearly visible in 1989, the West German Left did not understand the significance

of the events for Germany. ‘After 40 years of the Federal Republic, we should no longer tell lies to the new generation about the chances of re-unification: there are none,’ said Gerhard Schröder (the future Chancellor) in June 1989.³ And Joschka Fischer, a leading Green politician who would later become Foreign Minister, said in September 1989: ‘Let’s forget reunification! ... Why don’t we just shut up about it for the next twenty years?’⁴

In wide parts of the political Left, national division had not only been accepted as the status quo of German politics but embraced almost as a moral necessity. Hans Eichel, a Social Democrat who went on to become a state Premier and federal Treasurer, wrote in November 1989: ‘Those who currently talk about re-unification have learnt nothing from history.’⁵

The person who most clearly expressed this view of the Left was none other than Günter Grass. The author of *The Tin Drum*, who would later be awarded the Nobel Prize for Literature, had always styled himself as the moral conscience of the nation. In February 1990, Grass gave a speech in which he expressed his disgust at the thought of a united Germany.

Whoever currently thinks about Germany and tries to find answers to the German Question has to keep Auschwitz in mind. The place of horror, mentioned here as an example of the remaining trauma, precludes a future unitary state.⁶

For Grass, national division was the just punishment for Auschwitz—and wasn’t it convenient that Westerners like him could enjoy all the prosperity and freedom they wanted while leaving the Easterners to pay the price for National Socialism? Or maybe he thought that life in the East was not that bad. Grass later euphemised the East German state as a ‘commodious dictatorship’ and, when criticised for this, justified his words by pointing out that other dictatorships had been worse.

The West German Left was blind to the tyranny in the East, and some left-wingers probably admired this practical experiment in

building a socialist society on German soil. Besides, they believed that the mere existence of East Germany would help tame capitalism in the West.⁷

This view was also shared by left-wing Christian Democrats like Germany's long-serving Social Security Minister Norbert Blüm. He remarked that the demise of socialism in the East was ultimately the reason why Western welfare states had come under pressure. Capitalism, he argued, was forced to show that it was 'a more social system' when it still faced a challenge from the socialist East.⁸

Bleeding hearts like Blüm and the German Left thus have every reason to mourn the loss of the East German dictatorship because it robbed them of their best argument for greater redistribution in the West. Does it ever occur to them how cynical this is?

The economic naiveté of the Right

If the West German Left's attitude towards unification can only be called embarrassing, the Right's view on unification was not much better, either. Where the Left was less than enthusiastic about the fall of the wall and the prospect of re-unification, conservatives welcomed it with a mixture of political calculation and economic naiveté.

Chancellor Helmut Kohl, who had led West Germany's centre-right government since 1982, is usually seen as the great architect of German unity. Not least Kohl himself sees his own role in the process of unification as that of a visionary statesman, driven by high ideals and a good degree of patriotism.⁹ Reality, however, was perhaps a bit less glamorous.

By the summer of 1989, Kohl's chancellorship was hanging by a thread. His party had lost a series of state elections, and members of his own inner circle were unsuccessfully trying to oust him from the chancellery. Opinion polls for Kohl were disastrous.

Suddenly, things started happening in the East. The peaceful revolution in East Germany and the fall of the wall surprised Kohl as much as everybody else. In the immediate weeks after these historic events, Kohl appeared utterly clueless. Should he try to stabilise the East German state? Should he prevent a mass exodus of East Germans

to the West? How should he deal with fears abroad about the rise of a new and much more powerful Germany?

In the end, Kohl decided to grasp the opportunity that history had presented him—not only to unite Germany but also to save his own political career. The recipe was simple: he promised everything to everyone. To the East, he pledged ‘blossoming landscapes.’ Within three or four years, Kohl argued, East Germany would have been turned, almost magically, into a land as prosperous as the West. And what did he promise the West Germans? That creating a prosperous East Germany would not cost them much.

Kohl’s strategy worked wonders for him. He entered the history books as the statesman who united Germany—a twentieth century version of Bismarck, if you like. And instead of losing the next election, he remained Chancellor until 1998, making him the longest serving head of government in the Federal Republic’s history, even overtaking the legendary Konrad Adenauer.

There was only a slight problem with Kohl’s approach to unification: His over-optimistic promises were not only unrealistic but also the reason for much dissatisfaction in both the East and West for years, if not decades, to come.

Economically, the East has undoubtedly improved but at a much slower pace than Kohl had predicted. Besides, the transformation from a communist command-style economy to a market economy did not happen without hardship or pain. Unemployment and welfare dependency in East Germany are still much higher than in the West. Is it any wonder that many East Germans feel disillusioned today?

Meanwhile, in the West, dissatisfaction with the results of unification is equally widespread. And again, it derives from Kohl’s hollow promises. First, he pretended that unification would be costless. Then he tried to hide the real costs as best as he could by making the welfare state carry a great part of the burden. As time went by, the staggering true costs could no longer be denied. According to a study by the Free University of Berlin, the net cost of unification between 1990 and 2009 was €1.6 trillion. Transfers from West to East remain substantial even today, amounting to about 4% of GDP per year.¹⁰ These numbers are much higher than anyone would have forecast in 1989.

The real tragedy: unity before liberty

Germany's reunification became a political drama between the Left, who were unprepared to embrace it, and the Right, who were exploiting the events to remain in office.

The real victim was liberty.

In the immediate years after World War II, West Germany had been a remarkably liberal country in economic terms. Thanks to its first economics minister, Ludwig Erhard, the country went for a free-market order that stood in clear contrast to, say, Clement Attlee's socialist and Keynesian experiments in post-War Britain.

However, the West German welfare state had been expanded throughout the 1970s and 1980s, so that by the time of the fall of the wall, West Germany was in need of reform. Public debt had climbed steadily, unemployment had risen, and taxes were high and complicated. Furthermore, it was becoming increasingly obvious that West Germany's social security systems had become far too generous and needed to be cut back to restore a climate favourable to economic growth.

Unlike Margaret Thatcher, Ronald Reagan, or indeed Bob Hawke and Roger Douglas, Kohl had never been an economic reformer. Where other countries were modernising their economies, Kohl preferred to play it safe and muddle through.

It is quite possible that without the country's unification, West Germany would have eventually woken up to this reform backlog. Instead, unification dominated domestic politics and the political agenda for years.

Worse still, Kohl's promises had the unfortunate result of extending the bloated West German welfare state, its regulatory regime, and complicated tax law onto East Germany. And by burdening the social security systems with a big chunk of the costs of German unification, Kohl erected enormous obstacles to creating employment.

The perverse result of these policies was this: the East Germans fought for liberty and eventually brought down the wall. But what they got in the end was not a free country but a struggling welfare state. And it is struggling not only but also because of the integration of the East German economy into a united Germany.

The liberation of East Germany from decades of totalitarian dictatorship was a blessing. The chance to unite the nation against

much domestic resistance is an achievement for which Kohl deserves full credit. But the practical policies initiated by his government have turned a revolution for freedom into an evolution of the welfare state.

Despite all the joys over the fall of the wall, this was a missed opportunity of historic proportions.

Endnotes

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- ⁴ Debate in the state parliament of Hesse (20 September 1989).
- ⁵ Hans Eichel, Jetzt: Konkrete deutsch-deutsche Politik, *Wir in Hessen* (November 1989).
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- ⁷ Gero von Randow, Wunderland DDR, *Die Zeit* (2 October 2003).
- ⁸ ‘Der Sozialstaat verliert Anhänger. Das mag auch damit zusammenhängen, dass, solange der Ost-West-Systemwettbewerb die Weltwirtschaft dominierte und Kapitalismus und Sozialismus um die Weltherrschaft kämpften, eben dieser Kapitalismus gezwungen war, zu beweisen, dass sein System sozialer sei als seine sozialistische Konkurrenz. Der Sozialstaat war ein Teil der Legitimationsgrundlage des freien Westens.’; Norbert Blüm, Der lange Weg des deutschen Sozialstaats, *Forum Sozialpolitik—Gastbeiträge 2007* (Koblenz and Montabaur, 2009), 5–14.
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From Berlin to Beijing: Lessons for China

John Lee

The commonly known geopolitical and economic ramifications of the fall of the Berlin Wall are quite clear. When I say ‘commonly known,’ I don’t mean to imply that these ramifications are trite or shallow or incorrect. On the contrary, the events from November 1989 onwards—from the point of view of Europe and America—are accurate, profound and inspiring.

As we know, Moscow was previously experimenting with economic and political reform. Martin Krygier is correct in that events in Poland could be seen as the first breach in the metaphoric Berlin Wall when a non-communist government was sworn in September 1989. Hungary was to follow in October 1989. A few weeks after the Berlin Wall was first breached, Czechoslovakia’s government was toppled by the Velvet Revolution. These events signaled the Soviet Union’s loss of control in Eastern Europe, the inevitable death of the Warsaw Pact, and the inclusion of a united Germany in NATO.

Events in 1989 encouraged pro-democracy protests around the world in non-communist but authoritarian countries, for example, Indonesia, South Korea, Taiwan and Chile. Of course, a train of events had been set in motion in the Soviet Union half a decade ago, and these events eventually led to the communist superpower’s dissolution. The mother ship was destroyed.

But 1989 was the year in which change actually occurred, and the fall of the Berlin Wall remains an exemplary event. In the West, anyone who bothered to look at the evidence knew about the failings of Soviet and European style communism. Nevertheless, prior to 1989, many Western intellectuals came to perverse conclusions. For example, George Orwell stated in 1947: ‘Communism may be wicked, but at any rate it is big it is a terrible, all-devouring monster but one cannot help admiring its resilience and its ideals.’

The assumption about Soviet and European communism being resilient and idealistic is important.

In 1988, senior strategists in Washington, London and Canberra all independently told their governments that European communist governments had somehow found a way to survive despite all their problems and would do so for many more decades. Furthermore, Western intellectuals admired communism for trying to re-wire human behaviour and create a more virtuous and less materialistic human being. When the revolutions occurred between 1989 and 1991, and when the East Berliners were received and embraced by the West Berliners, communist systems were rendered no longer resilient, and common people in communist countries could no longer be mistaken as the ‘happy people unburdened by the pursuit of material wealth,’ as Orwell once put it.

As we know, the events of 1989 and the Soviet collapse led to the end of the Cold War and the emergence of the United States as the sole superpower.

Because it was also an ideological victory for capitalism, liberalism and democracy—and internecine debates within these philosophies take time to emerge—for the next decade, there was very little global opposition to the continual rise of democratic and capitalist America. In fact, throughout the 1990s, even as America raised its share of military spending to around 50% of total global spending despite the absence of any peer rival, many countries actually welcomed this and became free riders under the umbrella of American security.

These are the well-known consequences of 1989.

To understand the ongoing significance of the events that occurred 20 years ago, we need to look beyond Europe and America, and towards Asia in particular, to see what these events meant for the rest of the world.

Let me begin by speaking about the economic debate before and after the events of 1989 because this leads nicely into what the Berlin Wall meant for countries such as China.

One of the questions I was asked to address today was whether capitalism won in 1989 only to suffer a significant blow with the onset of the global financial crisis in 2008.

Loss of confidence in capitalism really went through its crisis in the 1970s and early 1980s. For example, *Time* magazine had the words ‘Can Capitalism Survive’ on its cover in 1975 and ‘Is Capitalism Working?’ in 1980.

But by the time 1989 came around, no one was really thinking that capitalism had failed or that communism was a credible alternative. The argument was only that communist systems in Europe and the Soviet Union had found a way to survive despite communism’s obvious economic failures. In fact, China chose in December 1978 to abandon Mao and Soviet type models of economic management and began experimenting with a market oriented economy. Socialist India started limited reforms in the 1980s and accelerated them after the fall of the Soviet Union in 1991. In other words, even before the fall of the Berlin Wall, capitalism as an economic system had already won.

It is true that economists are now debating whether belief in the free-market has taken a backward step—and whether the welfare state and an increased role for government as a creator and not just regulator of economic activity will bring about serious decay of productive economic activity and wealth generation. But that discussion can be left for another day. For now, I think we can confidently say that no one is seriously proposing an alternative to the basic free-market setup.

So what then is the modern and great legacy of the events of 1989 and the fall of the Berlin Wall, in particular?

In the 1980s, senior planners in Washington, London and Beijing all independently did some thinking on how existing communist governments in Eastern Europe might fall and how non-communist governments in those countries would rise. All independently concluded that it would take a violent struggle between different forces, likely involve external states, and could lead to a new European war.

In other words, the model of revolution and rapid political change was that of eighteenth and nineteenth century Europe, where the French Revolution was still the exemplar.

And this is where events not only in Berlin but also Warsaw, Prague, Budapest and Moscow transformed thinking around the world and, more importantly, changed the thinking of authoritarian governments around the world, especially in China. China is important because it

now stands as the only major challenger to what Michael Novak calls 'democratic capitalism' in the world.

It might surprise you to know that since 1991, the Chinese government has spent more money, manpower and other resources in trying to understand the reasons behind the fall of the Berlin Wall than any other government in the world. In fact, more official reports about why the Berlin Wall fell have been produced by researchers at the Chinese Academy of Social Science than all official reports produced by governments in Europe and America combined.

Why this obsession with the Berlin Wall? Remember that China had its own near-revolution in June 1989. It wasn't just in Tiananmen Square. Millions of people had protested against the government in hundreds of cities across China. But the events in 1989 and 1991 were particularly terrifying because they showed the Chinese Communist Party (the Party) that simply possessing a monopoly on coercive power could not guarantee it would remain in power. After all, that was what communist regimes always assumed. The best kind of opposition was a dead one, or at least one whose mother or son or wife could be imprisoned or killed. But if governments could fall without a shot being fired, then the game had changed.

As Deng Xiaoping warned his colleagues in December 1989: 'If there is a peaceful revolution here like there is occurring in Europe, the only shot fired could be the one into the back of our heads.'

In late October 1989 when the first protests were barely evident, an editorial for the *People's Daily* declared, 'The East German people are now strengthening their unity under the leadership of the Party.' When the Chinese watched events unfold in Europe in 1989, it hit Beijing that the governments in those countries were invariably seen as incompetent, uncouth and unresponsive; the governments were disrespected, mocked and seen as farcical; and, worst of all, the Party had become irrelevant to its economic, social, intellectual and community elites.

If authoritarian governments wanted to remain in power, the events of 1989 convinced regimes such as those in China that they needed to fundamentally renegotiate the bargain between the government and its economic and social elites.

The events of 1989 and 1991, therefore, convinced the Party why being relevant was all important. Eastern Europe had alienated the people who mattered. It was critical that entrepreneurs, professionals, intellectuals, union leaders, church leaders, and school teachers became the strongest supporters of the Chinese government.

From 1991 onwards, the Party made a dramatic and deliberate decision to make itself the centre of Chinese economic, social and community life—and intentionally tie the future of China's elites to the future of the Party. This was the rise of modern 'authoritarian capitalism.' In a sense, it was a concession and compliment to the productive forces of capitalism. What we now see as China's state-led model of development—where the state-controlled sector is at the heart of economic activity—occurred only after 1991.

So after the fall of the Berlin Wall, and eventually the Soviet Union, the battle between communism and capitalism all but ended, but of course history didn't end. In fact, the irony is that events in Europe played their part in creating a new and current historical conflict—teaching authoritarian governments like those in China (and to some extent Russia) how to position the ruling party to harness limited free-markets to remain in power.

This is not to deny that the historic event 20 years ago was a happy and magnificent one for the people of Germany and Europe. In the West, especially America, there were strong hopes that economic engagement of China would bring about its own fall of the Berlin Wall—a peaceful, bloodless and orderly transition to democracy. This may yet occur. But it seems that people and governments usually only learn the lessons that they want to learn. So while the fall of the Berlin Wall confirmed for us the universal appeal of liberty and freedom, the very same event taught leaders in China how to better entrench a one-party state.



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