

20 Years of German Unity

- Lessons and Perspectives for a Peaceful Unification of the Korean Peninsula -

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I. Introduction

The year 2010 marked 20 years of German reunification¹. Overcoming the division of East and West following its defeat in World War II, Germany achieved reunification on October 3, 1990. The Korean people congratulated the Germans on their achieving peaceful reunification, but on the other hand the Koreans envied them as well. German reunification gave the Korean people a hope that unification would soon come to the Korean peninsula as well.

20 years have passed thereafter. There are still no signs of unification on the Korean peninsula. However, in Germany hardly anybody predicted that the Berlin Wall would fall down only ten months after the leader of East Germany, Erich Honecker, had affirmed in January 1989 that “the Berlin Wall would stand for a 50 or 100 more years, if the conditions that had caused its construction

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1. German reunification is officially referred to as ‘German unity’(German: Deutsche Einheit).

did not change.” German reunification was followed by the fall of the Berlin Wall. The reunification of Germany occurred at a time when even the German people, in east and west, did not anticipate it at all. There is a great possibility that the unification of the Korean peninsula may also take place when nobody expects it.

The causes for the division of the Korean Peninsula are different from those of the separation of Germany. Therefore, the unification process of the Korean peninsula may not follow the same path taken by Germany. However, achieving unification in a peaceful way under a liberal democracy and a market economy like Germany is the main task which the Korean people also should accomplish. The problems that Germany had experienced during its reunification process, such as currency exchange rate, problem of confiscated properties in the German Democratic Republic (GDR), the high unemployment in the new federal states, and enormous unification costs, could also arise during the Korean unification process. As much can be learned from German reunification, it is necessary for the Koreans to pay close attention to it.

II. The Process of German Unity

Mikhail Gorbachev, who took office as the 6th General Secretary of the Communist Party of the Soviet Union in March 1985, initiated reform policies based on *glasnost* (openness) and *perestroika* (restructuring). As a result of this, the winds of reform started to blow through Eastern Europe. For instance, the first free election in Poland was held in June 1989. In July 1989 the Brezhnev Doctrine, which limited the sovereignty of the Eastern European countries was abolished. The abolishment of the Brezhnev Doctrine further facilitated the liberalization movement in this region. By the Brezhnev Doctrine the limited sovereignty of Eastern bloc was allowed as long as the Soviet leadership role

remained unchallenged.²

Amidst all these changes and reforms that had swept through Eastern Europe, Germany overcame 45 years of division and achieved its long cherished reunification in October 1990. German reunification began with the mass escape and the mass protest demonstrations of GDR citizens, and the aggravation of the East German economic situation. All in all, the process of reunification could be divided into four stages.

1. The First Stage: Fall of the Berlin Wall (November 9, 1989)

Despite reforms undertaken in neighboring countries such as Poland and Hungary, GDR's communist regime remained rather hostile to such reforms and changes. Having turned their backs on the GDR regime, in August 1989 GDR citizens began to escape to West Germany via Hungary, Czechoslovakia, and Poland in ever-increasing numbers. About 167,000 citizens fled the GDR from January to October 1989. Meanwhile, the citizens in East Germany called for free elections and abolishment of dictatorship. The East German economic situation worsened rapidly by the biggest mass escape and mass demonstrations. In order to overcome this crisis, the GDR regime ousted General Secretary Erich Honecker on October 18, 1989. On November 9, 1989 they completely liberalized foreign travel. On that night, the Berlin Wall, the symbol of the division of Germany, fell down.

Facing the rapidly worsening situation in East Germany, the West German Chancellor, Helmut Kohl, presented his 'Ten Point Plan for Overcoming of the Division of Germany and Europe' at the German parliament on November 28, 1989. At that time,

2. The Soviet Union had suppressed the Prague Spring in Czechoslovakia in August 1968 with military forces, and in November 1968 imposed the Brezhnev Doctrine on Eastern bloc.

Chancellor Kohl had expected that reunification might take five to ten years. However, the rapidly worsening situation in East Germany forced him to pursue an accelerated path to reunification.

2. The Second Stage: Currency, Economic, and Social Union (July 1, 1990)

Despite the liberalization of foreign travel, the mass escape of the GDR citizens continued unabated. In 1989 alone, some 343,900 citizens fled the GDR. Moreover, another 185,000 citizens fled from January to March 1990. Over the past 15 months period, from January 1989 to March 1990, about 528,900 citizens, or 3.2%, of the East German population of 16.40 million people, fled to West Germany. These circumstances rapidly worsened the political as well as the economic situation in East Germany. Therefore, it was very urgent and important for West Germany to curb the increase in number of refugees and to stabilize the East German economy.

On February 7, 1990, Chancellor Kohl proposed the East German government to conclude a currency, economic, and social union treaty (State Treaty). The State Treaty, concluded on May 18, 1990, came into effect on July 1, 1990. Its main contents are as follows:

First, the Deutsche Mark (DM) is introduced as a single currency.

Second, concerning an economic union, East Germany is to introduce a social market economy, private ownership, competition system, and free pricing system.

Third, concerning a social union, East Germany is to introduce the West German social welfare systems such as pension system, medical insurance, and unemployment insurance.

In addition to the domestic issues such as currency, economic and social union, there were also international issues that should be

resolved before reunification. These international issues included the final definition of the border line between unified Germany and Poland, the right of a unified Germany to belong to North Atlantic Treaty Organization (NATO), and the reduction of the unified German armed forces. In addition, the rights and responsibilities of the Four Powers (the United States, the United Kingdom, France and the Soviet Union) relating to Berlin and Germany as a whole had to be terminated. East Germany and West Germany, and the Four Powers held four rounds of meetings to discuss these issues from May to September in 1990.

3. The Third Stage: Signing of the Unification Treaty (August 31, 1990)

As the economic system of the GDR was integrated into that of the Federal Republic of Germany (FRG), the focus shifted to those matters of how and when reunification would be carried out. And a new capital for a unified Germany had to be determined.

There were two different ways to achieve reunification. The one was by the accession of the states of the GDR to the area of validity of the Basic Law of the FRG (in accordance with Article 23 of the Basic Law), the other was by the establishment of a new constitution following the organization of a new Parliament by a general election in East and West Germany (in accordance with Article 146).

After two months of hard negotiations, East Germany and West Germany concluded a Unification Treaty on August 31, 1990. In this treaty they agreed that the states of the GDR would, in accordance with Article 23, accede to the FRG on October 3, 1990. And Berlin was determined as the capital of a unified Germany. However, the seat of parliament and the government was to be decided after reunification.

Meanwhile, the Two-Plus-Four Conferences, designed to resolve the international issues related to German reunification, were held four times in Bonn, East Berlin, Paris, and Moscow in a smooth way. With the conclusion of the Unification Treaty and a resolution of international issues, German reunification neared one step closer.

4. The Fourth Stage: Completion of Unity (October 3, 1990)

Three steps had to be taken in order to achieve reunification based on the integration of the GDR into the FRG:

First, the Unification Treaty should be respectively ratified by the both German parliaments. Second, the international issues related to German reunification should be resolved. Third, administrative divisions (*Bezirk*) of the GDR should be replaced by those of the FRG's (*Land*).

On July 20, 1990, the East German Parliament (*Volkskammer*) enacted a law that paved the way for the reestablishment of state (*Land*) in GDR, thereby effectively changing the 14 administrative divisions of the GDR into 5 states (Länder). On September 12, 1990, East Germany and West Germany signed 'the Treaty on the Final Settlement with Respect to Germany' (the Two-Plus-Four-Agreement) with the United States, Great Britain, France, and the Soviet Union. In this treaty, the four powers confirmed that "the rights and responsibilities of the four nations relating to Berlin and Germany as a whole shall be terminated and the united Germany shall have the full sovereignty in domestic affairs and international relations." On September 20, 1990 the Unification Treaty was ratified by the two German parliaments. On October 3, 1990, Germany achieved reunification.

German reunification was achieved in just eleven months after

the fall of the Berlin Wall. This rapid achievement meant that the political and economic situations in the GDR was massively deteriorated, at the same time, the FRG achieved its reunification utilizing this opportunity.

III. The Main Processes of German Unity

1. Amendment of the Basic Law and Movement of the Government and Parliament to Berlin

The Basic Law (das Grundgesetz), the German Constitution, was revised during the reunification process. The Preamble and Article 146 were amended, and Article 23 was repealed.

Regarding the seat of parliament and the government, the German parliament passed a resolution on June 20, 1991 whereby parliament and the government were to move from Bonn to Berlin. However, the 1st offices of six ministries, including the Federal Ministry of Education and Research (BMBF) and the Federal Ministry of Environment, Nature Conservation and Nuclear Safety (BMU), were to remain in Bonn. In September 1999, parliament and the government moved to Berlin. Today, Berlin's role as the center of German politics and administration has become very important.

2. Diplomatic and Security Issues

With reunification all diplomatic and consular relations between the GDR and other countries came to an end. Whether the treaties and agreements (total 2,582) that GDR had concluded with 137 countries were valid, arbitative, or effective, was decided on five criteria: the protection of good faith, the existence of common

interests between the related parties, West Germany's obligatory point of view from treaties, respect for the basic principles of a free, democratic and constitutional state, and respect for the right of the European Community (EC).

As Germany recovered its full sovereignty, all foreign forces stationed in East Germany and West Germany withdrew completely. For the withdrawal of 340,000 Soviet troops (22 Army Divisions and 42 Brigades) stationed in GDR, Germany provided the Soviet Union 15.55 billion DM (about 7.8 billion Euro). At the end of August 1994, the withdrawal of Soviet troops was concluded. The American, British and French troops, stationed in FRG and Berlin, finished their withdrawal in September 1994. They are now stationed as NATO forces.

According to the Two-Plus-Four-Agreement, Germany had to reduce its military forces to 370,000 personnel. The German military forces were reduced to 340,000 in 1995 from 670,000 (West Germany: 495,000, East Germany: 175,000) prior to reunification. As of September 2010, the number of the German military forces is about 250,000 personnel.

3. Liquidation of the Past of the GDR Regime

The liquidation of the past of the GDR communist regime between 1949 and 1990 was accomplished in two parts:

First, illegal acts committed by the GDR communist regime were liquidated. The victims of illegal acts by the GDR regime were provided judicial remedies and compensations. Although restoration of civil rights and compensation were carried out through the Unification Treaty before reunification, such measures were not sufficient. Therefore, additional measures were followed after reunification by adopting two additional laws dealing with the illegal acts of the GDR regime.

Second, those who had violated human dignity or had committed illegal acts were punished. Former General Secretary Erich Honecker and former Prime Minister Willi Stoph were punished for having ordered the military to fire on anyone seeking to escape over the Berlin Wall.

4. Problems of Confiscated Properties

One of the controversial problems that occurred during the reunification process was the handling of confiscated properties issues in the East German areas. During the Soviet occupation period, from May 1945 to October 1949, and the GDR regime, from October 1949 to October 1990, many private properties were confiscated. As sensitive and controversial as it was, East Germany and West Germany agreed to solve this problem in the form of the Joint Declaration on June 15, 1990. The contents of this Declaration were further included in the Unification Treaty of August 31, 1990.

First, properties confiscated without any compensation by the GDR regime were in principle to be reinstated to the original owners.

Second, properties confiscated by the Soviet occupation authorities³ were not to be reinstated.

Unsatisfied with the second principle, owners who had been deprived of their properties during the Soviet occupation raised lawsuits to the Federal Constitutional Court of Germany (FCC). They insisted that this principle violated the right of equality and proprietorship of the Basic Law. However, the FCC judged in 1991

3. Some have argued that the Soviet Union demanded the acceptance of restitution for properties confiscated during the Soviet occupation as one of the preconditions for the reunification of Germany. However, former Soviet President *Mikhail Gorbachev* denied this in 1994.

that the Joint Declaration does not violate the Basic Law, because those confiscation measures were the sovereign management by the occupying nation during that time.

Although the confiscated properties were subsequently handled in accordance with these two principles, side effects were enormous. As many years elapsed, it was extremely difficult to determine the actual owners of confiscated properties. Furthermore, it took years to find out them. As these principles had hindered new investment and economic development in the new federal states, the Property Rights Law was amended by parliament in 1992. Under this Law, confiscated properties were in principle to be returned to the original owners. However, in cases where the confiscated properties could maintain existing employment or create new jobs, those properties could be rented or sold by the Trust Agency (*Treuhandanstalt*).

5. Privatization of the State-Owned Enterprises in East Germany and the Unemployment Problem

During reunification process it was revealed that the average productivity of East German state-owned enterprises (*Volkseigener Betrieb*) was only a third of that of West German companies.

The Trust Agency, which was established in July 1990 to deal with the state-owned properties, implemented a privatization (sale) plan. In accordance with the principle of that the best way to normalize the East German enterprises is a rapid privatization thereof, 15,100 enterprises as well as about 25,000 stores, restaurants, and hotels were sold. Meanwhile, 360 enterprises that could not be sold out were shut down. This rapid privatization or shutdown of more than 40,000 state-owned enterprises led to increase in unemployment in the East German areas. The number of the employed in the East German areas has decreased to 6.70

million people in 1994 from 9.74 million in 1989. In short, 3.04 million people lost their jobs in just five years.

Over the past 20 years the unemployment rate in the East German areas has been gradually decreased. However, it is still higher than in the West German areas. The unemployment rate in Germany was 8.2% in 2009. However, the unemployment rate of 13.0% in the East German areas was twice as high as that of the West German areas (6.9%).⁴ The high unemployment in the East German areas has been the most serious obstacle to the inner integration.⁵

6. Unification Costs

The cost of unification refers to all public financial resources invested for the transformation of East Germany's economic and social system and the economic development of the new federal states. Before reunification, the West Germans did not worry about unification costs. They believed that unification costs could be covered by Germany's sound public finances and the proceeds from the sale of East German state-owned enterprises. Furthermore, the costs for the maintenance of the division would also be saved. However, unification costs were much larger than expected, because the East German economy was much worse off and the value of state-owned properties in East Germany was not as high as it had been expected. On the contrary, the German government had a loss of 256.4 billion DM after sales of the East German state-owned properties.

4. Economic Statistics of the Federal Ministry of Economics and Technology Germany, July 2010.

5. The Ministerpresident of the Free State of Saxony from 2002 to 2008, *Georg Millbradt*, emphasized on October 3, 2005 that the completion of German reunification was dependent on the decrease of the high unemployment rate in the new federal states.

To cover the enormous unification costs, the German government raised VAT (from 14% to 15% in 1993, 16% in 1998, and 19% since January 2007) and social security insurance premium. Furthermore, a solidarity contribution (*Solidaritätszuschlag*) was introduced in regular income and corporation tax in July 1991. This tax was abolished in July 1992 and reintroduced again in 1995. It is a direct tax levied at a fixed rate of 5.5%, which is reduced from the rate of 7.5% between 1995 and 1997. It is also levied in the East German areas.⁶ Annually some 10-11 billion Euro (about 15-16.5 trillion Korean won) in solidarity contribution is collected. In 2009 some 11.9 billion Euro (17.85 trillion Korean won) was collected.

The criteria for the unification costs are not clear. So it is difficult to calculate the exact amount of unification costs. Furthermore, as the publication of unification costs was perceived as an obstacle to the inner integration between the two areas, the German government has refrained from making unification costs public.

However, according to Institutes of Economic Research in Germany, about 2 trillion Euro was transferred to the East German areas over the past 20 years (from 1990 to 2009).⁷ Leaving aside taxes and social security insurance premiums collected in the East German areas, the net amount transferred to the East German areas is about 1.3 trillion to 1.6 trillion Euro.⁸ About 45-50% has been used as social security expenditures such as pensions and

6. The solidarity contribution is levied, if annual tax liability exceeds 972 Euro. In cases the annual tax liability exceeds 1,340.69 Euro, a rate of 5% is imposed.

7. Concerning the total amount transferred to the new federal states, it has been estimated that an annual average of 85.6 billion Euro (171.25 billion DM) was transferred from 1991 to 1998, and that yearly about 120.0 billion Euro has been transferred since 2005.

8. Concerning the net amount transferred to the new federal states, the Halle Institute for Economic Research estimated 950.0 billion Euro during the first 13 years (1991-2003), and 1.3 trillion Euro by 2009. The Free University of Berlin (Freie Universität Berlin) estimated that the net amount was about 1.6 trillion Euro by 2009.

unemployment allowances.

Some Germans claim that calculation of unification costs during the first five to ten years after unification is necessary, but after this period it is no longer the case. A significant amount of budget was also used as social security expenditures for the citizens in the West German areas and for the construction of the social infrastructure in the old federal states. So it is unreasonable to calculate only the costs transferred to the new federal states as unification costs. Such costs should be regarded as assistance to the lower-income brackets and as investment for the balanced development of the country.

7. Inner Integration

To achieve a full and final integration between the citizens of the old and new federal states, following points are required: First, creating equal living conditions in the east and west areas; Second, mutual understanding between the citizens in the old and new federal states that they lived under different lifestyles and systems in the past; and Third, liquidation of the past of the GDR regime and compensations for the victims.

Liquidation of the past and compensations for the victims has been, to some extent, carried out. However, the income level of the citizens in the new federal states remained about 70% as that of the citizens in the old states. Moreover, the high unemployment in the East German areas has emerged as serious obstacle to the inner integration. In this regard, they say that it will take at least 30 years, one generation, for the full inner integration.

IV. Aftermath of German Unity

There has been great progress in developing economic and social system in the new federal states over the past 20 years. Nevertheless, the new federal states are still behind in many aspects. Those problems could also arise in case of unification in the Korean peninsula. Therefore, it is necessary for the Koreans to pay more attention to those problems.⁹

1. High Unemployment

As mentioned above, because of the sale or shutdown of less-productive and competitive state-owned enterprises of East Germany, several millions of citizens in the new federal states lost their jobs. Although the high unemployment rate in these states, which at one time rose up to the 20% level, has now been lowered somewhat, it still remains twice as high as than in the old federal states. The Halle Institute for Economic Research in Germany anticipated that it will take at least 10 more years to bridge the gap between the two areas.¹⁰ This high unemployment remains to be the most serious problem which the new federal states are facing.

2. Decrease in Population

The population of Germany, 81.7 million people as of

9. Please refer to *Sohn Seon-hong*, "On the Occasion of the 19th Anniversary of German unity, even though economic reunification remains a far-off dream (*Tongdok 19 dol, gyeongje tonggileun ajik meoljiman*)", *DongA ilbo*, (October 2, 2009).

10. Aumann, Bernd/Scheufele, Rolf: "Is East Germany Catching up? A Time Series Perspective", Institut fuer Wirtschaftsforschung Halle.

December 2010, has approximately increased by 1.9 million after reunification. However, the population of the new federal states decreased by 1.9 million people, or 11.5%, over the same period. This decrease is a result of the drop of the birth rate and the migration of young people, especially women, to West German areas for seeking jobs. Therefore, the problems such as a shortage of skilled labor, decrease in population and the advent of the aging society in the East German areas are rapidly going on. The German government anticipates that by 2020, the population in small and mid-sized East German cities will be reduced to 50% of the size at the time of reunification.

3. Lower GDP

In 2009, GDP per capita of the citizens of the new federal states reached 70%¹¹ of that of the old federal states. Even though the GDP in 2009 rose from 33% in 1991 and 60% in 2000, the income of the citizens in the new federal states has improved slowly. In this regard, it is estimated that it will take another 50 years to bridge the gap in the income levels of the citizens between the old and new federal states.¹²

These three problems in the East German areas have been caused mainly by the 45 years of communist rule under the planned economic system. The high exchange rate of the East German currency is another cause of current difficulties. Therefore, it will take even more time to be solved these problems.

However, the significance of German reunification lies in the fact that reunification was peacefully achieved based on the free

11. Institut der deutschen Wirtschaft Koeln.

12. Aumann, Bernd/Scheufele, Rolf: *ibid.*

will of the German people. It is also significant that the former GDR citizens are now living completely free from dictatorship.

V. Lessons from German Unity

1. Preparations for a Sudden Unification

As mentioned above, German reunification occurred under circumstances which no one anticipated. The unification of the Korean peninsula could also occur unexpectedly. Considering the unpredictability of the North Korean regime, there is a great possibility of sudden changes in North Korea. These sudden changes may be unpreventable, even though the South Koreans do not want them to occur. Therefore, the Korean people should be well prepared for a sudden unification.

2. Exact Assessment of the Economic Situation in North Korea

Before reunification, West Germany believed the East German economy comparatively to be sound, and the value of state-owned properties relatively to be high. However, such assessments turned out to be wrong during the reunification process.¹³ This inaccurate assessment hindered West Germany in implementing general economic policies during the reunification process, and led to a much larger unification costs than had expected.

South Korea should have precise information about the actual

13. The former German Chancellor, *Helmut Schmidt*, in his work, "*Ausser Dienst*" (2008), strongly criticized the inability of the research institutes under the Federal Ministry for Inner German Relations to provide precise data on the East German economy during reunification process.

situation of the North Korean economy. Of course, it is not easy to get the exact information because North Korea is a tightly closed society. Nevertheless, as foreseen with the case of German reunification, it is necessary to have the exact ascertainment on the North Korean economy in order to be prepared for unification. Many Germans, whom I met in Germany, advise that the Korean people should not repeat the same mistakes that Germany made.

3. Peaceful Unification

One of the most significant aspects of German reunification is that reunification was peacefully achieved amidst rapidly worsening circumstances in East Germany. Some unexpected difficult problems had of course emerged during this process. However, peaceful reunification made it possible for a unified Germany not only to achieve the inner integration to some extent, but also to enhance its international status.

South Korea should also achieve unification in a peaceful way under a liberal democracy and a market economy. Korean unification should be based on the three principles: peace; liberal democracy; and, market economy.

4. Preparation for Unification Costs

At the time of German reunification, the population of East Germany was a quarter, or 26%, of that of West Germany. Meanwhile, the GDP per capita of East Germany was one third, or 33%, of that of West Germany. While the population of North Korea is about 48% of that of South Korea, its GDP per capita is only 1/17, or 5.8%, of South Korea's. In other words, although the population gap is narrower than what was the case between East

Germany and West Germany, the gap in GDP per capita between the two Koreas is much wider than in the German case. For example, if four West Germans took care of one East German, two South Koreans should support one North Korean. Thus, the South Koreans will have to bear a much more individual share of the burden.

Therefore, South Korea should gradually take steps to prepare for unification. Unification costs could be lowered if the Koreans thoroughly prepare for unification in advance by strengthening its national financial status. The Korean President, Lee Myung-bak, stressed the need of preparation for unification saying that “it is our duty to start thinking about real and substantive ways such as the adoption of a unification tax.” in an address on the National Liberation Day of August 15, 2010.

5. Enhancing the International Status of a Unified Korea

Even though the financial burden for reunification was enormous, the international status of a unified Germany has been greatly enhanced over the last 20 years. Germany, as the 4th largest economic power in the world with a population of 82 million people, has increased its influence not only on the EU but also on the global community.

It will also take enormous costs to achieve Korean unification. However, a unified Korea with a population of 74 million people will become a larger economic power and its international status will be further enhanced. Korean unification will also bring more direct effects such as the alleviation of divided families’ suffering and a marked decrease in the costs to maintain the division.

6. Efforts to Increase Exchanges with North Korea

During the period of division, West Germany concluded several treaties and agreements to increase exchanges with East Germany in the fields of mutual visits, exchange of letters and telecommunications. These exchanges inevitably contributed to reunification.

However, North Korea has not only refused to South Korea's proposals for dialogues and exchanges, but has increased the tension on the Korean peninsula by developing nuclear weapons even under dire economic circumstances and military provocation. Despite these difficulties, efforts to increase such exchanges with North Korea should be continued.

7. Other Lessons from German Unity

(1) Preparing to Accommodate Refugees

German reunification began with a mass escape of the GDR citizens. In case of sudden changes in North Korea, although the number will not be as large as the German case, there will be many refugees from North Korea. Therefore, it is necessary to prepare for the accommodation of those refugees.

(2) Currency Exchange Rate

Based on over-valuation of East Germany's economy and for political reasons, West Germany decided a 1:1 currency exchange rate for wages, interest and rent of the GDR citizens. These measures resulted in an increase in prices of goods produced by East German enterprises, which weakened their competitiveness. This led to collapse of many East German enterprises, thus

increasing unemployment which subsequently brought about high reunification costs. This is the reason why South Korea should have a precise understanding of the North Korean economic situation.

(3) Preparation for Social Security Programs

About 45-50% of the German reunification costs were used for social security expenditures such as unemployment allowances and pension for the citizens in the East German areas. Moreover, it continues to spend on social security expenditures today. While trying to minimize the unemployment in North Korea during the unification process, South Korea should also prepare for its own social security programs for North Koreans.

8. Need for Further Diplomatic Efforts

When West Germany began to take cautious steps towards reunification amidst the rapidly changing situation at the end of 1989 in East Germany, the Soviet Union, and even France and the United Kingdom came out against this process. The British Prime Minister, Margaret Thatcher, told the Soviet President Mikhail Gorbachev that she was strongly opposed to German reunification, and that this process should be immediately stopped. Meanwhile, the French President, François Mitterrand, tried for East Germany's stability by visiting East Berlin in late December 1989. The achievement of reunification despite the opposition of the Soviet Union and neighboring countries was possible, because of the constant and resolute support from the United States, especially President George H.W. Bush (father).

The unification of the Korean peninsula has close connections with neighboring countries as well.¹⁴ South Korea needs their support and cooperation to achieve unification. South Korea needs

friends who will entirely support its unification. For this, further diplomatic efforts are required.

VI. Conclusion

Taking advantage of the historic political changes occurring in East Germany, West Germany achieved its reunification. Not being well prepared for reunification and carrying this process forward in a short period of just 11 months after the fall of the Berlin Wall, some mistakes were inevitable. Nevertheless, Germany has successfully achieved reunification. It should be highly commended that Germany has achieved it in a peaceful way under the circumstances that 340,000 Soviet troops and 175,000 East German troops were stationed in East Germany.

German reunification gives some important lessons to South Korea. Those are needs for ‘preparation for a sudden unification’, ‘concrete understanding on the economic situation in North Korea’, and ‘preparation for unification in advance’. Other important lessons are to adopt the good aspects of German reunification and not to repeat mistakes what Germany had made. The Germans emphasize that the Korean people should not repeat their mistakes and prepare for unification in advance. Of course, the Koreans should prepare for the problems which could occur under the unique Korean situation as well.

The economic situation in North Korea is much worse than what it was in East Germany. Furthermore, North Korea has been ceaselessly creating tensions on the Korean peninsula by

14. The Korean President, *Lee Myung-bak*, stressed in an address on the Independence Movement Day on March 1, 2008 that “South-North issues involve international as well as inter-Korean dimension.”

developing nuclear weapons and with military provocations. It has also refused to accept the South's repeated proposals of dialogues and exchanges. Given such behavior by North Korea, it is obvious that many difficulties have to be overcome in order to achieve unification. Nevertheless, by further strengthening its economic and financial status along with preparing for the problems which are expected during unification process, South Korea could prudently overcome these difficulties and achieve unification. Most of all, it is necessary to prepare for peaceful unification under sudden changes in North Korea.

An opportunity comes to those who prepare in advance, rather than to those who simply sit by and idly wait. (October 2010 Issue, Updated by the author)