

## The Bureaucratic Transition of the Former East Germany From Socialism to Market Economy

*Jean-Claude Garcia-Zamor, Ph.D.*

Department of Public Administration, Florida International University  
University Park, PCA 354 A, Miami, Florida 33199, U.S.A.  
Tel: +1-(305) 861-6512 E-mail: garciazamor@hotmail.com

**Abstract:** This article examines how successful the bureaucratic transition of the former East Germany (GDR) was after the reunification of the two Germanys in 1990. It reviews how different that transition was compared to what happened in the other former socialist countries of Eastern and Central Europe. These other ex-Soviet countries traveled a slightly different path toward bureaucratic sovereignty. But in each of these cases, the main post-1989 distinctions on the way to a fully operating bureaucracy had its origin in the different type of communism that existed in each one of these countries prior to 1989. The post-reunification successes of the city of Leipzig are used as a case study to show how successful the transition was in the case of the GDR.

**JEL Classifications:** F60, I00, J10, R58

**Keywords:** Reunification, Post-Soviet states, Leipzig, East Germany exceptionalism

The main research question for this article is to examine how successful the bureaucratic transition of the former East Germany (GDR) was after the reunification of the two Germanys in 1990. This question is very timely considering the fact that it has now been 25 years since the fall of the Berlin Wall. This is a reasonable length of time to effectively evaluate the transition. The hypothesis that was postulated is that yes, it has been successful. There is no doubt that the two former neighboring countries are now geographically and politically one single nation and the Federal Republic of Germany has a national civil service that is fully integrated. However, a series of economic and socio-political factors made the transition of the former East Germany (GDR) quite different from what happened in the other former socialist countries of Eastern and Central Europe. These other ex-Soviet countries traveled a slightly different path toward bureaucratic sovereignty. But in each of these cases, the main post-1989 distinctions on the way to a fully operating bureaucracy had its origin in the different type of communism that existed in each one of these countries prior to 1989.

Then the article describes the very unique phenomenon that occurred in the former East Germany (GDR) where an already existing state was simply integrated into another more powerful one. Instead of developing an incremental change toward nationhood with indigenous inputs, the hierarchical order of the former GDR was summarily dismantled and a new line of authority was imposed. This resulted in the reunification of East and West Germany into a federal nation. The article examines how that reunification was implemented and describes the major pitfalls that created an animosity between the two newly-reunited parts of the country. That animosity reached such a crescendo that several observers started to question to what extent there is presently a unified bureaucracy operating in Germany. What is being questioned is not the legitimacy of the civil service of the Federal Republic of Germany. It is obviously a unitary one although each one of the 16 *Länder* has some area where their bureaucracy operate with a certain degree of autonomy. But this is situation that always existed and it is rooted in the Basic Law of the country. Despite the fact

that its national economy is the strongest one in Europe, the fractured economy of each of its former parts and the social attitude of their respective citizenry often raise some doubts about the completeness of the bureaucratic reunification.

## **1. Bureaucratic Transition in Other Post-Soviet States**

With the collapse of Soviet Union in 1991, fifteen new countries emerged, and reforms were implemented in each one of them to transition from command to capitalist economy (Moses et al., 2003). The head start was different: only Latvia, Lithuania and Estonia had a history of existence as independent national states, whereas the rest had to not only transition the economy, but take up significant measures for state-building.

Klaus Segbers points out that each country that underwent transition after the fall of the Soviet Union was prone to a number of structural problems and points out five most important dilemmas of transformation. First, the length and complexity of the transformation process, second, a process of market regulation and its conflicting goals, third, the Fall of the Soviet Union gave rise to new social conflicts, strikes, and border conflicts, fourth, the need of modernizing the networks of pipelines, railways, telephone, hospitals and schools, and fifth, the emergence of various forms of nationalism, as the fall of the Soviet Union resulted in new political and territorial entities, interests and cultural standards, which quite usually may oppose the minority preferences (Segbers, 1994). Most of these structural problems pointed out by Segbers can only be solved by a skilled government and an effective and talented bureaucracy.

There were some similarities as well as differences in ex-Soviet states concerning the transitions from command to capital economy, which was due to different starting points some countries were in. For instance, Hungary, Poland, and Czechoslovakia retained some public unity and public support, which was evident during the movements against the Soviet rule (Moses et al., 2003). There was, therefore, a higher degree of public tolerance for policies that were implemented in order to meet the goals of joining such international organizations as the NATO and the European Union. James Hughes and Gwendolyn Sasse identify the problems that ex-Soviet states had to deal with, namely, dilemmas of nation- and state-building, especially the identity, territorial definition, building state capacity, and international recognition (Hughes & Sasse, 2002). In addition Hungary, unlike many other Central and Eastern European states in the Soviet Union, enjoyed a privileged position and was put on a list of more important countries to the Soviets (Felkay, 1997). Hungary enjoyed more freedom in certain aspects of cultural and political life. For instance, it was attempted to keep good terms with the Hungarian intellectuals by promoting intellectual exchange between the Soviet Russia and Hungary (*Ibid.*). Also, exchanges of students took place between the two states.

Unlike other post-communist states, Czechoslovakia was subject to a different fate. Only two of the post-communist states witnessed split after the 1990s, however, the dissolution of Yugoslavia resulted in violent conflict, whereas Czechoslovakia enjoyed a peaceful split, and as a result, two new countries, Czech Republic and Slovakia, were created. Many explanations are presented for the split of Czechoslovakia. After the Cold War, the re-emerging of the nation state in Europe triggered the minds of the Czechs and Slovaks as well. Also, after the collapse of the Soviet Union, Czechoslovakia was to implement policies and reforms with the new constitution for democratic governance and market economy. A clear difference of future vision was evident between the Slovaks and Czechs (Nutt & Bottaro, 2011). However, the split was favored rather by the politicians than by the citizens. Opinion polls indicated that the majority of the population opposed the dissolution.

The limited scope of this article prevents it from looking at all the fifteen countries that broke away from the Soviet Union. The Communist system in each one of these countries had some particular characteristics. In Poland, the economy was largely focused on militarization and the Catholic Church was allowed to have great societal influence, a factor that contributed to the rise of the Solidarity movement and to the post-Soviet democratization of the country. Curiously enough, some observers credit the 1981 crackdown on Solidarity as a long-range positive factor in the country's transition to democracy. They think that the suppression of Solidarity that resulted in the imprisonment of thousands of dissidents, the death of dozens and economic stagnation contributed to the system's eventual undoing. In Lithuania, the intellectual elite was eliminated and an intense Sovietization weakened the Lithuanian identity by replacing schools' and universities' textbooks to extend the Soviet ideology. In the economic sector all large firms were expropriated and bank savings were nationalized. In Ukraine, many government institutions were eliminated and that vacuum slowed considerably the transition to market economy after 1989. Worse, Ukraine's proximity with Russia, the existence of a large population of ethnic Russians, and its dependency on Russia in the energy factor compromised its independent evolution to an independent market economy. All illusions to achieve an autonomous nationhood came crashing earlier in when Russian-dominated Crimea voted to separate itself from the central government.

The World Bank reported some similarities in economic situation after the collapse of the Soviet Union in ex-Soviet states. At first, there was an evident sharp decline in real gross domestic product (GDP), which was followed by a fast recovery and growth (World Bank, 2002). There have been, however, some differences in national recessions. For instance, Poland had the shortest and mildest recession as opposed to the three Baltic States (Latvia, Lithuania and Estonia), where recessions took from five to six years and the GDP fell by 35% to 51% (*Ibid.*).

## 2. East Germany: The Bureaucratic Transition after Reunification

The German Democratic Republic (GDR)'s first (and last) freely elected government after the March 1990 election explicitly rejected the idea of a professional civil service and its "traditional principles" that can be found in Article 33 of the Basic Law. However, that decision quickly became meaningless. The overwhelming victory in that election of the *Alliance for Germany* effectively put the German state professional civil service in the GDR's future, regardless of the immediate will of the newly elected East German government (Kvistad, 1999). In June 1990 the last democratic government in the GDR began to restructure state and administration. Reunification was imminent, so creating compatible administrative institutions was the main goal. Work began on the level of the old *Bezirke* (districts), the regional level, on which the reestablishment of the *Länder* would be based. Parallel to that activity, local self-government was reintroduced to towns and cities. It was at that time that the first administrative reform aid was provided by the West. Two overlapping phases can be identified: in the beginning acting administrators were sent to the East for a limited period of time. It quickly became clear however, that a "permanent elite-transfer" was necessary, since the East German administration would depend on the professional knowledge of Western experts for a very long time (König, 1999). Limited time consultants were not seen as a long-term solution. It was necessary to keep them in the East. That way they could develop more empathy for the people and local conditions, it was hoped. Thus, a significant number of West Germans were transferred to the East to occupy high-level political and bureaucratic positions. This was made possible by the political, administrative, financial, and economic might and will of West Germany. These factors made the bureaucratic transition in East Germany a unique case in the spectrum of former socialist countries (Wollmann, 1996).

For a variety of reasons, the approval of Western civil servants was not unanimous. For some of these expatriates, the East was formerly a distant and unknown world. Problems of integration and little interest in becoming familiar with Eastern problems were common. In addition, this development introduced a hierarchy in the new administrative institutions, which instantly put easterners in a subordinate position. Western elites went east with the purpose of retraining indigenous personnel. The existence of a blueprint for administrative institutions, complete with the transfer of West German programs and routines, left little or no room for substantive contributions from the past experiences of eastern Germany (Yoder, 1999). Up until today, West-German civil servants hold many leading positions and therefore play a key role in Eastern administrative processes, although they only account for a small percentage of the total staff.

Although most of the top positions were cleared of old *nomenklaturists* on October 3<sup>rd</sup>, 1990, the staff-restructuring was an unsolved question at the time of Reunification and had to be analyzed as an element of the general system transformation. Remaining administrative institutions had to be remodeled, obsolete ones shut down and new ones created. There was one basic principle for remaining institutions: “in the interest both of administrative continuity and the civil service, public employees would not lose their job” (König, 1999, p.88). In case they worked for a structure no longer necessary, those employees were “placed on hold”. Some of them found a new position at a different administration, often they had to accept a lower rank (Garcia-Zamor, 2004). However, several criteria could be used to lay off staff:

- STASI activities
- Violations of (internationally recognized) human rights and the rule of law
- Lack of qualification
- Overstaffing
- Dissolving of an institution

It was still a tremendous task to move the old socialist administration to the principles of “classical administration” with its specific elements like professionalism, efficiency and effectiveness. East Germans who had to deal with the Federal German bureaucracy after 1989 experienced the “culture shock” of German unification (Garcia-Zamor, 2003).

After reunification the new *Länder* placed more emphasis on working together to pursue their specifically east German interests than on trying to work in concert with the western *Länder*. They have in some cases, notably in education policy, pursued a policy agenda clearly different from that of the western *Länder* although they were willing to accept a high degree of federal influence over their affairs in return for extra financial assistance from the Federation (Jeffery, 1995). Policy making in Germany is highly interconnected. In addition to the coordination of decision-making between the *Länder*, a wide range of tasks are jointly financed by the *Länder* and the federal government, sometimes with the involvement of European and local actors (Sturm, 1996).

The end of communism in the GDR created a host of new and unexpected challenges for West German government and public administration. Unlike the other Central and Eastern European countries where the building of new political and administrative institutions evolved in an almost incremental and partly erratic manner, institution building in the former GDR was shaped by a massive institutions transfer in which the entire ready-made legal and administrative model of West Germany was literally exported overnight and implanted in the new eastern part of the country. This was a unique task: the transformation of the “real-existing socialist” state and its administration was part of a fundamental system change. Since any socialist economy was part of the state administration, one of the main challenges (and transformation starting points) was the necessary “re-differentiation” of state and economy – a crucial aspect to any capitalist, liberal and democratic society. And this process itself was subject to political influence (by the new political

power of course), as the different ways to approach that task in Eastern Europe show (with Germany choosing the *Treuhand* model of privatization). The whole process could be analyzed as “re-modernization”, after communism had “de-modernized” Central and Eastern European States. One measure of bureaucratic performance is often the administrative capability of the civil servants in the economic sector. In the case of the former East Germany the slow development of the economy could be traced to several obstacles. However, it has also been proven that when some very efficient technocrats took control of the management of certain economic sectors, they were able to overcome some of these obstacles (Garcia-Zamor, 2002).

The orderly disappearance of the GDR left no institutional void. The dissolution of the East German state and the transfer of West German political institutions were managed with remarkable efficiency as far as the legal groundwork and the merger of organizations were concerned. East German local-level governments were almost entirely absorbed by rebuilding their organizational structures, that is, demolishing the old GDR-type institutional patterns and implementing new West German organizational blue-prints (Kuhlmann, 2004). Some analysts mentioned the crucial role that time played during this period. It would have been impossible, they argued, to design a completely new set of rules quickly. The political pressure of the East’s collapse created the need for fast solutions, which was to use Article 23 of the Basic Law to reunite Germany. Article 23 of the Basic Law simply extended the West German constitutional framework to East Germany. The main change on the local level after the events of 1989 was the reinstatement of the old German institution of “Local Self-government”, which had been abandoned under the communist system in the early 1950s. Until reunification, local administration simply meant: being the lowest hierarchical element within the framework of “Democratic Centralism” (*Demokratischer Zentralismus*). All important decisions were handed down. Furthermore, local level administration was not only a tool of central government, but also of the party. This so-called “double subordination” was an important feature of “Democratic Centralism”. For example, the City council was elected by the citizens but all the candidates were nominated by the Socialist Party (SED). Hellmut Wollmann calls this the typical “discrepancy between formal democratic appearance and factual power politics” (Wollmann, 1998, p. 151). On May 17, 1990, with the GDR still in existence, a new “Basic Municipal code” came into effect. It featured most of the elements of comparable West-German codes (Ibid., p. 154).

### **3. The Exceptionalism of East Germany**

As can be seen in the brief review of the political, economic and social contexts that prevailed in the ex-Soviet countries that were previously discussed, the reality was different in the GDR. But what really made the crucial difference was the fact that the GDR did not have the same evolution and did not achieve nationhood as the others did. Instead, it was just annexed to an already existing polity, one which was economically and politically strong enough to impose its ways into the new extension to its national territory. This is why the term “exceptionalism” is being used here. GDR was a blatant exception to what happened in the other ex-Soviet countries.

After the collapse of the Soviet Union countries with a population of 400 million were to decide how to transform from socialism to market economy, which posed many questions. The initial goal was to become similar to the Western societies, where democracy, market economy, private property and the rule of law prevailed (Aslund, 2013). As already mentioned, the countries did have different starting points. But in the case of the former East Germany, the process of its transformation was unique: rather than becoming a separate nation state, it was absorbed by West Germany. The five Eastern German states (*Länder*) that composed the GDR became simply sub-national entities (Garcia-Zamor, 2004).

The reunification did not go through without involving very high social and economic costs. It brought the institution of a fiscal transfer union system where wealthier German states would pay a tax subsidizing poorer German states, particularly those in the east (set to expire in 2019). The absorption of East Germany was met with both hopes and high concerns, but it was initially thought that the successful transition would take a few years. But when the Berlin wall fell and East Germany reunited with West Germany almost overnight in 1990, the East's already weak economy broke down completely. Since then, efforts have been made to help the former East German states catch up with the more established states of former West Germany. However, the dynamics of this process have been shrinking over the past few years and Germans in the East seem to be stuck at a lower income level and higher unemployment rate than West Germans (Bracholdt, 2013). According to a 2012 economic research report of the Halle Institute for Economic Research (IWH), eastern Germany's industrial base is weak. The region lacks export-based industrial sectors, as well as any large corporations or headquarters. And while the country as a whole is facing a demographic shift, eastern Germany's workforce is shrinking the most since more working-age people have moved to the west (*Ibid.*).

One measure of bureaucratic performance is often the administrative capability of the civil servants in the economic sector. In the case of the former East Germany the slow development of the economy could be traced to several obstacles. However, it has also been proven that when some very efficient technocrats took control of the management of certain economic factors, they were able to overcome some of these obstacles (Garcia-Zamor, 2002). Among some of the mistakes that were made during the reunification period was the Federal government's goal to equalize East and West German wages, even though Eastern workers were only a quarter to a third as productive as their Western counterparts (Samuelson, 2002). In addition, a number of other dilemmas arose following the reunification, one of which, according to A. James McAdams, was the evident population differences between the East and the West. Initially a large role was played by the liberal democracy that was to deal with the differences in population and provide a sense of a national purpose (McAdams, 1993).

Because of their past inertia and lack of experience, East German bureaucrats were finding it difficult to cope with the same challenges that their Western counterparts were facing. Professional activity that is goal-oriented and based on moral principles has been the guiding force that allowed West Germany to move its economy from disaster at the end of World War II to the present situation. The crop of able leaders who governed the country at the end of the war would have been less successful if the bureaucrats who survived the Nazi regime had not been good professionals. Whereas in East Germany bureaucrats were not rewarded for extraordinary job performance, in the West, professionalism and tradition combined to give pride to the civil servant. In the former East Germany, political leaders and senior bureaucrats hired middle and lower level bureaucrats exclusively for their loyalty. Therefore they were not sufficiently competent to bring the former GDR into the modern economic mainstream after the reunification of the country in 1990 (Garcia-Zamor, 2008).

One of the main challenges that the politicians and intellectuals had to deal with was the decision whether the reunification was to be achieved in a way as a continuity of the Federal Republic or a break away from it. The question was whether a new constitution was to be written and enacted for the reunified Germany or the East should accept the West German Basic Law (Brockmann, 1999). The debates were settled with the idea that East Germany should be legally absorbed by West Germany and it should work as a continuation of the Federal Republic. It was therefore decided to achieve the reunification by simply implanting the legal, political, economic and military structures in East Germany that were present in West Germany for the forty years before the reunification.

According to Jeffrey Kopstein, the former East Germany had, however, a better head start than most post-Soviet countries due to its industrial infrastructure and the German labor force that was better trained. Stalin chose to overlook the lack of dedication to socialism by the East German workers due to their efficiency and discipline that he greatly admired (Kopstein, 1997).

Germany had witnessed one of the most evident identity crisis throughout the 20<sup>th</sup> century, with military defeats to German separation to democratic West and socialist East, it came, therefore as no surprise that the reunification of West and East Germany caused one more identity crisis among both Western and Eastern Germans. After 1989, East Germany differed much from other East European states because in its case the end of the socialist regime meant the end of the existence of the GDR and the merging of two countries, the West and East Germany (Oswald, 2002). As a result, there was both an important advantage and a disadvantage. On one side, it was less complicated at the institutional level as the East Germany simply adapted the rules and institutions of the West, which resulted in a successful and smooth process (*Ibid.*). However, in terms of political and everyday life, there has been a separation of the West and the East citizens' values, beliefs and identities.

Apart from many political and economic questions that had to be settled during German reunification, social context played a crucial role as well. For decades, there have been hostilities that ran between the East and West Germany, which surfaced during the debates of how the reunification was to be achieved. According to Andreas Staab, who examined the national identity in the East Germany, it came as no surprise that after the reunification, implanting the Western political, economic and social structures did not result in a rapid change of citizen views (Staab, 1998). After decades under Communist dictatorship, there have been beliefs, values and attitudes that were developed and could not have been easily changed by the simple legal act of German reunification.

#### **4. Socio-political and Economic Development Successes after Reunification**

In order to better understand the transformation that occurred after reunification the article will focus on some socio-political and economic changes that took place in the former East Germany in general but in particular in the city of Leipzig that was the most important city in the GDR after Berlin, the capital. The administrative leaders who replaced the East German officials were able to achieve some great successes. They were able to compete against other West German and European cities. The railway station in Leipzig underwent extensive modernization and became in 1998 one of Germany's most modern railway stations with a large multi-stories shopping and service center. Leipzig/Halle International airport was also enlarged and modernized and its new central combining a train station, a shopping mall, and a multi-stories car garage was completed in 2003.

Negotiations between Saxony state and Leipzig city officials and the German Postal Service (*Deutsche Post*) allowed the building of a big air-cargo center at the airport for DHL, a subsidiary of *Deutsche Post*. Leipzig was directly competing with Brussels and Hanover. Both cities had also applied. DHL had already a huge air cargo center in Brussels but it was running out of space there. So they basically had two options: to expand their Brussels facility or to find a new location further east. The case for going east was the economic integration of the new European Union member states and Russia. In the previous years, trade growth was rapid and led to a substantial increase in cargo traffic. This new investment created 1500 new jobs. It was another big "investment-success" in post-reunification Leipzig.

Two other good examples of successful economic development policies occurred after reunification. The first one was in 2003 when Leipzig became Germany's official applicant city for the 2012 summer Olympic games. Leipzig competitors were four cities from the West: Hamburg, Düsseldorf, Frankfurt and Stuttgart. All four are far more powerful and wealthy than Leipzig. Unfortunately, Leipzig was not among the five finalist candidate-cities chosen. The second example was the selection of the city to host some of the Soccer World Cup matches in 2006. The international soccer organization – FIFA – was very interested to have some of the matches in the former East Germany. Several eastern German cities had applied. In addition to Leipzig, Dresden – the capital of Saxony – Magdeburg, Erfurt, Rostock had positioned themselves as potential venues for World Cup matches. But the leaders of these cities could not muster enough enthusiasm and financing for the World Cup despite the prestige and obvious economic benefits that would derive from hosting that event. Leipzig immediately realized that being selected would bring thousands of additional tourists in 2006 and would give an incalculable boost to the city's image. They acted quickly and started plans for building a large stadium and for renovating and modernizing other sporting facilities. At the end, Leipzig was the only city in the former East Germany to have been selected.

But Leipzig's greatest administrative triumph was obtained when in 2001 it was selected by BMW as the location of a new manufacturing plant. More than 250 European cities were competing for the new plant, which will eventually create over 10,000 jobs. The selection of Leipzig by BMW prompted the federal government to accelerate significantly the implementation of current infrastructure projects in that region. A government investment of billions of Marks had provided the once-dilapidated East with state-of-the-art motorways, roads, railway lines and airports. More than 250 European cities had applied for the BMW plant. BMW decided to go for Leipzig because of:

- the flexibility of labor (they will be able to run the plant 6 day a week nonstop if necessary, which would have been not possible in most of the other cities that had also applied);
- the availability of highly skilled workers;
- good logistics and infrastructure;
- the lack of language problems when establishing the plant (at their US plant BMW had lots of quality and process-management problems, which led to many delays);
- marketing reasons (BMW wants to maintain its "made in Germany" image);
- a good structure of suppliers (in Southern Saxony an Northern Bavaria);
- EU and German subsidies (30-35% of the investment);
- the geographical location (Leipzig is closest to Bavaria and the main plant);
- low prices for the factory site; and
- a flexible administration (the Leipzig city administration team did a great job), good housing opportunities for the BMW staff and last but not least, an attractive cultural scene.

However, it is important to point out that in addition to the above-mentioned factors, massive subsidies from the government of the State of Saxony and the federal government were probably the most decisive factors. But to fully understand why this economic decision was so important for Leipzig, one needs to look also at the question of East German identity, the results of the transformation process and its role in a reunified Germany. The new BMW plant in Leipzig is a good example for that. People were losing hope that East Germany would be able to catch up with the West in the next ten years due to growth rates that were lower than in West Germany. There was

a certain “loser image” that was starting to emerge, fostered by unhelpful statements made by important politicians talking about the East Germany economy as being on the edge of collapsing.

Leipzig’s elected officials decided to do something more about that. They established a regional education network to provide BMW and other potential investors with skilled workers. It was supposed to be a tool for regional development. This private company coordinated its efforts with regional educational and governmental institutions. BMW said that this innovative idea was one positive factor in their decision. The level of performance of the Leipzig bureaucracy in the BMW case is a good example of the new efficiency being exhibited by the former East German civil service. So the BMW investment brought back hope and self-confidence – first and foremost for the State of Saxony, which was about to regain its old prewar status as a center of the automotive industry.

After reunification, not only the city of Leipzig but also virtually most of the local and state’s administrations in East Germany have developed an understanding of the necessities to respond to the reality of globalization. The will to transform East Germany into a high performance economy again was very strong among civil servants. Both identity and tradition played an important role in this phenomenon. A large part of the self-confidence of the East Germans, particularly those from Saxony, came from the status this area had until 1945 when it was the top industrial center of the old Reich. After reunification some thought that the economic wealth could be back. This desire was part of a whole set of motivations and circumstances that created the new spirit of customer-oriented initiatives with the Eastern bureaucrats doing everything possible to please investors, maybe more so than anywhere else in Germany. The relative poverty of the East and its dependency on money transfers from the West may have also been at least as important by creating specific forms of manifest political pressure from “without” and “within” the administrations, whereas the historical dimension would be of a more latent nature. Although such direct causal chains are speculative to a certain extent, there is little doubt that these factors played a central role in forging the new East German spirit. Leipzig’s various successes were interesting examples of public-private cooperation and they illustrated how the city officials were trying to succeed in a global environment by fulfilling the needs of the economic sector.

## **5. Conclusion**

Instead of developing an incremental change toward nationhood with indigenous inputs, the hierarchical bureaucratic order of the former GDR was summarily dismantled and a new line of authority was imposed. The newly imposed socio-economic and political changes drastically broke the normal evolution of GDR to a new nationhood. The period following the reunification was far from glorious. Difficulties caused by the transformation of a communist economy to a market economy caused growing unemployment. Many people deserted the city to try their luck in the West. The task of the municipal administrations was huge. How to revive a city increasingly empty and poor? (Garcia-Zamor, 2014).

When reunification became imminent after the March 1990 elections, the last GDR government’s main goal became the creation of administrative institutions that were compatible with the ones in West Germany. First, acting administrators were sent to the East but it soon became evident that a permanent bureaucratic elite-transfer was necessary. Top Eastern bureaucrats were purged and replaced by Western ones. Since the bulk of the GDR bureaucracy remained in place (except in cases where former Stasi operatives were fired), the newly formed Eastern bureaucracy had to perform under stress. Whereas total loyalty to the previous Socialist regime was a main criterion for selection and promotion in the GDR, the new bureaucratic leaders were now demanding high performance based on the Weberian work standard and ethics of the classical West

German civil service. The East Germans resented the new domination. In the west, the population was also resentful after new taxes were imposed to allow the federal government to integrate the former GDR. Because of this situation and other factors analyzed in here, the article found that the hypothesis stated at the beginning of the research is correct. This article focused on policy changes and used the case study of an Eastern city, Leipzig, that became a good illustration of the success of the reunification process. Depending on the operational definition of the word “united,” the article found that the long-lasting reciprocal resentments between the two former independent States was not an impediment to the successful reunification of the bureaucracies of the two Germans.

### **References**

- [1] Aslund, A. (2013). *How Capitalism Was Built: The Transformation of Central and Eastern Europe, Russia, the Caucasus, and Central Asia*, 2<sup>nd</sup> ed. New York, NY: Cambridge University Press.
- [2] Bracholdt, C. (March 8, 2013). "Why the former East Germany is lagging 24 years after the Berlin Wall came down?" *Quartz*. (*Quartz* is a digitally native news outlet for the new global economy).
- [3] Brockmann, S. (1999). *Literature and German Reunification*. Cambridge: Cambridge University Press.
- [4] Felkay, A. (1997). *Out of Russian Orbit, Hungary Gravitates to the West*. Westport, CT: Greenwood Press.
- [5] Garcia-Zamor, J-C. (2002). "Ethics Revisited in a Society in Transition: The Case of the Former East Germany", *Public Administration and Development*, **22**(3): 235-248.
- [6] Garcia-Zamor, J-C. (2003). "Workplace Spirituality in the United States and the former East Germany". In: R.A. Giacalone & C.L. Jurkiewicz (Eds.), *The Handbook of Workplace Spirituality and Organizational Performance* (pp. 314-335). New York: ME Sharpe, Inc.
- [7] Garcia-Zamor, J-C. (Ed.) (2004). *Bureaucratic, Societal, and Ethical Transformation of the former East Germany*. Lanham, MD: University Press of America.
- [8] Garcia-Zamor, J-C. (2008). *The Leipzig Model: Myth or Reality. A Study of City Management in the Former East Germany*. Lanham, MD: University Press of America.
- [9] Garcia-Zamor, J-C. (2014). *Strategies for Urban Development in Leipzig, Germany. Harmonizing Planning and Equity*. Heidelberg, Germany: Springer Publishers.
- [10] Hughes, J. & Sasse, G. (Eds.) (2002). *Ethnicity and Territory in the Former Soviet Union: Regions in Conflict*. London: Frank Cass Publishers.
- [11] Jeffery, C. (1995). "The Changing Framework of German Politics since Unification", In: D. Lewis & J. R.P. Mckenzie (Eds.), *The New Germany. Social, Political and Cultural Challenges of Unification* (pp. 101-126). Exeter, England: University of Exeter Press.
- [12] König, K. (1999). *Verwaltungsstaat im Übergang. Transformation, Entwicklung, Modernisierung*. Baden-Baden: Nomos Verlagsgesellschaft.
- [13] Kopstein, J. (1997). *Politics of Economic Decline in East Germany, 1945-1989*. Chapel Hill, NC: University of North Carolina Press.
- [14] Kuhlmann, S. (2004). "Evaluating the Transformation Process in East Germany: Institutional Performance of Local Administration", In: J.C. Garcia-Zamor (Ed.), *Bureaucratic, Societal, and Ethical Transformation of the Former East Germany* (pp. 27-65). Dallas/Lanham/Boulder/ New York/Oxford: University Press of America.
- [15] Kvistad, G.O. (1999). *The Rise and Demise of German Statism. Loyalty and Political Membership*. Oxford: Berghahn Books.

- [16] McAdams, A. J. (1993). *Germany Divided: From the Wall to Reunification*. Princeton, NJ: Princeton University Press.
- [17] Moses, J. C. (Ed.) (2003). *Dilemmas of Transition in Post-Soviet Countries*. Lanham, MD: Rowman & Littlefield Publishers.
- [18] Nutt, S. & Bottaro, J. (2011). *History for the IB Diploma: Nationalist and Independence Movements*. Cambridge: Cambridge University Press.
- [19] Oswald, F. (2002). *The Party that Came Out of the Cold War: The Party of Democratic Socialism in United Germany*. Westport, CT: Praeger Publishers.
- [20] Samuelson, R.J. (2002). The (New) Sick Man of Europe. In *Newsweek* (p.59). New York: Newsweek, Inc.
- [21] Segbers, K. (1994). "The Crisis in Russia as a Necessary Crisis of Transformation?", In: A. Clesse, \* (Eds.), *The International Systems After the Collapse of the East-West Order* (pp. 345-355). Dordrecht: Martinus Nijhoff Publishers.
- [22] Staab, A. (1998). *National Identity in Eastern Germany: Inner Unification or Continued Separation?* Westport, CT: Praeger Publishers.
- [23] Sturm, R. (1996). "Continuity and Change in the Policy-Making Process", In: G. Smith, W.E. Paterson & S. Padgett (Eds.), *Developments in German Politics 2* (pp. 117-132). Durham, North Carolina: Duke University Press.
- [24] Wollmann, H. (1996). "Rupture and Transformation: Local Government in East Germany. In: N. Ben-Elia (Ed.), *Strategic Changes and Organizational Reorientations in Local Government. A Cross-National Perspective* (pp. 109-123). New York: St. Martin's Press, Inc.
- [25] Wollmann, H. (1998). Um- und Neubau der Kommunalstrukturen in Ostdeutschland. In: H. Wollmann & R. Roth (Eds.), *Kommunalpolitik. Politisches Handeln in den Gemeinden* (pp. 149-167). Bonn: Bundeszentrale für politische Bildung.
- [26] World Bank (2002). *Transition: The First Ten Years*. Washington, D.C.: The World Bank.
- [27] Yoder, J.A. (1999). *From East Germans to Germans? The New Postcommunist Elites*. Durham, North Carolina: Duke University Press.

**Jean-Claude Garcia-Zamor** is presently a tenured full Professor in the Department of Public Administration at Florida International University. He has also been doing research and teaching at Leipzig University in the former East Germany for 15 consecutive summer semesters from 1999 to 2013. In June 2007, the President of that University (*Rektor*) designated him an Honorary Professor (*Honorarprofessor*). Dr. Garcia-Zamor is the author of six books and editor of three volumes. He also co-edited three other books. His 12<sup>th</sup> book entitled: *Planning Strategies for Urban Development in Leipzig, Germany: Harmonizing Planning and Equity* was published in 2014 by Springer Publishers. Prof. Garcia-Zamor holds a Ph.D. in Public Administration from New York University. He is a life member of the American Society for Public Administration, and a member of the American Political Science Association, the International Political Science Association and the Urban Affairs Association.