“Verraten und Verkauft”: The Contested Politics of Germany’s Treuhandanstalt

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Abstract / Thesis Statement

My thesis traces the legacy of the Treuhandanstalt, the government agency that privatised East German assets in the 1990s during the reunification process. I argue the Treuhand became – and remains – a flashpoint for East German hardships and wrongdoings during unification: a symbol that has become a politicised reminder of East-West differences that persist to this very day. A diachronic analysis of the Treuhand – tracing its emergence and actions, its period of scandalisation in the mid-1990s and its coverage in the present day – shows that far from being forgotten, the Treuhand plays a role in maintaining East-West divides in Germany to this day.

Note: All translations, unless otherwise noted, are my own.
Introduction

When Helmut Kohl arrived in Halle on the 10th of May 1991, he was greeted with a flurry of flying food. Eggs landed squarely on Kohl’s suit and face, launched at him by protestors gathered near his car. Yet instead of taking cover, Kohl – with yolk smeared on his jacket and his glasses – charged at the crowd in a fit of rage. A remarkable scene ensued: to the surprise of his security team, the respected politician and the acclaimed ‘father’ of reunification attempted to physically confront three dozen or so protestors. Only his bodyguards and a barrier prevented the chancellor of the newly united Germany, the country’s most important stateman, from engaging in a fistfight with the local youths of Halle, a small town in Germany’s Southeast region of Saxony-Anhalt.

While this scene is surprising – and, perhaps, quite entertaining – in itself, it is even more shocking when one considers the broader context of German reunification. Less than a year earlier, in March 1990, Saxony-Anhalt had voted overwhelmingly for Kohl’s party, the Christian Democratic Union (CDU) – and thereby German reunification – in the state’s first free election. Six months later, Germany had been reunited. Kohl was hailed a hero – the man who brought Germany together and who would ensure prosperity in both East and West Germany.

Yet less than a year after this victory, attitudes in Eastern Germany had soured greatly. From late 1990 to mid-1991, animosity towards the West and Kohl had grown immensely – to the point where the once-adORED chancellor was being pelted with leftovers from breakfast. Thus, “for many political observers, Halle’s egg-throwing marked a turning point in the relationship between Helmut Kohl and the East Germans.”

Kohl’s egging did indeed mark a turning point in East-West relations. Only a year after the euphoria of German reunification, a regional rift had emerged – a rift that has never fully seemed to heal. Thirty years after reunification, it seems as though West and East Germany are still divided in many ways, particularly when it comes to political identities: many Ossis (Easterners) align themselves more to the identity of Ossi than German, and vote for ‘Eastern’ parties as a result. The question then emerges: what exactly was it that caused such a stark and prolonged divide so soon after reunification?

In the years post-unification, an antagonistic discourse over the causes of this divide developed. This discourse has become increasingly politicised throughout the years by Bundestag\(^2\) parties, which have utilised identitarian politics in attempts to win regional votes. While such a discourse has many points of animosity, there is one subject that recurs in many of these discussions: the government institution called the ‘Treuhandanstalt’.\(^3\) In order to explain the emergence and exacerbation of these rifts and divisions to this very day, we thus must understand the role of the Treuhandanstalt in post-reunification Germany, and its continued relevance in contemporary Germany.

The Treuhandanstalt (or “trust agency”) operated from 1990-1994 as a branch of the federal government. Entrusted with privatising state-owned companies from the former GDR, the Treuhandanstalt had an enormous task: at the time, it was the biggest holding company in the world, with approximately eight thousand companies under its umbrella. The privatisation of Eastern industry through the sale of these companies came with mass unemployment, destruction of industry, regional depopulation and a lack of East German ownership – especially in regions with large industrial complexes, such as Saxony-Anhalt. The Treuhand

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\(^2\) The Bundestag is Germany’s Federal Government. For a basic overview of Germany’s political system and of political parties that operate within this system, please see Appendix: German Governmental Structure and Political Parties.

\(^3\) Throughout this thesis, I will be referring to the Treuhandanstalt either using its full name or as the ‘Treuhand’. In German, ‘Anstalt’ means ‘agency’ while Treuhand means ‘trust’. The two names are used interchangeably in German – which is reflected in many of the sources that I use.
thus quickly became “the most hated institution in Germany” – labelled “Job Killer Number One”\(^4\) – so much so that in April 1991, a terrorist militant group assassinated its chief executive, Detlev Rohwedder.

While most Germans were generally in favour of unification, the sweeping changes that privatisation caused by way of the Treuhand led many East Germans to feel aggrieved towards unification. Graffiti was plastered on Eastern walls that read “Verraten und Verkauft” – “betrayed and sold out.”\(^5\) There is no one consensus on the character of Eastern aggrievances: some Easterners felt as though the wealth of the GDR was appropriated; others felt as though their cultural values were upended; others yet felt as though the former GDR was colonised by the West. Anger towards the Treuhand, while sharp, has no general foundation; many Easterners felt acrimony towards the institution for a plethora of reasons. As such, the Treuhand was (and is, to this day) often utilised as a ‘catch-all’ symbol within German politics to represent wrongdoings of the unification era. This makes a diachronic analysis of reactions towards – and portrayals of – the institution significant, as they often reveal political undercurrents and other intimations. The aim of this thesis is to trace these reactions and undercurrents, analysing short-term and long-term discourses over the Treuhand and collective East German memorial practices. Today, Eastern resentments still resonate; now more than ever, in East Germany the Treuhandanstalt symbolises the political failures and missteps of the re-unification process. This thesis therefore asks: to what extent did the Treuhand cause and maintain divides between East-West Germany?

A continued – and indeed, recently re-invigorated – animosity towards the institution suggests that the Treuhand and its actions are a salient flashpoint representing divides

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between the two regions. Yet whether this flashpoint is truly symptomatic of a general East-West identarian divide within the German population or whether the Treuhand divide runs along political axes more than it does regional ones is a difficult question to disentangle – especially when it comes to contemporary Treuhand memory. Indeed, while Treuhand discourse is firmly anchored within an East-West framework, since the role of the Treuhand was to bring East Germany into the folds of the West, there is a strong political undercurrent that is apparent throughout Treuhand history. While an oppositional political culture seems to have established the Treuhand as a firm symbol of Eastern grievances and as a core part of an Eastern, anti-West identity, a more mainstream political culture deems the Treuhand as necessary: an institution with which to right the wrongs of state socialism. The question follows: to what extent does the ‘trauma’ of the Treuhand represent an actual resentment and divide on the part of Easterners, and to what extent is this resentment exaggerated by political parties?

In order to foreground the deep regional and political divides between East and West Germany in which Treuhand history is situated, it will first be useful to provide a brief overview of contemporary German political history through which to understand these tensions. Until 1989, forty years of authoritarian rule had dramatically shaped the lives of Easterners. Free elections, freedom of movement and opposition towards the government had been forbidden; under the USSR’s command, East Germany had one dominant ruling party, the SED. In West Germany, elections were free, with the political system dominated by three parties (CDU/CSU, SPD and FDP\(^6\)). Thus, during the process of unification an entirely new electorate was absorbed into greater Germany. Citizens of the former GDR, “who were used to a paternalistic socialist system in which the state took on the role of provider of far-

\(^6\) A detailed overview of political parties, their leanings and their foundations is found in Appendix: German Governmental Structure and Political Parties.
reaching welfare programmes for all its citizens,”⁷ were (and remain) more likely to vote for parties that are “strongly anchored”⁸ within Eastern Germany – parties such as ‘Die Linke,’ the descendant of the GDR’s SED, and more recently founded, right-wing ‘Alternative für Deutschland’ (AfD). While these parties have never gained majorities, they provide the basis of an oppositional political culture that seems to largely lie upon a foundation of Eastern identity.

Such context is important because it dictates the political axes with which to evaluate Treuhand memory. The Treuhand, as a government entity, espoused political critique and adulation – a trend that continues to this very day, with its staunchest critiques coming from politically affiliated actors. As such, Treuhand history takes on a new dynamic; in order to truly understand whether East-West divides are general, or revolve around a political locus, we must parse out the differences between real Eastern memories and resentments, and those which German political parties exacerbate in order to strengthen their bases of support.

The problem of disentangling these two concepts presented itself strongly while researching for this thesis. The historical literature on the Treuhand is rich, yet it provides an interesting challenge: almost all of the sources that cover the Treuhand have a clear political impetus behind them. As such, the two distinct fields of Treuhand historiography reveal strong political leanings. The first debates whether the actions of the Treuhand should be seen as successful. This area focuses on the actual process of privatisation itself from 1990-1994; the institution’s sales, actions and the economic output that resulted. Proponents of the viewpoint that the Treuhand was mostly successful argue that the Treuhand faced an “impossible challenge,” analysing data to argue that “the vast majority of privatisations” were

⁸ Abedi, 472.
completed “relatively smoothly in just a few years.” 9 The most seminal collection of these perspectives is ‘Treuhandanstalt: Daring to do the Impossible’10 (1993), in which a variety of contemporary historians, economists and lawyers rated the work of the Treuhand positively. This collection, which “set a dominant tone in contemporary scientific debates on the Treuhandanstalt [...] through descriptive, preferably economic, detailed analyses,” sought to “differentiate and ultimately defended the Treuhand.” 11 As a result, economic analyses that followed this initial collection usually draw similar conclusions; that, given the conditions, the Treuhand did the best that it could. Yet even such ‘objective’ analyses have a political impetus behind them. In fact, the collection ‘Treuhandanstalt: Dare to do the Impossible’ was sponsored by the Treuhand itself in a 1992-3 ‘Treuhandanstalt research project,’ which “handpicked”12 and funded a research group (largely made up of West German conservative historians). It might come as no surprise, then, that the Treuhand was evaluated as a success.

Yet opposition to the viewpoint that the Treuhand was successful is also far from objective. This narrative suggests that “privatisation is not just an economic event. It is also inextricably connected with the fate of millions of employees.”13 Proponents of this view, such as Rösler, argue that the Treuhand’s actions had significance far beyond its financial consequences. A large number of reviews of the Treuhand’s missteps – most notably bringing to light scandals and fiduciary crimes – have been published over the past thirty

10 Fischer, Hax, and Schneider, 1.
years that contribute to this narrative. Among these are works by Heinz Suhr (1991), Dirk Laabs (2012) and Otto Köhler (2011). Yet importantly, many of these authors are affiliated in some way with political oppositional parties; Rösler is a member of the historical commission of Die Linke; Suhr was the press spokesman for the Green party; Laabs regularly speaks at events for Die Linke; the list continues.

Finally, there is a school of thought that deems that the Treuhand cannot be measured as a success or failure due to the exceptional nature of the institution. Such analysis is generally less politically charged; political scientists such as Czada argue that the Treuhand’s intersection between economics and politics places the organisation outside ‘normal’ modes of democratic governance, and thus that we have no framework with which to deem the institution’s actions as a success or a failure.

The other interpretive camp focuses on the socio-cultural history of the Treuhand: detailing remembrance culture and the impact that the Treuhand had on Eastern lives, memories and politics. My own research is placed within this area. My aim is not to judge the Treuhand as a success or a failure, but instead to showcase and understand the effects of the institution upon German culture. In this camp, too, discourse is framed by political and regional undercurrents. One viewpoint calls for the historicization of the subject, arguing for an in-depth analysis of the historical impact of the Treuhand on German society and culture. Historians Kleßmann, Jarausch and Ritter take this view – notably, all Western Germans. Eastern German historians and politicians, on the other hand, argue that the Treuhand must not be historicised completely, but rather that the Treuhand plays an important role in Eastern memories which shape German identities and politics. There has been an emerging research

boom in this area in the past few years, especially after the 2017 electoral success of right-wing populism and AfD. Boick notes that a “nearly ineradicable ‘zombie’ of East German remembrance culture is rising again from its grave;”\textsuperscript{18} Schönian (2020) notes that animosity towards the Treuhand is a key part of Eastern identity;\textsuperscript{19} and Kopping (2018) argues that the Treuhand itself might be the main factor in understanding the successes of Eastern populism.\textsuperscript{20}

Further yet, to some Easterners the Treuhand represents a neo-colonial extension of the West. To such commentators, German unification was less of a union, and more of an ‘Anschluss’ – a complete subjugation of the East. The Treuhand, thus, is seen as a form of “would-be colonial subjection of East Germans to superior Western standards, rules, and bosses in a cultural sense.”\textsuperscript{21} Key proponents of this viewpoint are Dümcke and Vielmar (1995), Liedtke (1993) and van der Vat (1991).\textsuperscript{22}

In-depth research into the subject of the Treuhand therefore makes it apparent that there is no ‘objective’ account of the Treuhand and its memory. The same could be said with all history, perhaps – yet what makes Treuhand history so salient and reflective of political dynamics is its novelty, and the fact that all Germans writing about the Treuhand had some sort of personal experience with the institution. Indeed, the mere point that (generally speaking) Western historians downplay the Treuhand’s effects, while Eastern historians extoll the severe consequences of the Treuhand, speaks volumes: while the Treuhand seems

\textsuperscript{19} Valérie Schönian, Ostbewusstsein: Warum Nachwendekinder für den Osten streiten und was das für die Deutsche Einheit bedeutet (Piper ebooks, 2020).
\textsuperscript{20} Petra Köpping, Integriert doch erst mal uns!: Eine Streitschrift für den Osten (Ch. Links Verlag, 2018).
\textsuperscript{21} Böick, ‘In from the Socialist “Cold,” but Burned by the Capitalist “Heat”?’, 144.
to “play a key role in the historical memory of the East Germans,” 23 this trend is not reciprocated in West Germany.

My research traces not only the history of the Treuhand – which I will place within three distinct epochs – but the development of these political undercurrents throughout the years. By tracing the basic fabric pattern of social controversy over the Treuhand throughout the past thirty years, I show that the history of the Treuhand reveals to us not only potential East-West divides within the German population, but also the strong oppositional political culture that Germany has developed. By understanding Treuhand history – examining who is providing the Treuhand discourse as well as what Treuhand discourse entails – we begin to better understand the East-West divides that continue in modern-day German culture and politics.

In order to understand such history, this thesis draws upon a variety of sources. It is important to note that, just as the historiography of the Treuhand is underpinned by politics, so too are many of the primary archives that I use. This fact does not undermine their veracity – rather, it underscores the extremely political nature of the Treuhand’s emergence and memory. In order to frame the Treuhand discourse, and to provide insight into the political atmosphere under which the institution was contrived, I relied mainly upon government documents from extensive digital parliamentary archives, both from the Bundestag and from the state of Saxony-Anhalt, which detail parliamentary plenary minutes and debates from 1990 onwards. Such documents provide useful framing for key decisions made during the 1990s and up to this very day. Primarily, however, the sources for this thesis are made up of newspaper articles, oral histories and surveys. Newspaper archives – including (but not limited to) Der Spiegel, Mitteldeutscher Rundfunk, Neues Deutschland, Frankfurter Allgemeine Zeitung and TAZ – are found in online archives, and articles used extend from

23Böick, ‘In from the Socialist “Cold,” but Burned by the Capitalist “Heat”?’, 144.
1990 up to the present day. Yet all of these newspapers, by nature of the regional divide, lean in some way towards either an Eastern or Western identity; TAZ and Frankfurter Allgemeine, for example, are Western newspapers, while *Mitteldeutscher Rundfunk* and *Neues Deutschland* are distinctly Eastern. Similarly, the surveys and oral histories used – the *Rosa-Luxemburg Stiftung*’s Treuhand Remembrance 2019 interviews, and a multiplicity of studies from the Allensbach institute, the University of Bochum, and the IFD-Institut – are in some way shaped by politics, some more so than others. *Rosa-Luxemburg Stiftung*, for example, is a policy institute run by ‘Die Linke’; it is this archive that provides the most all-encompassing Eastern accounts of the Treuhand that it is possible to find. It seems that those who are keeping the memory of the Treuhand alive through archives have a distinct political motivation; and, as such, it is difficult to fully grasp the general population’s true perceptions of the Treuhand and the effect of its memory on the population other than through nationwide polls. Thus, while the material that these surveys and archives contain are no doubt invaluable, the motivations behind the collection of data – and the potentially selective nature of such data – must be taken into account. This provides a problem when it comes to the objectivity of the Treuhand argument. To what extent do these archives truly provide a general picture of German opinion, and to what extent have these histories been conditioned by those who intend to instrumentalise East German memory?

My aim is thus to use these texts to trace the coverage of the Treuhand, but to also point out the difficulty of the representation of the Treuhand. Ultimately, while the Treuhand’s actions themselves initially contributed to a large divide between East and West Germans, in recent years the memory of the Treuhand has been wielded as a tool by opposition parties in order to remind the East German electorate of their specific Eastern identity. It is this recent political instrumentalization which continues to separate Easterners
and Westerners – and which we must understand if we are to understand the East-West
tensions and antagonisms to this day.

Thus, I have divided the history of the Treuhand in three distinct eras. Chapter One,
“The Foundations of the Treuhand Flashpoint,” examines the creation of the Treuhand and its
working years, particularly 1990-1992. This chapter argues that soon after reunification, the
work of the Treuhand served to split Easterners and Westerners by engendering resentment
from the East German population. In these early years, the Treuhand flashpoint was truly
public; anger towards the institution came from all areas of the population.

Chapter Two, “Transition from Actor to Memory and the Entrenchment of the
Politicised Treuhand,” argues that this divide became embedded in East German political
memory even after the Treuhand shut its doors in 1994. This chapter traces the emergence of
the memorial culture regarding the Treuhand from 1992-2000, and the politicisation of the
subject once the institution had shut down. I suggest that the high hopes that East Germany
had for democracy, and the proliferation of scandal that surrounded the agency in the 1990s,
were instrumentalised by oppositional parties to permanently etch the memory of the
Treuhand as an extremely negative force in the East Germany.

Finally, Chapter Three, “And Now? The Treuhand in Modern-Day Germany,”
examines how, to this very day, the Treuhand’s memory lives on – particularly when it comes
to East German politics. As a renewed East-West political divide is re-emerging in
contemporary Germany, so too is the memory of the Treuhand, exacerbated particularly by
recent German political crises which have been used to draw parallels to the Treuhand’s
memory. Far from the Treuhand being an institution that held importance in the 1990s, the
agency’s politicisation by oppositional parties means that thirty years on, the Treuhand has
remained a relevant subject within Eastern politics.
Overall, my analysis will show that if we are to comprehend the tensions and challenges facing contemporary Germany, we must begin by understanding the historical implications that the Treuhand has on East-West relations. Such strains – whether exaggerated in political spheres or not – undoubtedly have implications and effects on the modern-day German polity by reminding Easterners of reunification-era aggrievances and perceived Western wrongdoing. Thus, the history of the Treuhand provides us with a useful basis with which to understand intra-German conflict, discord and alienation to this very day.

Chapter One: The Foundations of the Treuhand Flashpoint

On November 9, 1989, when the Berlin Wall peacefully collapsed, euphoria erupted on the streets between East and West Germans. “We are one people!”

extolling the commonalities between a people separated for over forty years. Less than a year later, on October 3, 1990, to much exultation on both sides of the border, the socialist German Democratic Republic was subsumed by the capitalist Federal Democratic Republic of Germany, and the two Germanies were reunited.

Yet by mid-1991, stark divides had once again re-emerged between Eastern and Western Germany. In 1991, East Germans lamented about the attitudes of their Western brethren: “until the collapse of the wall, we were sisters and brothers; after that those are foreign words;” “When it comes to money, their humanity ceases;” “out of the unknowingness of many citizens they attempt to snatch our money.”

Westerners claimed that Easterners “think they have a right to live as well as we do, without doing much for it; they are making us responsible for the bad conditions they have endured for the last 50 years.”

Only a few months had seen a newly unified people – previously euphoric over their interconnectedness – more divided and unsatisfied than ever. In a 1991 poll over reunion, only 7% of Easterners answered that they were “completely happy” – 40%, by contrast, admitted that they were ‘often dejected and hopeless.’

This chapter asks: what happened

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26 “Sie meinen, ein Recht darauf zu haben, so gut leben zu können wie wir, ohne viel dafür zu tun […] Sie machen uns dafür verantwortlich, daß sie 40 Jahre schlimme Verhältnisse ertragen mußten.” ‘Zehn Jahre Bis Zum Wohlstand?’

27 ‘Zehn Jahre Bis Zum Wohlstand?’
within those months? How can such a shift – from union to perceived division and despondency – be explained, so soon into the reunification project?

In the years 1990-1992, the Treuhandanstalt or ‘trust agency’ played a crucial role in creating divides between East and West Germany. From its initial mandate in a reunified Germany, as Siebel aptly argues, the Treuhand became a “lightning rod” for Eastern frustrations, and therefore soon became a focal point of Eastern anger, set up by the government to absorb the short-term frustrations of many East Germans in an inevitably difficult process of unification. The Treuhand thus came to be seen as a harbinger of adversity to the Eastern German public – as Eastern newspapers decreed, “it passes judgement on the life and death of entire regions and branches of the economy, and, finally, on the fate of 16 million people in the Eastern States of Germany.” The mass protests against the Treuhand that followed unification – which this chapter will investigate – makes it clear why, as politician Petra Köpping noted in 2017, “Anyone who wants to talk about the anger and the time after the reunification has it easy: he simply has to say the word ‘Treuhand’.”

In order to understand the basis of frustrations towards the Treuhand, it will be useful for us to start out with a brief overview of the Treuhand’s role in the reunification process and its mandate in the last few days of the GDR. The Treuhandanstalt was created on March 1, 1990 – prior to the reunification of the two Germanies – by the GDR. With reunification looming, and the prospect of all state-owned companies becoming part of a market economy in a merger with the FDR, the GDR created the agency in an attempt to preserve its state-owned companies. The agency’s mandate was to take these companies into its control and to

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28 Böick, ‘In from the Socialist “Cold,” but Burned by the Capitalist “Heat”’, 144.
30 “Wer über die Wut und die Nachwendezeit reden will, hat es einfach: Er muss einfach das wort ‘treuhand’ sagen.” Köpping, Integriert doch erst mal uns!, 17.
restructure them – but not to privatisate them – in order to “leave room for a reformed, but still state-owned, industrial complex.”

Yet by June 1990, the Treuhand had taken on a distinct character from what was originally intended. Elections in late March had seen a new government, led by the CDU, take power in the GDR; a government that was elected based on the promise of a speedy and unanimous unification with West Germany. This new government mandated that if unification were to happen, it would require “direct and complete economic reunification in one radical step.” Now, it was deemed that the eight thousand companies under the Treuhand’s umbrella were no longer to be owned by the state – rather, they were to be transferred into the market economy as quickly as possible. It was under this agreement that the People’s Chamber of the GDR passed the Treuhandgesetz (or ‘Treuhand Act’) on June 17th, 1990. This act fundamentally changed the nature of the former government’s Treuhand: rather than preserving state-owned assets, the new purpose of the agency was to ensure that “the transfer of the public property entrusted to the Treuhand to private legal entities or natural persons should proceed as quickly and widely as possible.” When the GDR was dissolved and Germany was officially reunified on October 3rd, 1990, the Treuhandanstalt remained: Act 25 of the Unification Treaty states that “The Treuhandanstalt shall have the task […] of restructuring companies previously owned by the state to make them competitive and to privatisate them.”

While the GDR’s government had originally set up the Treuhand as an institution designed to safeguard Eastern industry against the threat of a shift to capitalism, by October

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32 Böick, 147.
1990 the Treuhand had a new task – to bring Eastern Germany and its industry into the capitalist system as quickly as possible. Thus, the dissolving of the GDR in October 1990 “meant the disappearance of any kind of separate East German institutional veto”\textsuperscript{35} over the Treuhand’s actions, since it was now controlled by the Bundestag. Eastern states and people, now powerless over an institution that was once theirs, thus began to question the authority of the Treuhand, especially since it was unclear where the Treuhand’s legal powers came from in this new political system. “Legally, the THA was not a company and for all practical purposes it was not a state authority”\textsuperscript{36} – the institution’s legal framework meant that it was expected to operate under private, corporate law, even though its task was defined by public law. In the new Germany, the Treuhand was thus given a “wealth of power that is – at the very least – unusual in a parliamentary system.”\textsuperscript{37}

It seems, then, that “like most aspects of German monetary union, the decision to set up the Treuhand was taken on the run, with little debate about possible alternatives.”\textsuperscript{38} From its very foundations in the new Germany, the Treuhand’s mandate to restructure and privatise all property of the GDR ‘as quickly and widely as possible’ gave it enormous authority, yet without clear legal power by which to do so. From the very onset of German reunification in October 1990, it seemed that the government had “placed the burden of responsibility that it did not want to take on itself onto [the Treuhand]”\textsuperscript{39} – while Chancellor Kohl promised

\begin{itemize}
\item \textsuperscript{36} Czada, ‘The THA in Its Environment of Politics and Interest Groups’, 155.
\end{itemize}
Easterners “blooming landscapes,” he asserted that the Treuhand was responsible for delivering such prosperity, separating his politics from the task at hand.

This task was no small feat. Amidst fears of a refugee crisis, East Germany had adopted the Western currency, the deutschmark, in June 1990. Since November, half a million Easterners had crossed the border to West Germany in the hopes of prosperity, demanding economic parity – and, in order to quell the steady flow of migrants from East to West, exchange rates between Eastern and Western currencies were set at 1:1. This union provided extreme problems for the Treuhand; new wage levels, now paid in deutschmarks, drove up the prices of Eastern products, and in turn Eastern industrial companies and conglomerates became almost worthless in competition with their Western counterparts. The companies that the Treuhand had been mandated to sell thus became “almost without exception in a wretched condition” – even the “flagship combines of the proud industrial nation of the GDR turned out to be industrial museums, and their productivity was at the level of a third world country” (with productivity now measured against a Western standard). Thus, “initial optimism about East Germany’s assets quickly vanished as it became clear that most were worth only “their real-estate or scrap value.”

As early as 1990, Rohwedder (who had taken on the role of chief executive of the Treuhandanstalt earlier on in the year) complained that “we have become the nation’s punching bag.” Expected to act with “business acumen, but also with political skill,” and

with its decisions affecting the four million people collectively employed in the companies it
presided over, the Treuhand was under a “constant pressure of having to justify itself towards
the public”\textsuperscript{45} – especially given the nebulous legal origins and grounds behind the institution.
As such, from its very foundation, the Treuhand was in the prime position to take “all the
blame for the bleak situation in East Germany”\textsuperscript{46} – even before it began to carry out its
mandate, the Treuhand was set up as a focalisation point for public resentments towards
unification.

It is unsurprising, then, that Eastern exasperation towards the Treuhand only grew
when the agency began to fulfil its mandate to privatise or ‘wind down’ the majority of
companies in the former GDR. It is difficult to overemphasise the sheer effect that
privatisation had on the landscape of East Germany: from 1990-1992, hundreds of companies
were shut down per month, and by the end of 1992, around 80% of the Treuhand’s originally
held companies had been privatised or closed completely.\textsuperscript{47} While in mid-1990 there had
about 4.1 million employees (42% of the Eastern working population) working in Treuhand-
owned companies, by April 1992 only 1.24 million remained.\textsuperscript{48} In less than two years, nearly
3.6 million jobs were lost as a direct consequence of the Treuhand’s mandate.\textsuperscript{49} In states such
as Saxony-Anhalt, Thuringia and Mecklenburg-Western-Pomerania, unemployment rates
reached never-before seen highs (16.5%, 14.4% and 16% respectively\textsuperscript{50}).

Yet it was not such sweeping change alone that aggravated Easterners, but the speed
and secrecy that accompanied this change. “The political pressure to privatise quickly was
immense,” the head of the Treuhand in Halle remembered in 1995. “It was like having to fly

\textsuperscript{47}Böick, ‘In from the Socialists “Cold,” but Burned by the Capitalist “Heat”’, 80.
\textsuperscript{48}Fischer, Hax, and Schneider, \textit{Treuhandanstalt}, 1996, 440.
\textsuperscript{49}Heather M. Stack, ‘The Colonization of East Germany: A Comparative Analysis of German Privatization’,
\textsuperscript{50}Harald Blau et al., \textit{Labour Market Studies: Germany}, 1997, 54.
a plane while still building it.”

Decisions made by Treuhand employees – about whether to keep open or shut down whole companies or even industries – were often made quickly and behind closed doors, in a strategy that seemed “designed to keep all the “intruders” and “enemies” of Treuhand at bay and out of the decision-making and bargaining processes.”

To Eastern Germans, such ‘intruders’ seemed to be Easterners themselves – it seemed that privatisations benefitted Westerners, with most companies sold to wealthy Western investors, while the majority of Easterners retained no ownership of their former institutions. In fact, while “very few East Germans had the capital to participate in the privatisation process,” those that did were “often rejected as investors.” As a result, by 1994 “East Germans constituted nineteen percent of the German population, but owned barely seven percent of unified Germany’s assets.” Moreover, there was “no legal recourse to contest privatisation decisions” due to institution’s stand-alone, extra-governmental capacity; Easterners simply had to accept the fate of their former industries, companies and occupations. This swift and unanimous strategy, labelled ‘shock therapy,’ made it clear to Easterners that a transition to the market economy was not going to be as easy as Kohl had made it seem. In contrast to the ‘blooming landscapes’ that Kohl had promised, it seemed that “the reality was that East Germany turned into a structurally depressed economic emergency zone” – with Easterners bearing the heavy burden of mass unemployment without any apparent reward.

It is no wonder, then, that the first few years of German reunification saw visceral public reactions towards the Treuhand. In the eyes of Easterners, the determination of the

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53 For more on this, please see Moritz Hennicke, Moritz Lubiczky, and Lukas Mergele, ‘Die Treuhandanstalt: Eine Empirische Bestandsaufnahme 30 Jahre Nach Der Deutschen Wiedervereinigung’, Ifo Schnelldienst, no. 9 (September 2020): 49–52.
54 Stack, ‘The Colonization of East Germany’, 1238.
57 Dostal, ‘Germany’s Post-Reunification Effort to Achieve National Reconciliation’, 12.
agency to bring East Germany into the market economy as quickly as possible had dire effects on the Eastern population, in terms of short-term, immediate effects of unemployment and long-term structural effects of lack of ownership. Thus, as the Treuhand began to enact its mandate, mass public protest began, and Eastern outcry against the Treuhand quickly became a critique not only against the institution, but against the fallacies of West German capitalism itself. By the end of the end of 1992, such critiques had developed into the first schisms between East and West post-unification. As the institution became a symbol of the dark side of capitalism, Eastern grievances towards the Treuhand very quickly became grievances towards the entirety of West Germany.

In 1990, as the Treuhand began to shut down or sell swathes of companies, mass protests and strikes ensued. Across East Germany, the public expressed its disdain towards the Treuhand’s policies, with thousands of members of the public and workers taking part in demonstrations in states such as Thuringia and Saxony-Anhalt on an almost daily basis. From 1990-1992 the former East Germany saw 747 protests in total; a majority of which were directed towards the Treuhand and economic dissatisfaction.58 By 1991, protests against the Treuhand were drawing in immense crowds. In March, some 70,000 Easterners protested in Leipzig (the scene of the Peaceful Revolution of 1989 that led to reunification), while 100,000 other protestors gathered in Erfurt. In Leipzig, protestors “aimed their wrath squarely at the Bonn government, accusing it of a wholesale dismantling of their jobs after German unification.” And in Erfurt, signs of protestors viscerally challenged the agency: “Resign,

Such rising resentment against the Treuhand soon led to direct assaults on the institution. By mid-1991, the “volatile mood in the ‘accession area’ threatened to turn into massive frustration and open violence.” Regional offices were often the subject of attacks; in Schwerin, for example, “metal workers poured several sacks of sand in front of the entrance to the trust branch,” reconstructing the “bags of sand that the Treuhand threw in the eyes of the members of IG Metall [a nationwide union].” In the same week, protestors obscured the entrance to the Treuhand in Rostock; “As a protest against the current policy of

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the Treuhand, young trade unionists walled up the entrance to the Treuhand branch […] and marked it with the inscription ‘You obstruct our future, we obstruct your door.’”  

62 And, as anti-Treuhand sentiment reached a peak, the most direct assault on the Treuhand was issued: on April 1st, 1990, Treuhand chief executive Rohwedder was assassinated, most likely by the militant leftist Red Army Faction. “Capital strategists, like Rohwedder, are concerned with creating the conditions for the attack on the human soul and its deep deformation, which […] builds seemingly insurmountable walls,” the RAF’s statement of intent read.

Such protests – as well as the violent attacks against the leaders of the institution – underline the enmity felt towards the Treuhand and its actions. And, as public disdain mounted against the agency in these early years, so too did organised, formal anti-Treuhand opposition. Very quickly, occupations of Treuhand-held companies began all over East Germany. In Premnitz in 1990 the employees of the Treuhand-held Faser AG blocked the entrance of the company, declaring that “With this protest, our aim is to achieve a decision in favour of the workers when our fate is decided by the Treuhand on December 21st.” In 1991, the Elektro-Physikalischen-Werke AG in Brandenburg was occupied by the workforce, with workers demanding “practicable solutions in order to offer people a perspective.” A month later, six thousand workers of the company Ermic “symbolically occupied their company” for two weeks, protesting against imminent unemployment.

62 “Als Protest gegen die derzeitige Politik der Treuhand haben am Freitag in Rostock junge Gewerkschafter den Eingang zur Treuhand-Niederlassung vermauert und mit der Aufschrift „Ihr verbaut unsere Zukunft, wir Eure Tür“ versehen.” ‘Arbeitnehmer erinnern die Treuhand an Zusagen’.


66 “Seit zwei Wochen haben die ArbeiterInnen der Ermic ihren Betrieb symbolisch besetzt.” Radix, ‘Hinter dem Chaos steckt Methode’.
These calls for occupations were often made by trade unions, vehement in their disdain for the Treuhand. IG Metall’s national chairman compared the Treuhand to a “slaughterhouse,” while its director in Chemnitz warned that “we […] must finally start to defend ourselves against the arbitrariness of the Treuhand and profit-addicted Wessis.” As various unions began to organise a large number of the anti-Treuhand strikes and sit-ins, providing outspoken critiques against the institution, unions quickly became powerful anti-Treuhand critics.

Organised opposition against the Treuhand was soon taken up, too, by political opponents of Kohl’s CDU. This initial political opposition marks the very beginnings of the subject’s politicisation; throughout the Eastern states, or Länder, parties such as the PDS and the SPD touted the Treuhand as the harbinger of doom for the East German regions. Unsurprisingly, perhaps, the largest critics of the Treuhandanstalt were members of the PDS – the direct successor of the GDR’s SED (and the party that was to become ‘Die Linke’). In the state of Saxony-Anhalt – the state with the second-largest rise in unemployment from 1991-1992 – the PDS and SPD were particularly vehement. At the eighth meeting of the regional government in January 1991, Roland Claus, a PDS representative who remains a vocal Treuhand critic to this very day, declared that “the key problem is that […] the Eastern lands will remain on the drip feed of the Federal finance ministerium and will stay there.” Claus suggested a “regionalisation of the Treuhandanstalt” and a taking back of power from

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68 “Die Sachsen müssen endlich anfangen, sich gegen die Willkür der Treuhand und profitsüchtiger Wessis zu wehren.” Schiffbauer and Metaller gehen auf die Straße’.
69 Ekiert and Kubik, ‘Contentious Politics in New Democracies’ estimates that approximately 49.7% of protests in the former GDR were organised by either a labour union or social movement.
70 ‘Entwicklung Der Arbeitslosenquote Für Deutschland, West- Und Ostdeutschland von 1991 Bis Heute’ (Bundesagentur für Arbeit; Statistik, December 2007), Datenzentrum der Statistik.
the centralised authority. Similarly, in September 1992, another member of the PDS, Dr. Süß, launched a polemic speech at the Saxony state parliament:

The official unemployment rate of 15.4% in Saxony-Anhalt only partially reflects the devastating extent of deindustrialization. Through the hasty privatization policy […] the GDR's national wealth was and is being squandered. […] If you look at the Treuhand's policy, the federal government and with it the state government acted illegally, because West German industry is not the generality in the sense of the Basic Law.  

It is probable that the PDS’ focus on the Treuhandanstalt as the cause for Eastern misery was an attempt to capture the Eastern electorate, particularly since the PDS’ ancestor, the SED, was the party under which East Germans had suffered for many years. Drawing attention to the Treuhand as the source of Eastern woes thus likely represents political expediency and an attempt to distance the troubles of the East from state socialism and the SED. Yet regardless of the motive, such critiques represent the beginning of a trend: that of oppositional parties setting the Treuhand up as a distinctly anti-Eastern, Western institution. Members of the SPD also critiqued the Treuhand: in the twentieth parliamentary meeting of Saxony-Anhalt, Höppner, the SPD’s leader, emphasised the need for the state to “get actively involved in Treuhand politics” since “this kind of mass unemployment has not occurred in Germany since the global economic crisis, even in problem regions.”

Throughout Eastern Germany, politicians from the PDS and SPD set themselves up as critics of the Treuhand, with many


prominent figures launching polemics on the agency in these early years. As such, a specific anti-Treuhand East German political atmosphere slowly emerged – an atmosphere which undoubtedly helped to characterise the Treuhand as a negative force for Eastern Germans.

Aggrievances were exacerbated, too, by the Eastern media’s overwhelmingly negative portrayal of the Treuhand. In the period of 1990-1992, a majority of Eastern newspapers portrayed the Treuhand in largely unfavourable terms, with the agency often accused of deliberately dismantling the East. While Easteners were described as “demonstrat[ing] against the job-destroying policies of the Treuhand and their Bonn colonial rulers,” the Treuhand was described as closing companies down in order to “slice the ‘juiciest bits’ out of it and toss them to companies in the West.” A large part of East German papers “placed the full responsibility on the THA [Treuhandanstalt] for the unfavourable consequences for the workforce and the whole region” – coverage which undoubtedly accompanied the public sentiment of the time.

An analysis of discourse focusing on the Treuhand from 1990-1992 thus makes it clear just how powerfully and quickly Eastern resentment towards the institution grew. However, what remains to be answered is whether such resentment should represent the establishment of a deeper rift between East and West Germans. Did the polemicised speeches in local parliaments, articles from local news sources and strikes truly represent the general views of the Eastern people, or were they used to stir up an anti-Western sentiment that in reality, was not as salient as such sources might suggest?

74 For more examples of this, please see Goschler and Böick, ‘Studie zur Wahrnehmung und Bewertung der Arbeit der Treuhandanstalt im Auftrag des Bundesministeriums für Wirtschaft und Energie’, 24.
75 Fischer, Hax, and Schneider, Treuhandanstalt, 1996, 360.
76 “Gut ein Jahr demonstrieren die Ostdeutschen zu Tausenden gegen die arbeitsplatzvernichtende Politik der Treuhand und ihrer Bonner Kolonialherre.” Radix, ‘Hinter dem Chaos steckt Methode’.
78 Fischer, Hax, and Schneider, 355.
In answering this question, we must turn to the most apt representation of general public sentiment available: polls from 1990-1992. In the autumn of 1990, as the reunification process began, German magazine Der Spiegel conducted a survey on Eastern perceptions of Westerners. In this survey, “almost every second East German said that things are ‘by and large fair’” in a newly reunified Germany. Only 45% of East Germans considered ‘many disadvantaged people’ to be a characteristic of united Germany.79 By July 1991, when the process of unification was in full swing, only one in five Eastern Germans agreed with the statement that things were ‘by and large fair’ – and the characteristic of ‘many disadvantaged people’ in united Germany rose to 63%.80 While the survey reports that 20% of Westerners often felt ‘downcast or discouraged’, almost twice as many Easterners agreed with the statement. And, while 24% of Westerners agreed with being ‘afraid for the future,’ a far higher number of Easterners, at 37%, agreed. Der Spiegel notes a surprising difference in these percentages; “last autumn, the numbers weren't that far apart.”81

Der Spiegel’s survey quickly makes it clear that in the matter of months, clear divides had emerged between Easterners and Westerners. Such a divide is seen even more sharply in other surveys; when in 1990 the Allensbach institute asked a sample of Eastern Germans ‘Would you characterize yourself more as a German or as an East German?’, 61% of participants characterised themselves as German, 31% as East. Yet by 1992, when the same question was asked, only 35% of Eastern participants characterised themselves as German; 60% deemed themselves to be East German,82 with respondents also noting the “‘inequality,’ ‘injustice,’ ‘disadvantage’ and ‘neglect’ for the East and ‘superiority’ and ‘hegemony’ from the West.”83

79 ‘Zehn Jahre Bis Zum Wohlstand?’
80 ‘Zehn Jahre Bis Zum Wohlstand?’
81 ‘Zehn Jahre Bis Zum Wohlstand?’
83 Jurasek and Brämer, 96.
It must be assumed that such a divide emerged in large part during and due to the unification process and the Eastern transition to the market economy; in 1991, 82% of Easterners agreed with the statement “In unified Germany we (eastern Germans) are second class citizens.”\textsuperscript{84} And, in 1992, when 1,500 Easterners were asked to review unification, 98% of respondents associated a negative character with unification\textsuperscript{85} – an incredible amount when it is considered that only two earlier, a large number of the population protested and fought for German unity. Since the Treuhand carried out most of the work of the unification process in the East, the institution thus must be seen as one of the main bases for such divides. When asked the question “Do you have a good or bad opinion of the economic system in Germany?” in 1995, only 26% of East Germans marked ‘good’ – a drop from 77% in 1990.\textsuperscript{86}

Within two years, the Treuhand had transitioned from a socialist, GDR-run institution to a Western-run organisation that often seemed to invoke the “brute force of capitalism.”\textsuperscript{87} Easterners observed that “while every detail of life in the East has changed radically, nothing whatsoever has changed in the West”\textsuperscript{88} – a fact that the new federal government refused to acknowledge, with its ability to distance itself from the institution through the Treuhand’s legal framework. It seems likely, thus, that the Eastern perception of the West in 1992 – of “victors, occupiers, or colonizers”\textsuperscript{89} – was in large part a result of the Treuhand’s actions. The Treuhand, a symbol for unresolved aggrievances, thus became a focal point of Eastern anger.

Such Eastern antagonisms and fears – as well as the slowly emerging identarian politics engendered by these aggrievances – make it easier to contextualise Chancellor Kohl’s 1991 Halle egging. The anti-Kohl riots in Halle should not be seen as exceptional, but rather

\textsuperscript{84} Jurasek and Brämer, 96–97.
\textsuperscript{85} Jurasek and Brämer, 96–97.
\textsuperscript{87} Eisenhammer, ‘Germans Pay a Price for Freedom Fire Sale’.
\textsuperscript{88} Kinzer, ‘Facing Down Protests, Eastern Germany Goes Private (Published 1991)’.
\textsuperscript{89} Jurasek and Brämer, ‘The New Federal Republic of Germany as Trauma’, 96.
as a part of a narrative throughout 1990-1992 of civil and political acrimony. With rushed privatisations resulting in rising unemployment figures, especially in Halle’s state of Saxony-Anhalt, the ‘blooming landscapes’ that Kohl had promised the East were nowhere to be seen – yet at the same time, the chancellor took no responsibility, blaming everything on the Treuhand as a separate, uncontrollable branch of government. Even Matthias Schipke, the infamous egg-thrower himself, justified his attack as follows: “The new Germany threatened me. It scared me. And, of course, it wasn't exactly the Germany I had hoped for.” This protest must thus be seen as a disillusionment with the ‘new Germany’ – a ‘new Germany’ that had been brought about largely through the policies of the Treuhandanstalt.

Interestingly, Halle’s egging may also be symptomatic of formalised political opposition’s aversion to the Treuhand – as was discovered later, Schipke himself was a political activist as the deputy chairman of the SPD’s ‘Juso’ (Young Socialist) youth organisation in Halle. Nonetheless, however, as the multiplicity of protests and indignations against the Treuhand in the period 1990-1992 have shown, and as a bystander remarked, “behind the egg-throwing Young Socialist in Halle stood half of the East German population, if not more.”

The years 1990-1992 and their mass protests thus show that in the East, the Treuhand became a flashpoint of East German acrimony – a representation of all the negativities that the unification of the two Germanies brought. Whether such a negative viewpoint is truly warranted is beyond the scope of this investigation; my intent is not to pass judgement upon the Treuhand’s work, but to investigate perceptions of the Treuhand and subsequent East-

West divides. A thorough analysis of discourse over the Treuhand from 1990-1992 shows that from the very onset of German reunification, the Treuhandanstalt became a focal point of resentment towards the unification process, creating, sustaining and politicising divisions between Eastern and Western Germans – divisions which, as the next two chapters will argue, became further entrenched from 1992 onwards.
On December 30th, 1994, Birgit Breuel – the Treuhand’s last Chief Executive – unscrewed the logo of the Treuhandanstalt from the door of the institution’s main entry in Berlin. Amidst the flashes of photographers’ cameras, Breuel declared that the Treuhand was officially shut, with its mandate – to privatise the vast majority of East German industry – fulfilled. “People might not love us for what we've done here, but I hope that in a few years the results will be such that people will know that we really tried to fight and stand up for them, and that we are therefore regarded in a little bit of a better light than that which may be the case today,” Breuel reflected.

92 “Die Menschen können uns für das nicht lieben, was wir hier getan haben, aber ich hoffe, dass in ein paar Jahren die Ergebnisse so sind, dass die Menschen wissen, dass wir wirklich versucht haben, für sie zu kämpfen und zu strahlen, und insofern ein bisschen besser hier angesehen sind, als das vielleicht bei manchen heute der Fall sein kann.” Birgit Breuel cited in Dirk Laabs, Der deutsche Goldrausch: Die wahre Geschichte der Treuhand, Originalausgabe edition (Pantheon Verlag, 2012), 322.
With this declaration, the Treuhandanstalt’s work was over. Having sold, shut down or restructured the vast majority of the companies it resided over, this final act of self-dissolution meant that the Treuhand seemed to vanish as quickly as it had come about. The agency’s brief existence had (as Chapter One explored) enormously impacted the lives of many Easterners; and thus, the closure of the dreaded institution was welcomed as a turning point in East-West relations. All over Germany, the Treuhand’s dissolution was hailed as an opportunity to start afresh after the ‘shock therapy’ of unification had been applied – a chance to forget the difficulties that the transition to capitalism had brought to Eastern Germany.

Yet today – sixteen years after the Treuhand officially shut its doors – the organisation remains a symbol for Eastern grievances. This chapter will trace the development of Eastern collective memory towards the Treuhand and the permanent vilification of the institution as an anti-Eastern force – a vilification encouraged by scandal and wrongdoing at the Treuhand, and sustained further by the subject’s politicisation by oppositional parties within the Bundestag.

In analysing Eastern German collective memorial practices, this chapter (and indeed, this thesis) operates from the basic assumption that memories can be – and are – constructed, shared and passed according to shared “social frameworks”\(^{93}\). This theory, developed by sociologist Halbwachs and his theory of “la mémoire collective” in 1925, suggests that it is difficult for individuals to remember events outside of their group contexts; “it is in society that people normally acquire […] recall, recognize, and localize their memories.”\(^{94}\) Group memberships make remembrance a collective act; they “provide the materials for memory and prod the individual into recalling particular events and into forgetting others.”\(^{95}\) Thus, as


\(^{94}\) Halbwachs, 38.

\(^{95}\) Jeffrey K. Olick, ‘Collective Memory: The Two Cultures’, *Sociological Theory* 17, no. 3 (1999): 335.
Halbwachs theorises, collective remembrance leads memories to become generalised images over time; stereotypes influencing the way the subject relates to those remembering.

“Memories, in this sense, are as much the products of the symbols and narratives available publicly – and of the social means for storing and transmitting them – as they are the possessions of individuals.” 96 As such, memories of Easterners are likely created and defined by a shared identity; that of being citizens of the former GDR. This characteristic likely shaped the subjective memory practices of East Germans, making them pre-disposed to remember disappointment and ire when reminiscing the tribulations that they underwent. To psychoterapist Maaz, the repression that Easterners experienced at the hands of the GDR’s apparatus meant that Easterners suffered severe ‘emotional blockages’ 97 which contributed to the alienation of Eastern society: “for forty years, the capitalist West represented unattainable object of desire for those less privileged members East German society […] As a consequence, there was a good deal of envy in East Germans regarded the West.” 98 Yet as Maaz also points out, “Western society was not only coveted, it was also excessively idealised.” 99 Throughout the decades of division and communist rule in the GDR, Western Germany was pedestalised, imagined by Eastern Germans to be a as a near-utopia of wealth, democracy and freedom.

Thus, when the collapse of the Berlin Wall ushered in unification, the expectation for democracy was high. East Germans had risked years of imprisonment or even death in protests against authoritarianism that led to unification – and were promised ‘blooming landscapes’ under united Germany. Yet very quickly, the process of unification and democratisation disillusioned Eastern Germans, in large part due to the mass unemployment

96 Olick, 335.
99 Lewis, ‘Unity Begins Together’.
that the years soon after unification saw. The agency most tangibly responsible for this 
unemployment – the Treuhandanstalt – thus became a representation of betrayal and 
disillusionment. In contrast to the ‘imagined West’ that citizens of the GDR had idealised, the 
Treuhandanstalt seemed to bring adversity to Eastern lives, wealth and prosperity.

As Helga Forster, the owner of an Eastern drugstore remembered in 2019:

‘All governmental power comes from the people.’ This is the decisive organizational 
principle of our free constitutional state. […] We GDR citizens took to the streets in 
1989 for this law. Was that a mistake? My husband and I asked ourselves that a 
hundred times after we had experienced first-hand the consequences of this unity, this 
appropriation by the FRG.¹⁰⁰

Inflated expectations of democracy thus likely made the actions of the Treuhand particularly 
galling. After all, the lack of Eastern agency when it came to the Treuhand’s decisions often 
served as a reminder of almost dictatorial processes – the “seemingly arbitrary autonomy of 
the institution disappointed and hurt the East Germans, who had just had a life under the 
dictatorship.”¹⁰¹ To Easterners, the Treuhand seemed to represent the antithesis of 
democracy: an unelected, uncontrollable part of government. Moreover, the Treuhand’s 
secrecy seemed to almost parallel the state-planned fiscal administration of the GDR. In 
2019, Easterner Angela Brockmann remembered the attempts of the Treuhand to shut down 
the factory in which she worked:

Practically in the old Stasi manner, the Treuhand had recruited a spy into the 
management. We found his diary, 400 pages full of secret conversations and 
mysterious agreements, procedures – what had to be done to finally see SKET 
dead.¹⁰²

¹⁰⁰ Helga Forster, in interview with Rosa-Luxemburg Stiftung for exhibition Schicksaal Treuhand: “‘Alle 
Staatsgewalt geht vom Volke aus.’ Dies ist das entscheidende Organisationsprinzip unseres freien 
Rechtsstaates. Das bedeutet: Das Volk selbst ist Träger der staatlichen Gewalt und es geht dabei nicht um ein 
Volk, das der Führung durch «die da oben» bedarf. Es handelt sich im Gegenteil um ein Volk von freien 
Staatsbürgern. Für dieses Gesetz gingen wir DDR-Bürger 1989 auf die Straße. War das ein Fehler? Das fragten 
mein Mann und ich uns hundert Mal, nachdem wir die Folgen dieser Einheit, dieser «Vereinnahmung » durch 
die BRD, am eigenen Leib erfuhren. 27/03/2021 16:58:00

¹⁰¹ “Diese scheinbar willkürliche Autonomie der Anstalt hat die Ostdeutschen, die gerade ein Leben in der 
Diktatur hinter sich hatten, sehr enttäuscht und verletzt.” Laabs, Der deutsche Goldrausch, 343.

¹⁰² Angela Brockmann, in interview with Rosa Luxemburg for exhibition Schicksaal Treuhand: “Fast schon in 
alter Stasi-Manier hatte die Treuhand einen Spitzel in der Geschäftsleitung rekrutiert. Wir fanden sein 
Tagebuch, 400 Seiten voll mit geheimen Gesprächen und geheimnisvollen Absprachen, Vorgehensweisen – was
Brockman’s evocation of the GDR’s Stasi, the dreaded secret police, demonstrates the extent to which some East Germans felt betrayed by the Treuhand. To Easterners – who had endured years of state-induced control and terror – the Treuhand and its covert methods were an extension of state rule, a means of controlling the landscape of the East. The following question therefore emerged: “How should trust in democracy develop among the East Germans? Why should they put their trust in the democratic system at all?”

An East German tendency towards feelings of betrayal and incredulity was most likely exacerbated by the historical significance of the workplace to East Germans. Under the GDR’s regime, employment was “the core of […] life and the yardstick to measure all the value of all things and of all people.” Unemployment did not exist; “to be employed was a right – indeed, a duty – in the GDR.” The workplace played a large part Eastern culture: the ‘collective of socialist work’ was “promoted as the organisational framework for employment and also for private friendships.” Enterprises were the main hubs for social lives, and factories and plants offered clubs, musical ensembles, theatres, and even childcare or health services to workers. The GDR’s workplace thus “offered people more than just jobs” – as one Easterner recalls, at her plant in Sömmerada, “colleagues met in circles such as the ‘writing workers’, in the singing club, in the men's and women's choir, in dance groups, in the painting circle and in the photo club, and were supported financially and structurally by the plant.”

103 “Wie sollte da bei den Ostdeutschen Vertrauen in die Demokratie entstehen? Warum sollten sie überhaupt Vertrauen in das demokratische System setzen?” Laabs, Der deutsche Goldrausch, 343.
105 Knabe, 74.
106 Knabe, 74.
107 Brunhilde Psurek, in interview with Rosa Luxemburg for exhibition Schicksal Treuhand: “Das Büromaschinenwerk Sömmerda bot den Menschen mehr als nur Arbeitsplätze. Die Kollegen trafen sich in Zirkeln wie den ‘schreibenden Arbeitern’, im Singeklub, im Männer- und im Frauenchor, in Tanzgruppen, im...
The all-encompassing nature of work life in the GDR meant that ultimately, “personal identity and social orientation were based on employment, which was the source of personal pride and dignity.”

When the Treuhand shut or sold enterprises, Eastern individual lives were also uprooted through the erasure of the cultural hubs and institutions that had laid the foundations of many Eastern communities. As such, the change to a market economy and the mass unemployment that resulted likely meant a particularly acute blow to Eastern German psychologies. As an anonymous writer in 1992 lamented:

I feel excluded from social life and very much alone. [...] Work is the essence of our existence and the pinnacle of our achievements in life. Work alone gives us a sense of personal value. [...] I have to admit to myself that I shall probably have to live out my days as someone who is virtually worthless.

Returning to the question of memorial practices in Eastern Germany, then, it is easy to see why the “‘harvest’ of [Easterners’] long working lives was seen [...] as a humiliating experience and a stain on their biography.” This sentiment persisted long after the events of unemployment itself: as one Easterner recalled almost thirty years later, “when you’ve given everything to a company for 27 years and suddenly, you’re thrown away like that, you’re left with nothing.” It is easy to understand why the Treuhand, as the perceived source of such unemployment and humiliation, came to be a particularly provoking image in the eyes of Easterners, and why its few years of existence represented a deep-seated resentment that went beyond mere job losses. Yet this role alone is not what cemented the Treuhand as a memorial ‘bad bank’ of all of the wrongs inflicted upon Easterners during the unification process. Throughout the 1990s, the proliferation of scandal and fiduciary crime

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110 Knabe, ‘Unemployment’, 76.
within the institution came to further shape the memorial narrative of the Treuhand – a narrative which was quickly taken up by oppositional politics to further sensitize the subject. By 2000, the narrative of the Treuhand had been firmly etched into the collective memory and politics of Easterners as a reminder of the opacity and corruption of West Germans – and of the plight of the East at the hands of its new government.

From the very beginning of the Treuhand’s work in Eastern Germany, evidence of fraud, bribery and scandal hounded the institution. “Businessmen from East and West Germany are plundering the Treuhandanstalt companies,” Der Spiegel lamented in 1991, when it became apparent that the agency was allowing less-than-legitimate investors to slip through its auditing process. “All over the ex-GDR, cash and real estate are being shifted and balance sheets are being fudged.” With the Treuhand attempting to sell its companies as quickly as possible, it seemed as though the Treuhand was “no match for the onslaught of con artists” attempting to “trick, deceive and bribe” in order to turn quick profits from the cheap sale of companies. One Treuhand auditor warned in 1991 about the extent of misconduct: “wherever I look,” he disclosed, “I come across dubious machinations.”

By April 1992 – only two years into its operations – the Treuhand admitted that it had lost two billion deutschmarks (approximately $3.2 billion today, adjusted for inflation) to fraudsters: mainly “unscrupulous asset stripers who bought Eastern German companies cheaply, then immediately closed them and sold off land and other assets.” Fraud and embezzlement was so widespread that a new word was even coined to refer to it;

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113 “Überall in der Ex-DDR werden Bargelder und Immobilien verschoben, Bilanzen frisiert.” ‘Mischung Aus Marx Und Mafia’.
116 Figure calculated using 1990 Dollar-to-Marks currency conversion ($1 = DM 1.62), and then adjusted to 1990-2021 inflation rates.
117 ‘Fraud in East Costs Treuhand DM2bn’, The Times, 10 April 1992, Gale Primary Sources.
Vereinigungskriminalität, or ‘unification crime.’ Yet by April 1992, only one fraud case had been brought to judicial trial. Thus, as Der Spiegel noted, corruption seemed to come with few consequences: “the risk of being caught is hardly greater than in a Latin American banana republic.”

Not only did fraudsters seem to take advantage of the Treuhand all too easily, but it quickly emerged that bribery and corruption was rife within the institution itself. In 1991, The Times reported that “The Treuhand agency […] may have been cheated out of DM60m by senior officials” who purported to sell hotels, but who instead embezzled funds. In November 1991, it was reported that in Teltow, a Treuhand employee sold a company valued at DM270m for one deutschmark to a friend. And, in 1993, a scandal emerged in Halle that was to define the Treuhand’s reputation for years to come, and to shake the legitimacy of the Treuhand to its very core. An investigation begun by local tabloid Mitteldeutschen Express uncovered a network of corruption in the Treuhand’s Halle branch, in which multiple regional employees had been bribed millions by illegitimate investors in return for preferential treatment when it came to selling enterprises. Such bribes were performed in secret and paid in cash. One illegitimate investor – a Dr. Greiner from Goppingen – would buy Eastern companies and use the cash reserves of the companies to buy further assets, bribing the Treuhand employees to make sure more sales were granted to him. When concerns were raised over the legitimacy of Greiner’s claims, Der Spiegel reported that the Treuhand headquarters would not investigate. “Privatised is privatised,” came the response from the agency. Acquiring more with money he did not actually own, Greiner eventually embezzled tens of millions of Deutschmarks, while Treuhand employees were handsomely

118 “Die Gefahr, ertappt zu werden, ist kaum größer als in einer lateinamerikanischen Bananenrepublik.” ‘Mischung Aus Marx Und Mafia’.
119 ‘Treuhand Officials Suspected of Fraud’, Financial Times, 12 April 1991, Gale Primary Sources.
120 Laabs, Der deutsche Goldrausch, 239.
rewarded for their part in his schemes. Wilfred Glock, the director of the Treuhand in Halle, was bribed with three and a half million Deutschmarks by one investor in just under six weeks, and made a total of DM5m from fraudulent sales. His accomplice made DM4.75m.

The case of Halle brought serious problems with the Treuhand to light. Most alarming to German media and politicians, however, was the agency’s response to such revelations. Instead of investigating all Treuhand branches thoroughly in case of similar occurrences, chief executives of the Treuhand argued forcefully that the corruption in Halle was a one-off case by individual perpetrators. In press releases, the Treuhand claimed that they themselves were the ones to discover the Dr Greiner scandal, and that there was no need for further investigation. These reactions gave the impression that the Treuhand, far from owning up to its mistakes, was attempting to thwart further investigations – thereby tainting the reputation of the entirety of the Treuhand beyond just the Halle branch. Der Spiegel noted in 1993 that “the attempt by the institution to present some of its employees as individual perpetrators is […] becoming less and less convincing.” Eastern paper Neue Zeit went further, claiming that “in the Treuhand one gets nothing if one forgets to bribe.” And Schwarz, the journalist who uncovered the scandal, postulated that there were far more serious scandals than Halle waiting to be uncovered:

I have the impression that Halle was […] just the tip of the iceberg. If I look at my Thuringian homeland, not as a journalist, but as a citizen, I see that there were a lot of strange things going on that no one ever deigned to touch.

122 Laabs, Der Deutsche Goldrausch, 228.
123 Laabs, Der Deutsche Goldrausch, 238.
124 Laabs, Der Deutsche Goldrausch, 292.
127 “Ich habe den Eindruck, dass Halle das Bettflicken war, was die Treuhand - Führung über alles drüberhängen konnte. […] Aber ich habe die Vermutung, dass das nur die Spitze des Eisberges ist. Wenn ich, nicht als Journalist, sondern nur als Bürger in meine thüringische Heimat gucke: Da sind viele komische Sachen gelaufen, die nie irgendeiner angefasst hat.” Laabs, Der Deutsche Goldrausch, 293.
Thus, Treuhand board member Klaus Wild himself recalled that Halle became “one of the major disasters for the Treuhandanstalt, and certainly a milestone for the negative assessment of the Treuhandanstalt. The damage was irreparable.”¹²⁸ To observers, the scandal was so serious because Halle could not be explained by individual misconduct; there was clear corruption within the Treuhand that the agency seemed reluctant to investigate into, or to take full responsibility for.

If the Halle scandal had tainted the reputation of the Treuhand to Easterners, another incident – unfolding at exactly the same time only one hundred kilometres north of Halle – was to completely destroy it. In the town of Bischofferode, potash miners, angered at the Treuhand’s impending shut-down of their mine, arranged a hunger strike. Beginning on July 1st, 1993, forty miners began their strike, directing their anger towards the Treuhand and insisting that the agency not sacrifice Bischofferode to Western investors who would shut the mine down. “Like so many workers in the East, they feel they have been betrayed by the Treuhand,”¹²⁹ Der Spiegel noted. Yet, when the miners demanded that the Treuhand negotiate or give in to their demands, the organisation’s executives didn’t respond. Instead, the Treuhand’s chief executive Breuel refused to go to Bischofferode, embarking instead upon an interview campaign in which she noted that it was not the Treuhand’s responsibility to respond to political actions such as Bischofferode. “The Treuhand lives at a certain distance from politics – despite the closeness that we feel time and again when it comes to difficult questions,”¹³⁰ Breuel asserted. Very soon, the plight of the workers gained national

¹²⁸ “Halle ist eine der großen Katastrophen der Treuhandanstalt und sicherlich ein Markstein für die negative Beurteilung über die Treuhandanstalt. Der Schaden war irreparable.” Laabs, Der Deutsche Goldrausch, 294
¹²⁹ “Sie fühlen sich, wie so viele Arbeiter im Osten, von der Treuhand verraten.” ‘Chaos Und Ein Böses Erbe’.
and international media attention, with miners' wives calling for nationwide hunger strikes as a sign of solidarity. “If we give up hope, we give up ourselves. Today it is Bischofferode’s turn, tomorrow another. We fought for unification, now we are fighting for survival,”¹³¹ one striker’s wife proclaimed on television. Such statements inspired movements of solidarity all over the East. “We are the people whether the powers in Berlin, Bonn or Erfurt like it or not,”¹³² picketers proclaimed. ‘Bischofferode is everywhere!’ signs held during protests proclaimed. One poster went so far as to ask the Treuhand the following: “Do you want unemployment in the East to lead to civil war? Then keep this up!”¹³³ As a result, papers such as Die Zeit warned that “The promised hot spring of industrial unrest could finally shatter Eastern Germany […] Stubborn protests like those in the Bischofferode mine could usher in a less peaceful second phase of revolution in East Germany’s market-oriented economy.”¹³⁴

Yet ultimately, the miners’ strike failed. The Treuhand refused to give in to the pleas of the potash miners, and eventually the mine was acquired by a Western company, resulting in the unemployment of a majority of the workers. This refusal thus tainted the agency in the eyes of Easterners further. To this day, the Bischofferode strike remains a cultural Eastern touchstone, with commemorative events, museums and documentaries lauding the bravery of the miners – and the cold-heartedness of Treuhand executives.

¹³² Gedye.
¹³³ “Soll die Arbeitslosigkeit im Osten zum Bürgerkrieg führen? Dann weiter so!” Laabs, Der Deutsche Goldrausch, 298.
¹³⁴ Gedye, ‘40 Hunger Strikers Feed Bonn’s Fears’. 
Figure 4: The Bischofferode Miners on Hunger Strike, July 1993

Figure 5: A Solidarity March for Bischofferode, 1993. Poster reads: "MLPD [Marxist-Leninist Party of Germany] in Solidarity with the Kali-workers."
Scandals in Treuhand history such as Bischofferode and Halle further supported the idea that the Treuhand was a haven of villainous West German corruption and disdain. Such a narrative is compelling: Western investors were criminally profiting, making millions of Deutschmarks while Easterners (quite literally) starved attempting to keep their livelihoods. Even if ultimately, the majority of Treuhand sales occurred without any evidence of scandal or crime, these events managed to lodge themselves in the collective memory of Easterners – as a 2017 sociological study purports, “it was the pattern of interpretation of a scandalous and mysterious “Treuhand” that was able to establish itself in the long term in the retrospective view”\(^\text{135}\) of Eastern Germans and their memories of the agency. Researcher Jan Assman’s ideas on collective memorial practices may be able to help us understand this establishment: to Assman, certain things or events “may remind us, may trigger our memory because they carry our memories which we have invested into them.”\(^\text{136}\) According to this theory, “myths, legends and repressed collective fantasies often have greater vivacity and longevity than the remembrance of factual events.”\(^\text{137}\) If such a supposition is to be believed, it becomes easy to understand how the negative connotation of the Treuhand became so powerful; tales of corruption and scandal acted similarly to myths in Assman’s hypothesis, inflaming and stoking Eastern memories more than the day-to-day actions of the institution alone.

Let us now turn to the next, intertwined part of Treuhand history: the politicisation of the subject by oppositional parties. From 1992 onwards, missteps and scandals such as Halle and Bischofferode provided oppositional parties with the most salient critique towards the Treuhand – and allowed parties to position themselves as the representatives of “the interests


of Easterners and those alienated from the political process in a Federal Republic, dominated by Western interests.”138 In October 1993, the revelation of such scandals encouraged the SPD party to demand a parliamentary committee of inquiry (or ‘Untersuchungsausschuß’) into the Treuhand and its sales. Parliamentary committees of inquiry are intended to “make a contribution to the self-information of the parliament by clearing up institutional and personal misconduct in public life”139 – yet often within German politics, there is the “accusation […] that they are only used by the opposition to ‘nag’ and "scandalize" the current government and the majority factions that support it.”140

Predictably, the findings of the Untersuchungsausschuss were deeply divided. It is likely that, in the run-up to the 1994 elections, this Untersuchungsausschuss was more about party politics than about the Treuhand’s actions itself; with elections looming, “the oppositional parties on the left now forcefully tried to re-politicize the economic results and the social consequences of the Treuhand policy in the election campaigns of 1994.”141 Members of the CDU lauded the Treuhand (unsurprising, perhaps, since the Treuhand was implemented at the hands of the CDU government). Meanwhile, oppositional parties declared the Treuhand a “catastrophe” that completely eradicated Eastern industry: “The SPD spokesman Hinrich Kuessner castigated an ‘inhuman trust policy’ and Otto Schily [an SPD

138 Abedi, ‘We Are Not in Bonn Anymore’, 472.
member] attacked the “ideological concealment” of the trust and the federal government, which had systematically hindered the work of the committee.”

The Untersuchungsausschuss further politicised the subject of the Treuhand when the suggestion arose that Kohl’s CDU was inextricably involved in the Treuhand’s sales (and indeed, in Treuhand scandals). Officially, after all, the Treuhand had always been a branch separate to the government, out of the influence of everyday politics. Yet very early into the investigation, it became apparent that the government was more involved in privatisations than it let on. In the initial months of the investigation, the CDU began to block the committee’s access to certain documents. Under the instruction of finance minister Waigel, when the finance department received requests for documents, the “requested files, for example about criminal investigations against the Treuhand or about breaches of duty by the Berlin institution, would be ‘simply refused’ by Waigel's officials with legally ‘untenable’ reasons.” And, when papers did arrive at the committee, they arrived “‘often incomplete and mostly completely unsystematic,’ even if they were ‘originally presented chronologically.’” (Treuhand members, too, were reluctant to provide evidence; Klaus Schucht, board member of the Treuhand, retorted that “My diaries are back in the Federal Archives in Koblenz and are only accessible ten years after my death. You could offer me two million marks and I wouldn't get them out of there”). As a result, three months into the

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144 “Papiere kämen im Ausschuß "häufig unvollständig und meist völlig unsystematisch" an, auch wenn sie "ursprünglich chronologisch vorgehalten" worden waren.” Waigel Blockiert Ausschuß”.

investigation, the committee seemed to have ‘no useful evidence at all,’ according to an interim conclusion. Such hindrances fuelled further oppositional reactions from parties; the deliberate obscurement of evidence – from both Treuhand members and the government itself – seemed to suggest that the CDU was hiding some of form of complicity or guilt in Treuhand scandals, since “there seemed to be a lot of behind-the-scenes communications between the Treuhand and the federal government especially in the case of sensitive and more consequential decisions.”

To add to this, almost a decade after the Treuhand closed its doors, evidence emerged that government figures were implicated, too, in bribery and fiduciary crime at the hands of the Treuhand. In 2002, it was revealed that the Treuhand’s 1992 sale of the coveted Leuna chemical refinery in Saxony-Anhalt involved bribery at the highest levels of German government. “Starting in 1992, around 80 million marks flowed covertly through dubious channels disguised as commissions.” By the end of the deal, Günther Krause – a prominent CDU member and the party’s Transport Member – had obtained around DM50m. Thus, long after 1994, the emergence of evidence of CDU corruption and wrongdoing which had not been apparent during the Untersuchungsausschuss further politicised the memory of the Treuhand.

Revelations of scandal and government involvement therefore allowed oppositional parties to position themselves as staunch advocates of specifically Eastern interests. The CDU, oppositional parties pointed out, did not operate in favour of the East; it sold out Easterners by means of supporting and interacting with the hated institution. Since the Treuhand remained a symbol of corruption, secrecy and fraud of the Eastern German people,

146 Böick, ‘In from the Socialist “Cold,” but Burned by the Capitalist “Heat”?’ , 150.
parties such as the PDS and the SPD attempted to establish that such iniquity did not emerge solely from individual members of the Treuhand, but from the CDU itself.

This development is a core part of the understanding of the narrative of the Treuhand: from 1993 onwards, the memory of the Treuhand took on a distinctly political character by becoming a tool by which oppositional parties could position themselves in the new unified political system. For parties that found the majority of their support in Eastern states, the memory of the Treuhand played a key part in the establishment of identarian party strategy; by positioning themselves as distinctly anti-Treuhand, parties claimed that they were advocating for Eastern voices. It is at this point where it becomes difficult to disentangle general, public anti-Treuhand sentiment from political anti-Treuhand sentiment. While the Untersuchungsausschuss was most likely prompted by desires to appeal to an Eastern electorate, it at the same time reinvigorated and reshaped the memories of Easterners to be even more negative towards the institution and the West. Eastern grievances and memories of the Treuhand thus seem to have been wielded for political purposes – which likely served to drive East and West German identity and political culture even further apart.

Hindsight of the Treuhand did not, as Birgit Breuel once hoped, lend itself to viewing the institution kindly. Far from the Treuhand saga being over and forgotten, anger and upset towards the Treuhand grew as the subject became ever further politicised. Through such divisions, it seemed that even well into the 1990s “unification, far from being an integrative experience, is proving a divisive one for Germans. The psychological gap is as wide as the economic chasm that divides the two Germanies.”148 Even after the Treuhand had been officially shut down, the memorial culture that emerged in East Germany regarding the institution and the subsequent politicisation of this culture rendered the Treuhand as a

permanent symbol of Eastern iniquity; a symbol that, as my next chapter explores, is utilised by oppositional parties to this very day. The transformation of the Treuhand from a living institution to one only in memories, then, was no less important than its actions were in shaping Eastern thoughts and opinions towards unification; in fact, this period served to cement the institution as the ‘Buhmann’ (or ‘bogeyman’) of German reunification.
Chapter Three: And Now? The Treuhand in Modern-Day Germany

Every year on October 9th, the citizens of Leipzig come together to celebrate the Festival of Lights – a commemoration of East Germany’s Peaceful Revolution that began on October 9, 1989. On October 9th, 2018, next to the stage on which politicians were giving speeches and pastors were conducting prayers for peace, the fifteen thousand citizens who attended the festival saw something odd: a thirty-three-foot-long banner hoisted up by a gaggle of young men and women. Painted on the banner was a stark message: “Peace, happiness, unity? IT’S TIME TO REAPPRAISE THE TREUHAND.”

The students holding this banner – more than twenty years after the closure of the Treuhandanstalt – were a part of Aufbruch Ost (or ‘Departure East’), a youth movement campaigning for the re-evaluation of the unification process and an end to East-West divisions. “We wanted to deliberately question how successful the reunification process had actually been,” Aufbruch Ost’s founder Philip Rubach, a twenty-something year old student, remembered. Rubach continued:

The term “Treuhand” is a channel for all of the disappointment and outrage of the people who stayed in the East. It stands for a sell-out, for breakdown, and demolition […] For East Germans, the Treuhand to this day still represents rifts in their biography, the devaluation of their life achievements, shame, resignation, and being robbed of a voice.

150 Rubach.
Far from fading with time, the negative memory of the Treuhand has transcended even to generations unborn during its existence (after all, the student founders of Aufbruch Ost were not born until the mid-1990s or later). Indeed, during recent years and particularly since 2015, reinvigorated calls to review the Treuhand have materialised in force. In his booklet Empowerment East, author and curator Oberender encapsulates this new mood succinctly:

> Thirty years after the Berlin Wall was opened, there is a politics of memory from below that is seeking to carve out some breathing room for the experiences of those who lived in the GDR and in the period that followed its demise. This new politics of memory from actors like Aufbruch Ost […] can perhaps help us learn to better understand the distance between the two reunified halves of German society, and not allow this disparity to become a dynamic of division.\(^\text{151}\)

It is this ‘politics of memory’ that this final chapter seeks to understand. Why are East Germans re-examining the Treuhand now – thirty years post-unification and twenty-five years after the disappearance of the institution? How can this re-emergence of division be explained – and does the Treuhand and its memory still truly divide the Eastern and Western peoples, or is modern-day Treuhand discourse more representative of Germany’s strong political oppositional culture than anything else?

In order to answer this question, this chapter is split into two parts. The first part demonstrates the salience of the Treuhand memory in modern-day Germany, tracing the institution’s re-emergence in recent years. The second part asks why the Treuhand has re-emerged. Here, it will become apparent that in recent years, moments of modern German political turmoil have been used by oppositional parties and their affiliates to remind Eastern Germans of their specific Eastern identity, of which anti-Treuhand sentiment remains a core part. In other words: an examination of the re-emergence of the Treuhand suggests that modern moments of political turmoil in Germany have been utilised by political oppositional

culture to catalyse renewed looks back into unification-era wrongdoings, thus re-invigorating the theme of the Treuhand in East Germans’ minds – young and old alike.

We begin, then, with an examination of the Treuhand in modern-day Germany. In recent years, various studies have investigated Easterners’ perceptions of unification and the Treuhand thirty years on. The most extensive of these – a study conducted by historians Boick and Goschler – found that to a majority of East Germans, the topic of the Treuhand is still sensitive: within the East “there is evidence of a strong emotionalization of the topic.”

When asked to rate the success of the organisation on a scale of one to five (five being the worst), a large pool of respondents showed that “older East Germans’ rated the organization as the most negative with 4.2.” And, when associating ‘key words’ with the Treuhandanstalt, responses were overwhelmingly unfavourable: the most commonly used word was ‘Abwicklung’ (a neologism that literally translated means ‘unwinding’ but that more often meant “dissolving of scientific, cultural and social institutions of the GDR” or “sacking.”) Such a term has “strong negative connotations in contemporary public space” – as do the other highly rated words, such as ‘sell-out’, ‘fraud’, ‘injustice’ and ‘rip-off.’ Boick and Goschler thus suggest that the Treuhand has become a “memory culture ‘bad bank’, into which many East Germans who were once directly or indirectly affected

156 Goschler and Böick, 89.
were able to mentally “outsource” their largely unprocessed experiences of upheaval.”

They conclude:

In the long term, the discursive mechanisms of politicization and polarization led to an astonishing fragmentation of the field examined here: While the topic has remained present and highly emotional in a ‘bottom-up’ perspective in East Germany up to the present, in West Germany it has largely been forgotten.

Studies such as this one show that the memory of the Treuhand remains salient in East Germany. Yet in recent years, this memorial repository has particularly re-emerged in various areas in East German culture. In 2020 alone, the arts seem to have majorly taken up the topic – in Magdeburg, for example, a theatre piece called ‘Death of the Treuhand’ was performed in September (in which actors wore scales and mermaid costumes and swum around the ‘submerged world’ of the GDR), while in Chemnitz the biennial POCHEN art show in Chemnitz was themed ‘The Treuhandanstalt’ (in which twenty German artists were asked to portray their interpretations of the agency). In September 2020, too, Netflix released a series entitled ‘A Perfect Crime,’ portraying the unsolved murder of Treuhand chief Rohwedder and the bitter divides between East and West Germany in the early years.

Various historical exhibits have also covered the Treuhand recently; most impactfully, perhaps, in the case of the Rosa-Luxemburg Foundation’s exhibition Schicksaal Treuhand: Treuhand Schicksaale (The Fate of the Treuhand: Treuhand Fates), which travelled through twenty-two major Eastern towns and cities from 2019-2020. “After years of silence on the


part of those affected, there is an increasing need to exchange individual post-reunification experiences with fiduciary policy. […] Our traveling exhibition documents Treuhand history through East German life stories,” the exhibition’s pamphlet proclaims. The interviews with first-hand Easterners affected by the Treuhand that make up the bulk of the exhibition are overwhelmingly unfavourable in their portrayal of the Treuhand:

What the Treuhandanstalt had to offer in the 1990s was extremely lackluster, superficial and cowardly. […] I think their secret task was to destroy everything the Wessis didn't need. The staff of the Treuhandanstalt fulfilled this task excellently.

I went to bed night after night with the worries and hardships entrusted to me. When I talk about the post-reunification period today, the memory of what happened still upsets me.

The experience of first having to fire my entire research group and later, at intervals, more of my former colleagues, left a dark chapter in my life story.

With the liquidation of the lignite industry in 1991, I was finally fired […] I “thickened”, that's what they say in Saxony, when everything just doesn't matter. It took ten years before I could get excited about something again.

Such retrospective narratives of the hardships rendered by the Treuhand’s campaign of privatisation and subsequent unemployment are emblematic of every almost every life story portrayed at the Rosa-Luxemburg exhibit, and indeed, of a majority of the cultural works that

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163 Bernd Hoffman, in interview with Rosa-Luxemburg Stiftung for exhibition Schicksaal Treuhand “Heute denke ich: Was die Treuhandanstalt in den Neunzigerjahren geboten hatte, war äußerst glanzlos, oberflächlich und feige. […] Ich denke, im Stillen lautete ihr Auftrag, alles kaput zumachen, was die Wessis hatten und was sie nicht brauchten.” Rosa-Luxemburg-Stiftung, Schicksal Treuhand - Treuhand-Schicksale, 45.


portray or represent the Treuhand. Yet a closer examination of many of these re-investigations reveal political undercurrents beneath them. The study by Boick and Goschler, for example, was commissioned the Federal Ministry for Economic Affairs and Energy – whose Parliamentary Secretary, Iris Gleicke, is an SPD member and an outspoken Treuhand critic. (While the outcome of this survey is no less valid, we must thus question the impetus behind it). The Rosa-Luxemburg Foundation is directly affiliated with Die Linke. And even Aufbruch Ost – a student group which was never officially aligned with political parties – announced in February 2021 that its founder, Philip Rubach, was to run for local parliament as a representative of Die Linke.

It seems, then, that there may be a relationship between the re-emergence of much of the Treuhand discourse over the past few years and German politics – and that there is perhaps a political impetus behind the reinvigorated discourse of the Treuhand. Thus, we turn to the second question of this chapter; namely, why is the Treuhand once again surfacing as a flashpoint for political opposition now? The next part of this chapter argues that two political crises have been utilised by political opposition to draw parallels to the Treuhand; crises which have brought the memory of the Treuhand to the forefront in the East by re-invigorating notions of distinctly Eastern identities. The Treuhand, as an established and entrenched anti-East symbol, has become a useful tool for political opposition; a politicised reminder of defiant Eastern identities and of continued Western wrongdoings.

In order to discuss any notions of continued and defiant Eastern identities, we must foreground such discussion by recognising the foundational structural disadvantages of Easterners that persist in united Germany to this day. In terms of income, employment and wealth, East Germany lags behind its Western counterpart; a plethora of studies have been conducted which conclude that East Germans “continue to experience structural disadvantages compared to West Germans with regard to salary levels and personal wealth,
property ownership, and the likelihood to inherit wealth.”

Hall and Ludwig find that “in spite of a common currency, a national language, and well-developed markets for technology and capital, the eastern region fails to exhibit a secular trend in the growth of per capita income or product that would lead to a convergence with the western region over time.” Frick and Goebel find that “the average East German market incomes […] are still far lower than in West Germany,” and thus that “we must reject the hypothesis that East and West Germany are moving towards a common income distribution.” Becker finds that “West Germans have a much higher propensity to own a home compared to their eastern compatriots.”

Regional inequality is undeniably rife: Easterners receive on average only 83% of West German wage levels, the unemployment rate is persistently higher in Eastern Germany, and only one in five leadership positions in Eastern Germany is held by an Easterner.

Such statistics show that even today, there is most certainly a divide between East and West Germany. To many East Germans, their comparative disadvantages must be seen as products of the unification process: the introduction of neoliberal capitalism into East Germany created “permanent divisions between ins and outs in the Federal Republic.”

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167 Dostal, ‘Germany’s Post-Reunification Effort to Achieve National Reconciliation’, 27.
173 Buck.
thus, “East Germans have felt economically exploited since 1990.”

Perhaps it is unsurprising, then, that an October 2020 survey revealed that 44% of East Germans believed the unification process to be unsuccessful; many Easterners feel that to this day, “the integration of the ‘new German citizens’ is still pending.”

Yet regional disparities alone cannot explain the politicised resurgence of the Treuhand and Eastern identities in recent years. After all, living conditions in Eastern Germany have not significantly worsened – they’ve improved, with East Germany narrowing the (albeit still wide) economic gap in recent years. While we must foreground the ongoing indignation of Easterners towards the West with these structural disadvantages, we now turn to two particular moments which, in the past five years, seem to be linked with the resurgence of Eastern identities and the memory of the Treuhand.

The first is that of the Greek government debt crisis, which began in 2011. Germany’s bailout of the Greek economy – a bailout worth €22.4Bn – was accompanied with the suggestion that “a fund – Treuhand in all but name – be established under the supervision of foreign creditors to sell Greek ports, airports, real estate, energy suppliers and other concerns in the hopes of raising 50 billion euros, about $55 billion.” In 2015, this “Treuhand 2.0” – based on the German Treuhand of the 1990s – was implemented between the Eurozone and Greece. Such a decision caused much outrage, not least from the Greeks themselves:


180 Köpping, Integriert doch erst mal uns!, 18.
Greece’s Finance Minister Varoufakis condemned the “demeaning, unimaginative and pernicious Treuhand model,” decrying that “the Greek Treuhand remains an abomination, and it should be a stigma on Europe’s conscience.”

German political opposition, too, was incensed by the Greek Eurozone crisis – in particular, Die Linke. The long-term Eurosceptic party issued scathing critiques of the government’s decision, issuing reports on the fallibility of the 2002 German transition to the Euro, while voting in large part against the government’s decisions in the Bundestag. The mantra of “austerity as the only solution” was condemned universally by Die Linke, and the vast majority of the party voted against the CDU government’s Greek programmes. Sahra Wagenknecht, first deputy chairwoman of Die Linke, issued a particularly scathing critique of these decisions:

The new privatization fund, a kind of Treuhand 2.0, will ensure that the prospects of ever seeing even a part of our money again continue to deteriorate. After reunification, we have had relevant experiences in Germany with the squandering of public assets by a trust company. The new edition of such a money-burning machine for the benefit of influential business circles and corrupt oligarchs is now the last thing Greece needs in its misery.

Such a critique from opposition parties to German Eurozone politics is not new: in 1998, the PDS had been the only party in the Bundestag to vote against the introduction of the Euro. Yet the crisis espoused reactions from all sides of the political spectrum; in 2013, as a result of the Eurozone crisis, an entirely new, right-wing political oppositional party – ‘Alternative


für Deutschland’ (AfD) – was created. Both Die Linke and AfD understood the genesis of the Eurocrisis as similar – it was simply an extension of “the accumulated neoliberal policies of the past twenty years,” policies which “have created widespread disaffection.”

The Treuhand – the initial, and perhaps ultimate representation of the CDU’s neoliberal policies – thus once more entered the arena of German Bundestag politics; particularly given that one solution to the crisis suggested a ‘Treuhand 2.0.’ Political opposition from both left and right portrayed the government’s decision to support and indeed assist in the creation of a new Treuhand as misguided, and as ignoring large swathes of the population – the government “should have learned from history that the Treuhand gamble had catastrophic psychological consequences,” since “even though the agency was run by Germans, who spoke German, still it was seen by many in the East as an occupying force.”

Rather than providing innovative solutions to a crisis, politicians were “repeating old mistakes.”

It is likely, then, that the Eurozone crisis became a new flashpoint for the German government’s neoliberal policies for opposition parties; a source of anger and disillusionment that may have been used to draw parallels to – and reinvigorate – the memory of the Treuhand by Eastern political parties in East Germany. In 2015, a new crisis emerged that was to make this flashpoint notable once more: the CDU government’s decision to take in hundreds of thousands of refugees from the Middle East. This decision that was met with huge criticism and derision, specifically from Eastern regions – a 2019 survey found that over half of the citizens of East Germany felt “collective anger against new immigration policies,” while 63% renounced or devalued the “importance of asylum seekers.”

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186 Laabs, ‘Why Is Germany so Tough on Greece?’.  
187 Laabs.  
189 Holscher.
percentages were far lower in the West.\textsuperscript{190} To Easterners, this divide in attitudes was easily explained: “when refugees began to arrive in Germany […] many people in this part of the country found it difficult to grasp. They felt they had been there long before the refugees arrived, but nobody ever cared about them.”\textsuperscript{191} As such, political scientists speculated that “a lot of Easterners feel run over by the migration policies that they feel were forced upon them by the federal government that is dominated by Westerners,”\textsuperscript{192} and suggested that the refugee crisis embodied a long-seated tension between East Germans and the federal government: “More than a few [East Germans] felt Syrian migrants in 2015 were given a warmer reception than they had received in 1989.”\textsuperscript{193}

With such claims in mind, the East German reaction to the refugee crisis might be understood as the final chapter of a long-standing insecurity about the pre-eminence of the West in a united Germany. This mistrust might be the reason, too, for a rise in East German apathy towards democracy; in 2019, only 31\% of Eastern Germans agreed with the statement that democracy was the best form of government (down from 53\% only two years earlier, and in contrast to the 72\% of West Germans).\textsuperscript{194} While it would likely be simplistic to blame East German resentments towards the federal government on feelings of mistrust and alienation alone – especially in the complex case of immigration policy in Germany – such an explanation, and the accompanying rise in anti-democratic sentiment in the East, has certainly been exploited by political opposition. To Eastern politicians, the Easterners’ rejection of

\textsuperscript{190} 44\% of Westerners feel collective anger against new immigration policies; 51\% reduce the importance of or devalue asylum seekers: Holscher.
\textsuperscript{194} Buck.
asylum seekers was ultimately a rejection of West German path-dependency, and thus, political opposition took on a new motto: as Petra Köpping, an Eastern member of the SPD succinctly put it, “Integrate us first!” Köpping suggests that the lack of East German assimilation into unified Germany is what ultimately led to anti-refugee stances and support for right-wing parties in East Germany. This sentiment, Köpping argues, is symptomatic of a larger trend:

Apparently, many [Easterners] are not talking about the issues of refugees at all. These were only a projection screen for deeper anger and criticism. […] With these people who want to talk, it quickly becomes clear that they were not listened to in the past. Nobody really took their specific problems seriously. Nobody paid tribute to their life stories. Nobody responded to them. Perhaps unsurprisingly, then, political opposition that claimed to speak for East Germans has gained prominence in the East after the refugee crisis. AfD’s critiques of the government during the refugee crisis were potent, focused particularly on the failures of the government to stand up for Eastern citizens: Easterners “have been lied to and betrayed by this government not only at the moment, but for many years.” AfD emphasised that the foundation of such ‘lies’ and division was the Treuhand: as an AfD candidate remarked, “Anyone looking for the causes of the unequal development in East and West must start with Treuhand. Their machinations are the root of all evil.” Such statements of culpability are likely overwrought; attributing the Treuhandanstalt’s actions alone to a continuing East-West

195 Köpping, *Integriert doch erst mal uns!*..
divide is simplistic. Yet nonetheless, polemics such as AfD’s are useful in exemplifying the power that the Treuhand has in Eastern memories, and subsequently in suggesting that a reinvigorated interest in the Treuhand is a result of political oppositions’ attempts to win over an electorate. In the 2017 state elections, AfD won over 20% of the popular vote in most East German states. (By contrast, in Western German states AfD won only 11% of the vote\textsuperscript{199}. It seems that the party has managed to “successfully appeal to the feeling of insecurity and most of all of cultural alienation that characterizes many voters in the East and that established parties have failed to sufficiently address.”\textsuperscript{200} Similarly, Die Linke’s success comes from Eastern strongholds; the party consistently gains its most seats in the Eastern states of Thuringia, Saxony-Anhalt and Berlin, and in the 2019 Thuringian state election, Die Linke won a majority for the first time. Regional success of opposition parties is thus likely a contributor to the Treuhand’s re-emergence; the Treuhand plays an intrinsic part in the mistrust of East Germans towards their Western counterparts and thus is utilised by opposition parties in the attempt to claim the ‘Eastern voice’. In recent years, this has likely become particularly acute, as an Eastern German political alienation from the federal government’s politics – particularly through the Greek Eurozone crisis and the refugee crisis – has emerged. As such, the reinvigoration of the Treuhand is, more than anything, a politicised motif of this East-West divide; an attempt to capture a voter base reminded by the Treuhand of its victimhood. As political scientist Schweiger observes, “Eastern Germany displays a widespread feeling of alienation from the institutions and the political process of the Federal Republic. […] The Treuhand contributed to the perception that the East is essentially governed by West Germans.” In this way, “the self-perception of Eastern Germans as ‘second-class citizens’ […] is crucial to understand how the failings of the reunification


\textsuperscript{200} Schweiger, ‘Deutschland Einig Vaterland?’, 27.
process have created lasting scars in substantial sections of East German society\textsuperscript{201} – scars which oppositional parties attempt to highlight in order to gain votes in their strongholds.

Thus, it seems as though the Treuhand – as an oft- emphasised symbol of Eastern voicelessness in the unification process – has contributed to a general Eastern politics of alienation that is underlined by oppositional politicians to this very day. Recent years of political crises have served only to underscore this: the Greek crisis and the refugee crisis alike have brought ever-present tensions to the forefront by way of Eastern politicians. As such, an examination into the agency and the reinvigoration of its memory in recent years might provide a useful context with which to understand German divisions to this very day.

Rather than the Treuhand being a part of history in East Germany, it is ever-present: a reminder of Western hegemony to the Eastern electorate. The subject of the Treuhand in the East is thus pertinent in the East to this very day, not only forming subjective memory practices, but shaping a political culture – and thus, must not be overlooked when examining East-West relations thirty years after reunification.

\textsuperscript{201} Schweiger, 21.
Conclusion

In June 2019, a ferocious debate broke out in the German Bundestag. The subject? The Treuhandanstalt of the 1990s, and the potentiality of a new Untersuchungsausschuss (or committee of investigation) into the agency. “People like to talk about the East, and now and again wonder why the frustration with politics and politicians is particularly pronounced there,” Dietmar Bartsch, chairman of Die Linke, proclaimed. “I tell you: One building block to understand where this frustration is coming from is the disaster of the Treuhandanstalt.”

As the debate continued, Jurgen Pohl, a member of the AfD, chimed in from across the room:

“We are talking about the Treuhand, or more precisely: We are talking about the trauma of the East Germans. [...] The East was good enough for the garbage. This is a scandal!”

Very quickly, however, it became clear that this was not the majority consensus within the room: the majority of the Bundestag condemned both Bartsch and Pohl for politicising the memory of the Treuhand. A CDU member, Rehberg – notably, an East German who owned a jewellery store in the East during the time of the Treuhand – retorted:

Mr Bartsch, I always like to listen when you describe the mistakes at the Treuhand. But you forget the context. [...] What was it like about 29 years ago at the turn of the year 1989/90? Hundreds of thousands of former GDR citizens had gone to the West. If the path to German unity had not been taken quickly, the exodus would have continued. [...] Rapid privatization was the only alternative.


He finished with a warning: “if you start turning back the past 30 years in order to make political capital out of it, you will achieve nothing in the future. […] Die Linke and AfD want to instrumentalize the Treuhand out of pure populism, for election campaign purposes.”

Similarly, SPD representative Steffen chastised Pohl: “Your speech was so backward-looking, and really almost so disgustingly divisive, that one thinks one is still alive in the days of the GDR and FRG.” And FDP member Linda Teutenberg put the mood of the large majority of the parties quite clearly:

There is one thing that cannot be avoided. Die Linke and AfD agree on a crucial question: the Treuhand is to blame. Nothing can hide the fact that two parties are struggling to stand out as the sole guardians of East German sensitivities and interests before the state elections. […] Stop taking part of our country hostage to your party-political profile!

This fierce debate exemplifies how, thirty years after the Treuhand’s active years, the institution continues to vividly animate discussions within Germany. Undoubtedly, the Treuhand remains a symbol for the divides between Easterners and Westerners – the speeches of Pohl and Bartsch underline this. But more so, the Bundestag debate might be the best sole example of the argument that this thesis has presented: that ultimately, the history of the Treuhand is defined and shaped by its politicisation. This debate – a deeply factional discussion about whether the Treuhand should be further politicised through a committee of inquiry – might be seen as a metaphor for the development of the Treuhand debates to this very day. The flashpoint of the Treuhand remains entrenched as a symbol within East

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206 “Herr Pohl, eigentlich wollte ich heute zur AfD gar nichts sagen; aber Ihre Rede war so rückwärtsgewandt und wirklich schon fast so widerlich spaltend, dass man denkt, man lebe noch zu Zeiten von DDR und BRD.” ‘Plenarprotokoll 19/107’, 13146.

Germany; today, the divisive nature of the agency seems to be particularly underscored by opposition parties in order to motivate voter bases.

Thus we return to the original question – namely, to what extent did the Treuhand cause and maintain East-West divides? This analysis has emphasised that the Treuhand is an important focal point in Eastern antagonisms towards the West, and, when considering the ever-divided nature of Germany, must be considered as a symbol of identitarian Eastern divides as one of the founding ‘lightning rods’ of anger against West Germany. Presently, these divides are difficult to differentiate from their political foundations. While there is no doubt that there was – and remains – significant outrage over the Treuhand’s actions and scandals, this outrage has become a symbolic cornerstone for political opposition. Thus, it has become difficult to disentangle to what extent the Treuhand truly causes East-West rifts, and to what extent this has been overemphasised and exaggerated by typically ‘Eastern’ parties.

Yet providing an answer to this question is perhaps less important than recognising that ultimately, the Treuhandanstalt played a significant role in transforming East Germany through its mass privatisation schemes, and has an impact on both German politics and culture to this very day. Outside of Germany, few people have heard of the term ‘Treuhandanstalt’ – let alone understand the gravitas that the organisation holds within reunified Germany’s history. An institution that few people outside of the country have heard of remains an important part of many Germans’ everyday lives and memories. In order to understand modern-day divides that percolate within German society, it is important to look back to the Treuhand – since, even thirty years after the collapse of the Berlin Wall, the institution is brought up time and again as a symbol of division. The memorial culture that the Treuhand left behind within Germany lingers – and must be recognised, particularly if we are to understand East German political undercurrents and leanings towards fringe parties. As such, we cannot understand modern day East German political resentments and divisions.
without the Treuhand – and thus, it may be that Germany will only progress to true unity by considering the effect of the institution and the memorial culture it left behind.
Appendix: German Governmental Structure and Political Parties

Government Structure

Bundestag
The Bundestag is the German Federal parliament. The parliament is directly elected by all German people every four years. It makes up the legislative branch of the Federal Government.

Bundesländer
The Bundesländer (or ‘Länder’) are the sixteen states which make up Germany’s Federal Republic which each retain a measure of sovereignty. In 1990, when Germany formally reunified, the five Eastern Länder (Brandenburg, Mecklenburg-Vorpommern, Saxony, Saxony-Anhalt and Thuringia) joined the eleven previously existing Western Länder (Baden-Württemberg, Bavaria, Brandenburg, Bremen, Hamburg, Hesse, Lower Saxony, North Rhine-Westphalia, Rhineland-Palatine, Saarland and Schleswig-Holstein) in the German Federal Republic.

Political Parties

AfD
Alternative für Deutschland or AfD is a nationalist political party founded in 2013. It is aligned with the far-right of the political spectrum, and campaigns on a basis of national conservatism, Euro-scepticism and anti-immigration. In 2017, AfD became the third party in the Bundestag with 12.6% of the votes. It is particularly successful in the East, where it is largely represented in all state governments.

CDU
The Christian Democratic Union is Germany’s catch-all centre-right party that has headed the Federal government since 2005 under Angela Merkel. Under Chancellor Kohl, the CDU led the reunification of Germany, holding power from 1982-1998. The party is represented in all sixteen of Germany’s states.

Die Linke
Die Linke or ‘The Left Party’ was founded in 2007 as the result of the merger of the Party of Democratic Socialism (PDS) with the Electoral Alternative for Labour and Social Justice party (WASG). The party is the most left-wing party of the six represented in the Bundestag. It finds most of its support in the East, but is represented in ten of Germany’s sixteen state legislatures (including all five of the eastern states).

FDP
The Free Democratic Party is Germany’s classic-liberal party. It is aligned with the centre or centre-right and is often a coalition partner to the CDU / CSU.

PDS
The Party of Democratic Socialism is a now defunct party in Germany, active from 1989-2007. The PDS was the legal successor of the SED (the Socialist Unity Party), the party that ruled the East German GDR from 1946-1989. From 1990-2005, the PDS represented itself as the left-wing ‘party of the East.’ In 2005, the party dissolved, entering into an electoral
alliance with the West German Electoral Alternative for Labour and Social Justice party (WASG) to form a new party called *Die Linke* (The Left).

**SED**
The Socialist Unity Party was the governing political party of the German Democratic Republic (GDR) after the partition of Germany. The party ruled Germany from 1946-1989. Since the GDR was an authoritarian, one-party state, the SED was the sole party in East Germany. After reunification, in hopes of changing its image, it renamed itself PDS (Party of Democratic Socialism).

**SPD**
The Social Democratic Party of Germany is the oldest existing party represented in the Bundestag and was one of the world’s first Marxist-influenced parties. It is now aligned with the centre-left, and led the German government from 1998-2005. Today, the SPD is represented in eleven of the sixteen state governments.
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