

How accurate is it to say that the economic achievements of the gdr were limited ...



There has been much discussion over the economic achievements of the GDR. The GDR were extremely successful with how they managed the economy, however, they could only be successful to a certain extent. It was evident that the GDR would never be able to compete economically compared to the likes of the USA, USSR and the FRG. Although, this does not mean their economic achievements weren't successful with minor limitations and the smaller economic potential. The major success within the GDR was the agricultural production success that they had after collectivisation.

Collectivisation caused many problems in the GDR because the vast amount of people that were emigrating to the west. This is evident when 15, 000 East German farmers left to go to the West as they'd rather go to the FRG rather than be forced into collectivisation. A second period of collectivisation occurred in the GDR which led to food shortages and the East Germany bishops protested against the GDR government due to the disregard for human rights. However, the GDR pursued the state ownership of agriculture and industry which were modelled on plans from the USSR in the 1930s.

In 1955 the GDR reached the end of its five-year economic plan and even though they faced a series of difficult challenges the GDR did succeed in the fact that they were able to double the industrial production in this time which is a huge bonus and success to the GDR's economy as it clearly outweighs the limitations. Even though the GDR government did succeed with the industrial side of things the East German people still favoured the FRG due to the living standards that they had compared to the FRG. Conversely, the GDR's economic achievements were limited by the mid 1980's the GDR's foreign debt levels were high.

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This is clear to see by the statistic that in 1970 the foreign debt in the GDR was 2.2 billion deutschemarks and by the year 1987 it was 34.7 billion deutschemarks. The economic downturn that followed the oil crisis of the mid 1970s produced a clear sign of stagnation in the GDR. The debt significantly increased and although the GDR had improved by a large amount as they had a basis of basically nothing to begin with. The amount of debt that had arisen was quite a substantial amount which they would struggle a great deal with to eliminate.

In addition, when it came to consumer goods and the world market they were less competitive than most due to the inferior quality of goods that they were able to offer. This was not helped by the fact that the production costs were increasing because of the rising costs of essential imports that were needed by manufacturing industries. This situation led to historians such as Holzweissig to describe the GDR's economy as 'moribund', which led to poor living standards which could result in a poor reflection on the consumer economy.

On the other hand, the growing economic strength of the GDR enabled extensive welfare provision to be introduced. It is clear to see that incomes and living standards were a lot higher in the FRG compared to the GDR however, the people in the East had an adequate lifestyle and a greater level of security. The GDR state spent a high amount on: health/social care, generous maternity benefits, comprehensive child care provision and adequate retirement pensions.

All adults in the GDR at this time had a job although it may not be the job that they wanted and also may not have suited their aptitude/skills. An example of the success that the GDR had compared to others is clear within the statistic that in 1948 the infant mortality rate in the GDR was 89, 000 compared to the 143, 000 in Romania, it also is clear to see when in 1968 the infant mortality rates in the GDR had decreased to 20, 000 which were some of the lowest globally at the time, compared to Romania again who also had a significant decrease as their infant mortality rates dropped to 59, 000.

This highlights the success of the extensive welfare provision compared to other countries around the world but this did not hide the fact that the GDR were still some way behind other countries when it came to living standards which is a significant reason why a lot of people in East Germany wanted to move to the West. Conclusively, it is not that accurate to say that the economic achievements of the GDR were limited. The GDR had huge success in the agricultural production through the use of collectivisation which had a positive effect on the economy.

Similarly, the GDR's GDP helped the GDR economy out perform all other Eastern Bloc countries as well as countries like Britain. Despite, limitations with the lack of a range of consumer goods which resulted in poor living standards, overall, the progress made from the beginning where they had no infrastructure and were stripped for soviet reparations, to becoming the 10th largest economy in the world was a huge success. Thus, proving it is inaccurate to say the GDR's economic achievements were limited.