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IEA Discussion Paper No.92

THE MIRAGE OF DEMOCRATIC SOCIALISM

Kristian Niemietz
August 2018

AN ALTERNATIVE
HISTORY



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Introduction: socialism is popular – but only in the abstract

Socialism has become fashionable again in Britain and the US – especially among the young and middle-aged. According to a recent YouGov survey, two in five British people aged between 18 and 50 years have a favourable opinion of socialism.¹ Another two in five are not sure, leaving only one in five with an unfavourable opinion. Capitalism, meanwhile, has far more critics than supporters in the same age group.

In addition, a recent Populus survey shows that the term ‘socialism’ evokes all kinds of positive associations in Britain, such as ‘fair’, ‘for the greater good’ and ‘delivers most for most people’, while ‘capitalism’ evokes all kinds of negative ones, such as ‘greedy’, ‘selfish’, ‘corrupt’ and ‘divisive’.² Support for socialism in general is matched by support for specific policies that could reasonably be described as socialist, such as industry nationalisations and price controls.

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- 1 YouGov (2016) Socialism and capitalism results. <https://yougov.co.uk/opi/surveys/results#/survey/94978480-d625-11e5-a405-005056900127/question/a3ee8500-d625-11e5-a405-005056900127/toplines>
 - 2 Elliott, M. and Kanagasooriam, J. (2017) Public opinion in the post-Brexit era: Economic attitudes in modern Britain. London: Legatum Institute. <https://lif.blob.core.windows.net/lif/docs/default-source/default-library/1710-public-opinion-in-the-post-brexit-era-final.pdf?sfvrsn=0>

Surveys from the US show similar results. Just over half of US millennials claim that they would rather live in a socialist or communist society than in a capitalist one.³

What is interesting is that this positive view of socialism in the abstract is not matched by a positive view of any particular example, contemporary or historical, of socialism in action. Socialists with a rose-tinted view of, for example, the Soviet Union, Maoist China, North Vietnam or North Korea are a minority in both Britain and the US today. Until recently, the Venezuelan regime had a large number of prominent cheerleaders in the West, but with that country's economic collapse and descent into authoritarianism, 'Venezuelamania' has since come to an abrupt end.⁴

Self-described socialists do not just refrain from praising contemporary or historical examples of socialist societies. They actively distance themselves from them, and tend to react with genuine irritation when a political opponent brings up any such example.⁵ Socialists often argue that none of the regimes which *called* themselves 'socialist' really *were* socialist. They argue that those regimes just cynically appropriated the popular term 'socialism', and used it as a cover story to mask their own lust for power. Thus, holding the failures of these systems against a democratic socialist would be deeply unfair. The *idea* was good and noble, and it is not the fault of its proponents that it has been abused and distorted in practice.

According to Noam Chomsky, calling the Soviet Union 'socialist' is just 'a way to defame socialism':

[T]here hasn't been a shred of socialism in the Soviet Union. Now, of course, they *called* it socialism. But they also called it democracy. They were 'people's democracies' [...] So if you think that the fall of the Soviet Union is a blow to socialism, you'll also think [...] that it's a blow to democracy. [...]

3 YouGov (2017) Annual Report on US Attitudes towards Socialism. <https://victimsofcommunism.org/wp-content/uploads/2017/11/YouGov-VOC-2017-for-Media-Release-November-2-2017-final.pdf>

4 Niemietz, K. (2017) Venezuela's useful idiots have gone quiet. I wonder why. CapX. <https://capx.co/venezuelas-useful-idiots-have-gone-quiet-i-wonder-why/>

5 For an example, see BBC Politics, Daily Politics show, 1 November 2013. <https://www.facebook.com/BBCPolitics/videos/758283277521866/>

What [socialism] always meant [...] was that [...] working people take control of production [...] [Soviet] Russia [...] had no element of workers' control, or involvement, or participation. It's got nothing to do with socialism.⁶

Similarly, Nathan Robinson, the editor of *Current Affairs* magazine, argues:

When anyone points me to the Soviet Union or Castro's Cuba and says 'Well, there's your socialism,' my answer [...] [is] that these regimes bear absolutely no relationship to the principle for which I am fighting. They weren't egalitarian in any sense [...]

The history of the Soviet Union doesn't really tell us much about 'communism', [...] it was a society dominated by the state, in which power was distributed according to a strict hierarchy.⁷

Closer to home, Owen Jones claims that Cuba is not 'really' socialist:

Socialism means socialising wealth and power – but how can power be socialised if it's concentrated in the hands of an unaccountable elite? [...]

A socialist society [...] doesn't exist yet, but one day it must.⁸

What, then, is 'real' socialism, if what has been tried so far is not it? For Noam Chomsky, it means:

the liberation of working people from exploitation. As the Marxist theoretician Anton Pannekoek observed, 'this goal is not reached and cannot be reached by a new directing and governing class substituting itself for the bourgeoisie,' but can only be 'realized by the workers themselves being master over production.'

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- 6 Chomsky, N. (n.d.) The Soviet Union vs. socialism. <https://www.youtube.com/watch?v=06-XcAiswY4&feature=youtu.be>. See also Chomsky, N. (1986) The Soviet Union Versus Socialism. *Our Generation*, Spring/Summer edition. https://chomsky.info/1986____/
- 7 Robinson, N. (2017) How to be a socialist without being an apologist for the atrocities of communism. 25 October. <https://www.currentaffairs.org/2017/10/how-to-be-a-socialist-without-being-an-apologist-for-the-atrocities-of-communist-regimes>
- 8 Jones, O. (2016) My thoughts on Cuba. 29 November. <https://medium.com/@OwenJones84/my-thoughts-on-cuba-32280774222f>

Writing in the *New York Times*, Bhaskhar Sunkara, the founder of *Jacobin* magazine, explains that real socialism means:

faith that people can organize together to chart new destinations for humanity. Stripped down to its essence, and returned to its roots, socialism is an ideology of radical democracy. [...]

[I]t seeks to empower civil society to allow participation in the decisions that affect our lives. A huge state bureaucracy [...] can be just as alienating and undemocratic as corporate boardrooms.⁹

And Owen Jones explains how Cuba's current 'unreal' socialism could yet become 'the real thing':

Cuba could democratise [...] as well as defending [...] the gains of the revolution. [...]

The only future for socialism [...] is through democracy. That doesn't just mean standing in elections [...] It means organising a movement rooted in people's communities and workplaces. It means arguing for a system that extends democracy to the workplace and the economy. That's socialism: the democratisation of every aspect of society.¹⁰

'Real' socialism, then, is a socialism from below, a bottom-up socialism, in which 'the people' are in charge – not a technocratic elite, not party apparatchiks, and not unaccountable bureaucrats.

But why has such a system never existed?

Over the past hundred years, there have been more than two dozen attempts (not counting the very short-lived ones) to build a socialist society. Those experiments differed radically in their starting conditions and in their implementation. But wherever they started from, and however they proceeded, sooner or later, they all ended up with a number of striking similarities.

9 Sunkara, B. (2017) Socialism's Future May Be Its Past. 26 June. <https://mobile.nytimes.com/2017/06/26/opinion/finland-station-communism-socialism.html>

10 Jones, O. (2016) My thoughts on Cuba. 29 November. <https://medium.com/@OwenJones84/my-thoughts-on-cuba-32280774222f>

For a start, they all led to varying degrees of economic failure. The worst examples produced mass starvation: socialism is responsible for some of the worst famines in (recorded) history, especially the Soviet famine of the early 1930s and the Chinese famine of the early 1960s. The best examples produced modest levels of prosperity, but still lagged light-years behind any half-way plausible counterfactual.

Further, they all ended up with varying degrees of repression and political authoritarianism. The worst examples killed millions of people in mass executions and forced labour camps. The best examples were still notorious police states, which arrested and imprisoned dissenters without trial, and severely restricted basic civil liberties.

In addition, all of them severely limited freedom of choice and personal autonomy in the economic sphere. The fact that the state was the main employer, the main landlord, and the main supplier of most goods and services meant that relatively simple things, like changing jobs or moving to a different town, were much harder than in Western countries.

Not least, almost all socialist countries erected barriers to emigration.

But socialist regimes were not just randomly oppressive. They were all oppressive *in similar ways*. There was method in it. For example, one of the most persistent features of socialism is the paranoia about imaginary saboteurs, wreckers, hoarders, speculators, traitors, spies and stooges of hostile foreign powers. These phantoms are always accused of 'undermining' the economy (although it never quite becomes clear how exactly they do that), which would otherwise work just fine. More generally, the oppressive character of socialist societies was generally linked to the economic requirements of a centrally planned economy. Socialist states did not oppress people for the sake of it. They did so in ways that enforced compliance with the aims of the social planners.

Not all socialist systems were complete hellholes. The author of this paper lived in East Berlin between 2001 and 2007, and met plenty of people who had active memories of the German Democratic Republic. Most described life in the GDR as monotonous, dreary, restricted, and altogether rather dull – but not as hell on earth.

However, even those less atrocious examples of socialism never came anywhere near fulfilling the original promise of socialism, which was to

put ordinary workers in charge of running the economy.

A market economy offers personal autonomy via individual choice: we are not tied to any one particular employer, landlord, supermarket, creditor etc. When we are not happy with our current arrangements, we can vote with our feet. That choice is always constrained, some have a lot more than others, and it rarely works as smoothly as in the Econ 101 textbook. But it is choice, in a real and meaningful sense, and it is a source of personal autonomy in a real and meaningful sense.

Socialism promised collective choice instead. Under socialism, you may not have unlimited freedom to switch jobs, houses, suppliers etc. But you would have a say in the running of your own workplace, in the provision of essential services, and in economic life in general. When you were not happy with current arrangements, you would be able to articulate your discontent, propose alternatives, organise, mobilise people with similar concerns, and try to change things from within.

This has never remotely materialised. In all socialist countries, economic life was organised by bureaucratic elites. The wider public never participated in this endeavour. There was a lot of variation between different models of socialism, but this technocratic character was common to all of them. All socialist societies were hierarchical and stratified.

Why did more than two dozen socialist experiments turn out that way? According to authors such as Noam Chomsky, Nathan Robinson, Bhaskar Sunkara and Owen Jones, there is no particular reason for this. They turned out that way because their leaders *wanted* them to turn out that way. The revolutionary leaders *could* have established worker-run grassroots democracies, with mass public participation in the running of the economy. They *could* have transferred economic power from the elites to the masses. But they simply *chose* not to do so.

In this view, then, there are no lessons that democratic socialists could learn from those failed experiments. Building a participatory model of socialism is simply a matter of political will, and previous socialist leaders lacked that political will. That, in this view, is all there is to know. Those examples hold no lessons, except for the trivially obvious one that the next socialist experiment must be led by people who do possess that political will.

They are in good company. The most famous critique of socialism of the Soviet variety has to be George Orwell's classic *Animal Farm*. However, *Animal Farm* is not a critique of socialism per se. The animals' revolution was not doomed right from the start. If the pigs had been less greedy and power-hungry, and/or if the other animals had been more vigilant, it would have succeeded. We can easily imagine a version of *Animal Farm* with more idealistic and public-spirited pigs, ending in '...and they lived happily ever after'. *Animal Farm* does not contain an *economic* critique of socialism. There is no connection between the fact that the farm is supposed to represent a socialist economy, and the fact that the pigs become a new ruling class. It is primarily about a socialist revolution, but it could quite easily be tweaked and adapted to other systems.

In contrast, the classical liberal critique of socialism has always been that for a number of structural reasons, socialism *had* to turn out the way it did and *could* not have turned out very differently. It has nothing to do with the character of the people who govern a socialist country. It could be governed by saints and it would still turn out the same way (except maybe insofar as saints would be more likely to admit the unworkability of their system eventually and allow it to dissolve peacefully).

This short paper reiterates the classical liberal critique of socialism. It does so in a format which is slightly unusual for IEA publications, namely an 'Alternative History'. The history described here is identical to 'ours' up until just after the fall of the Berlin Wall. From then on, it deviates from ours. In this alternative version, German reunification never happens. Instead, East Germans elect a government of idealistic socialist reformers. East Germany remains a sovereign country, a democratic country with a socialist economy. The new government tries its best to democratise that economy from within. They try to move away from the old top-down way of doing things and towards a participatory model of socialism. Our fictional socialist leaders have the best of intentions. They share the ideals of Noam Chomsky, Nathan Robinson, Bhaskar Sunkara and Owen Jones. There is no Stalin-like character among them.

Our alternative history is technically set in East Germany, but it is not about that particular example of socialism: it could, in principle, be set in *any* socialist country. East Germany is simply the example that the author of this paper is most familiar with.

But it also happens to be an especially suitable example. The debate about whether socialism is inherently authoritarian and unworkable, or whether it was just distorted in practice, and could have been completely different, is far from new. It did not start with Corbynmania, or with Owen Jones, or with Russell Brand. After the Fall of the Berlin Wall, the East German regime was forced to allow a free democratic election (which was held in March 1990), and this was one of the questions which dominated the election campaign.

What was technically a parliamentary election for the People's Chamber was also, *in effect*, a plebiscite on the following question: should the GDR remain a sovereign country and reform its socialist system? Or should it merge with the Federal Republic and thereby abandon socialism altogether? As the writer Stefan Heym, who had campaigned for the former camp, put it on the night of the election, 'One side wanted a better GDR, the other side wanted no GDR at all'.¹¹

One of the parties in the socialist camp was the United Left (VL), which had grown out of the GDR's democratic protest movement. Their manifesto stated:

For too long, our country has been at the mercy of self-aggrandising bureaucrats [...] One of the most devastating consequences of Stalinist politics is that many people in our country have begun to associate socialism with Stalinism. [...] We say: The alternative is [...] SOCIALISM; a socialism of freedom and democracy [...] It has not failed, because it has not begun yet.¹²

Similarly, the Spartacist Workers' Party of Germany (SpAD) argued:

The Stalinist bureaucracy of [East Germany] [...] discredited the idea of socialism. We, the Spartacists, say: socialism, under the *real* leadership of the working class, has not even begun yet.¹³

11 Bundesstiftung Aufarbeitung. Auf dem Weg zur ersten freien Wahl. <https://deutsche-einheit-1990.de/friedliche-revolution/auf-dem-weg-zu-ersten-freien-wahl/>. Translation mine.

12 Vereinigte Linke (1990) Vorläufiges Programm zu den Volkskammerwahlen am 18. März 1990. <http://www.DDR89.de/vl/VL38.html#>. Translation mine.

13 DDR Wahl (1990) Spartakist-Arbeiterpartei Deutschlands Wahlwerbespot. <https://www.youtube.com/watch?v=5SILGjR2p6E>. Translation mine.

Even the Socialist Unity Party of Germany (SED), which governed the GDR from 1949 until just after the fall of the Wall, tried to reinvent itself. It renamed itself the Party of Democratic Socialism (PDS), promoted democratic reformers within its own ranks to leading positions, and expelled some of its Stalinist hardliners. Its 1990 election manifesto said:

The democratic fresh start in our country is also a fresh start with a Party of Democratic Socialism, which will lead the process of the definitive rejection of Stalinist structures, mechanisms, dogmas [...] all the way through to the end [...]

We must not give up on the social values and achievements of the GDR, among which we count [...] cooperative and public ownership in industry, agriculture and other sectors of our economy.¹⁴

A handful of British parliamentarians took a similar view of those events: they interpreted the protest movement in East Germany and elsewhere not as a movement against socialism, but as a movement for socialist renewal, a movement for 'true' socialism. In December 1989, an Early Day motion in the House of Commons, signed by Ken Livingstone and Jeremy Corbyn, read:

this House [...] recognises that this outburst of discontent and opposition in East Germany and Czechoslovakia, in particular, reflects deep anger against the corruption and mismanagement of the Stalinist bureaucracy; sees the movement leading in the direction of genuine socialism, not a return to capitalism; [...] and considers that the only way forward for the peoples of the Soviet Union and Eastern Europe is on the basis of a return to the principles of genuine workers' democracy and socialism which formed the basis and inspiration for the October revolution.¹⁵

This makes the GDR, and more specifically the March 1990 election for the People's Chamber, an obvious starting point for a thought experiment about a socialist renewal. What would have happened if the socialist reformers had won? What would these idealists' vision of a back-to-the-roots socialism have looked like?

14 Demokratische Freiheiten für alle – soziale Sicherheit für jeden. Wahlprogramm der PDS. https://www.wir-waren-so-frei.de/index.php/Detail/Object/Show/object_id/565/set_id/46. Translation mine.

15 House of Commons (1989) Workers' Democracy in Eastern Europe, Early day motion 210. <http://www.parliament.uk/edm/1989-90/210>

'Socialism hasn't "failed" – it hasn't been tried yet'. Surprise victory of new socialist party in East German election

The Guardian, 19 March 1990

East Berlin is a city in shellshock today. Bonn, meanwhile, is a city of headless chickens. Forget everything you thought you knew about current affairs: after yesterday's surprise election result, all bets are off.

It was supposed to be a done deal. Until last night's exit poll, all pollsters and all pundits agreed on one thing: that the GDR's first-ever democratic election would also be its last. Whatever government would emerge from it would immediately start working towards its own abolition. Within less than a year, a Reunification Treaty was supposed to be signed and ratified by both Bonn and East Berlin. East Germany was supposed to accede to the Federal Republic and thereby cease to be a sovereign country. The GDR was supposed to be on its way out – and to take socialism with it.

Yesterday's election thwarted all those plans. The pro-market, pro-reunification parties have failed to win a majority. Whether the result represents a ringing endorsement of socialism, or whether it is primarily a rejection of a takeover by West Germany, is impossible to tell at the moment. But it is already safe to say that with the current political constellation, there will be no German reunification, and no return to the market economy in East Germany any time soon. Socialism was supposed to be a dead man walking. Yesterday's election result has given it a new lease of life.

Distribution of seats in the new People's Chamber:

United Left	137
Alliance for Germany	105
Party of Democratic Socialism	66
Social Democratic Party	59
Spartacist Workers' Party of Germany	13
Green Party	5
Alliance '90	4
Others	11
TOTAL	400

The pro-reunification Alliance for Germany, which had been predicted to win by a landslide, only came in second place. The Social Democratic Party (also pro-reunification, but at a slower pace), which the polls had down as the only serious contender, did even worse, coming only in fourth place.

The surprise winner was the United Left (VL), a party which the polls had barely registered and which had barely received any media attention during the campaign. So who are those new kids on the block?

The first thing to note about them is that they are not new. Most East Germans have been familiar with them for quite a while, if not under that name. The VL emerged out of the GDR's democratic protest movement, which had played such an important role in the lead up to the opening of the Berlin Wall four months ago. In hindsight, it is tempting to assume that the anti-regime protesters must all have been staunch anti-socialists, but nothing could be further from the truth. The protest movement has always contained groups that explicitly described themselves as democratic socialists. Their opposition to the rule of the Socialist Unity Party of Germany (SED) was in no way an opposition to socialism. Rather, they saw themselves as the torchbearers of true socialism, and the SED leadership as power-hungry, careerist sell-outs. This is, perhaps, best expressed in the slogan 'Socialism yes – SED no'.

The VL is simply the party-political arm of this movement. Their aim was never to dismantle the GDR, but to democratise it from within. They want socialism – just not the hierarchical, Soviet-inspired socialism that the GDR has been practising so far. Their idea of socialism is a socialism from

below, a grassroots socialism, a socialism which empowers ordinary working people, not party apparatchiks or technocratic elites. It is a socialism with civil liberties, political rights and widespread democratic participation, a socialism which thoroughly democratises each and every aspect of life.

With 16 per cent of the vote, the Party of Democratic Socialism (PDS) also did better than expected. The PDS is the successor of the SED, which had ruled the GDR with an iron fist until just four months ago. Its critics see the PDS as no more than a slightly nicer version of the SED, but that criticism is unfair. The party has reinvented itself. It has expelled prominent hardliners and it has promoted intra-party reformers whose democratic credentials are not in doubt. These reformers have a proven track record of criticising human rights abuses and authoritarian practices in the GDR from within the party, to the extent that this was possible for a party member. Some of them have been threatened with expulsion more than once.

In fifth place came the Spartacist Workers' Party, which stands for a romantic, back-to-the-roots vision of socialism. They want to go back to the original (and literal) meaning of a Soviet republic, namely a semi-direct grassroots democracy in which workers' councils form the main building blocks. This is the system that was beginning to take shape in Russia after the October Revolution in 1917. It was never completed because that experiment got corrupted at an early stage.

Could East Germany's current political constellation produce a socialist coalition? Arithmetically, it is possible. In practice, it is a tall order, given the substantial programmatic and cultural differences between the socialist parties.

And yet, a reformed, democratised socialism is the default option of East German politics at the moment. It will have to happen in one way or another.

The young AV voter we spoke to at a polling station in Berlin-Friedrichshain yesterday deserves to be quoted in full, because he no doubt spoke for many of his fellow countrymen:

I was going to vote Alliance or SPD, but then I thought, hang on – this is throwing out the baby with the bathwater. I'm not opposed to socialism. I'm opposed to Stalinism. I'm opposed to the SED. I'm opposed to the Stasi. I'm opposed to being told what to think, what to say, what to do. I'm sick to death of the arrogant, out-of-touch

elite that is running this country. But that's not socialism. That's the opposite of socialism.

I want to live in a country where the economy exists to satisfy the needs of the people, not the other way around. That is socialism. Some say it has 'failed'. It hasn't. We've never had socialism here. It just hasn't been tried.

Indeed: socialism, so defined, has never been tried. But it looks as though the GDR is about to try it now. We might be witnessing the beginning of a remarkable experiment.

A socialism for the many': VL/PDS (+SpAD) coalition treaty signed in East Berlin

The Guardian, 28 April 1990

The first round of coalition talks was awkward. It was bound to be. The United Left (VL), the senior partner in East Germany's new coalition government, grew out of the GDR's democratic protest movement. The PDS, the junior partner in the new coalition government, grew out of the very party the protesters used to protest against. Some VL members had been imprisoned, beaten, spied upon and expelled from their jobs under the rule of the PDS's predecessor party. Some of them had friends who had been shot at the Berlin Wall. These wounds are still fresh.

But during the second meeting, the ice broke. And during the third meeting, they got on like a house on fire. Perhaps the reformers and the protesters always had the same aims, and just tried to achieve them in different ways: the latter through street protests, through pressure from outside and from below; the former through more subtle criticism from within, i.e. within the party and within the permitted parameters.

The Spartacist Workers' Party (SpAD) will not officially join the coalition, but it has signalled its intention to cooperate with the government on an issue-by-issue basis, and SpAD MPs have been given advisory roles in the new government. This makes the SpAD a kind of unofficial third member of the coalition.

All sides had to give and take a bit. The VL (and the SpAD) had to temper its revolutionary impatience somewhat. The PDS had to accept bolder measures, and a faster pace of reform, than it would have chosen on its own. But make no mistake: this coalition treaty is internally consistent and profoundly radical.

Its civil liberties and human rights agenda alone is one of the boldest we have ever seen. The new GDR will guarantee complete freedom of conscience, freedom of the press, freedom of religion, freedom of speech, freedom of assembly, freedom to travel, a right to privacy, a right to due process, and a right to a fair trial. The hated Stasi has already been dismantled and its former senior officials are now being prosecuted.

But the most interesting part of the coalition treaty is its economic agenda.

People-Owned Enterprises (VEBs), which account for the bulk of the GDR's economy, will be internally democratised. All major management functions will be passed on to democratically elected Workers' Councils (*Arbeitsräte*). The VEBs will become largely self-governing, autonomous entities, comparable to worker-run cooperatives.

What is even more ambitious is the agenda of democratising economic planning. At the moment, the State Planning Commission (SPK) – the GDR's equivalent of the Soviet Union's Gosplan – which drafts the Five-Year Plans, is the epitome of technocracy and elitism. It makes a complete mockery of the Marxist idea that 'the working class' is in charge of the economy. An ordinary worker has no more influence on the decisions of the SPK than an ordinary Catholic has on the proceedings of a Papal conclave. Five-Year Plans are drafted behind closed doors, and then imposed upon the population from on high.

The promise of socialism has always been that it would give ordinary working people control over economic life. In practice, workers in socialist countries have even less control over such matters than workers in capitalist countries. The latter are at the behest of market forces, the former are at the behest of a technocratic elite. This is what the VL means when they say that the GDR was never really socialist. And this is what they are now trying to change.

From now on, the head of the SPK will be democratically elected once every five years. The SPK will be obliged to consult extensively with

external stakeholders, such as the abovementioned Workers' Councils, and especially with newly established, democratically elected 'Consumer Councils' (*Konsumentenräte*). Every citizen of the GDR will be free to join as many consumer councils as they wish, and to set up new ones. The SPK will be obliged to grant those councils unrestricted access to all economic data, including sensitive data. Some planning functions will be devolved to the regional or local level, where additional opportunities for public participation will be created.

In addition, the SPK will become a lot more transparent. It will have to publish the minutes of every meeting, as well as the early and intermediary drafts of the next Five-Year Plan. This will give the public a chance to monitor the process and to intervene where appropriate.

The key passage in the coalition treaty reads:

In the past, we have had *state* planning of the economy and *state* ownership of the means of production. This is not good enough. This is not socialism. In the future, *the people* will plan the economy and *the people* will own the country's productive assets. The GDR used to call itself a Workers' and Farmers' State, but in truth it was a bureaucrats' and politicians' state. This is where the GDR went wrong. And this is what we want to change.

After over forty years of nominal socialism, East Germany is finally discovering the true meaning of that term. What took you so long?

Four years on - has East Germany's programme of socialist renewal worked?

The Guardian, 19 March 1994

Four years ago, an unlikely coalition of former street protesters and reform-minded members of the GDR's former ruling party took office in East Berlin. Many predicted that it would fall apart immediately. The tenor in the West German and the British press was that the GDR's days were numbered, and that this desperate attempt to keep it on life support for a little longer would only delay the inevitable.

Four years on, the GDR is going from strength to strength. In yesterday's general election, the VL/PDS coalition has been confirmed in government with an increased majority in the People's Chamber. It enjoys popularity ratings that Mr Kohl's shamolic coalition, not to mention Mr Major's poor joke of a government, can only dream of.

The initially shaky coalition of revolutionaries (the VL) and reformists (the PDS) turned out to be a match made in heaven. The VL brought the energy, the enthusiasm and the zeal for radical change. The PDS brought the experience, the insider knowledge and the sense of continuity. Mixing those ingredients in a ratio of 2:1 turned out to be just right.

The coalition's hallmark is its programme of socialist renewal. State ownership has become public ownership. State planning has become public planning. The programme is still a work in progress, but it has already resulted in an unprecedented shift of power from unelected and

unaccountable bureaucrats to ordinary working people and civil society.

But has it worked? Has socialist renewal been a success?

The answer is: it depends. For some, the main priority in 1990 was to close the huge East-West gap in economic output. If this is your only measure of success, then the answer to the above question is no. Despite the current recession in West Germany, the East-West gap remains as large as it has ever been. It might even have grown, had it not been for a generous fiscal transfer from West Germany (not wholly motivated by altruism, but to prevent a flood of East German migrants, which would have put downward pressure on wages and upward pressure on rents). So in this respect, the government has yet to come up with a convincing solution.

But there is more to life than money, and there is more to a society's success than GDP figures. In many other respects, the transformation of the GDR has been impressive. The country has reinvented itself as a model of participatory socialism. In West Germany and Britain, millions of people work in dead-end jobs they do not enjoy, for companies with which they do not identify, in industries in which they do not feel they have a stake. They lack a sense of ownership, of empowerment, and of belonging.

Contrast this to the new GDR. East German workplaces are democratically run. Ordinary workers can elect their own company director – indeed, they can *become* their own company director if they put themselves forward and persuade their colleagues to vote for them. Every East German worker has a right to attend and to speak at management meetings. West German and British workers are cogs in a machine. East German workers *own* the machine and *run* the machine.

But workplace democracy is just one of many layers of democratic control. In the GDR, the whole economy is democratically run. The State Planning Commission (SPK) is democratically elected and constantly holds public consultations on matters large and small. Expert planners are still involved, but civil society, represented by countless Consumer Councils, Workers' Councils, or just unaffiliated individuals participating in local planning meetings, is calling the shots.

The current Five-Year Plan is an outstanding democratic achievement. It is the first of its kind which has been drafted with mass public participation. Hundreds of planning meetings and planning consultations have been

held up and down the country. Hundreds of thousands of people, from all walks of life, have been involved in its creation. It is the first genuine People's Plan in the history of socialism.

Net emigration has been much lower than expected, not least because, for the first time since 1949, migration between East and West Germany has become a two-way street again. Some East Germans have left, lured by the superficial attractions of a consumer society. But at the same time, many idealistic West Germans have been attracted by the promise of a different way of doing things. This appeal goes far beyond West Germany: the GDR is fast becoming a popular destination for democratic socialists from all over Europe. It is the place where Western Europeans who have given up on capitalism, and Eastern Europeans who have given up on top-down socialism, are coming together to create something genuinely new and exciting.

If you judge a country's success by GDP figures or productivity figures alone, then yes, you will find the West German economy more appealing. If you had to choose between an East German and a West German car or domestic appliance, you would probably choose the West German one. But nobody finds West Germany 'inspiring'; nobody would look at West Germany, thinking, 'This could be the model for a better world'.

In contrast, the new GDR very much does inspire people. There are at least two dozen GDR study groups at British universities. There is a popular GDR Solidarity Campaign, whose members include the MP for Islington North, the MP for Glasgow Kelvin and the MP for Hackney North/Stoke Newington.

The GDR is creating a new model of socialism – a socialism from below, a socialism of the people. It shows us that there is a different and better way of doing things. In the weeks after the Berlin Wall fell, the dominant narrative in Britain was that socialism was finished and that the best we could hope for was a slightly modified version of Thatcherism. Few people would say that today. The new GDR has become a source of hope, and courage, for those of us who still believe that a better world is possible.

In this sense, the answer to the above question is an unqualified yes: East Germany's programme of socialist renewal has been a phenomenal success.

East German government re-centralises control over People-Owned Enterprises

The Guardian, 21 January 1995

'*People-owned*, not state-owned' is one of the GDR government's favourite slogans. 'Putting the *people* back into People-Owned Enterprises' is another. Workplace democracy is one of the cornerstones of the GDR government's programme of socialist renewal, and one of its most widely admired achievements. And yet, the East German government now finds itself forced to put that project on hold for the time being. With effect from next month, the self-management rights of People-Owned Enterprises (VEBs) are going to be curtailed again, and control over them partly re-centralised.

The East German government is at pains to point out that this does not represent a U-turn on policy. It is a temporary measure, which is meant to give the government the breathing space it needs to even out some of the new system's irregularities.

'We need to work out a more coherent system, in which incentives are better aligned', explains Jens Geißler, the Minister for Workplace Democratisation:

After democratisation, in many of the large VEBs, workers voted for substantial salary increases, or shorter workdays, or more paid holidays etc. Where they have voted for changes in working practices, this has often been with the aim of making them more convenient to the workforce, rather than more productive. There is nothing

wrong with any of that, quite the opposite: the whole point of socialism is that the workers, not capitalists, reap the benefits of economic progress.

But such measures need to be backed by productivity increases, and our productivity performance to date has simply not been good enough. The problem is that many of those VEBs are now behind on their production quotas. This has adverse knock-on effects on other parts of our economy, jumbling our Five-Year Plan. If, for example, the production of tyres is behind schedule, the production of cars, motorcycles and bicycles falls behind schedule as well. And so on.

We could, of course, pay VEBs on a performance-related basis and give them responsibility for their own budgets. We could let some of them prosper and others go bust. But then, we would be half-way towards a market economy. That is not the way we want to do things here.

Geißler emphasises that the government remains fully committed to the principles of worker management and workplace democracy:

There is absolutely nothing wrong with those principles. We just need to remind ourselves that a VEB is jointly owned by *all* people, not just those who happen to work in them at any given time. Otherwise, they would just be capitalist enterprises. Maybe we have not made that sufficiently clear during the transition.

We are definitely on the right track, but we have probably rushed it a bit too much. We will pause some features of our workplace democracy agenda for the moment, until the backlogs in production have been cleared, and until we have sorted out those inconsistencies.

Critics argue that even if this is not the government's intention, it is, in effect, a return to the old top-down model. What is the point of democratic governance structures in the VEBs, if a VEB's management has no autonomy to do anything other than follow orders handed down from East Berlin?

But while the announcement is not popular, it has not provoked a backlash either. In practice, the initial enthusiasm for workplace democracy was already on the wane anyway. Turnout at Workers' Council elections and workers' assemblies has already dropped sharply at VEBs across the nation.

We spoke to several workers at the VEB Kombinat Robotron in Dresden. Olaf Baumgarten, who works for the engineering department, told us:

I like the idea in principle, but I find a lot of those meetings are just long-winded, boring and tedious. Look: I'm an engineer. I want to get on with my job. I don't want to sit in tedious committee meetings the whole time.

His colleague Hanna Hoffstädter agrees:

Of course management should consult with the workforce. They do that in most West German companies as well, and for good reason. But whatever happened to specialisation? Whatever happened to the idea of letting people focus on what they're good at? Most of those committee meetings are about things that I don't have a clue about and that I'm not remotely interested in.

Franziska Krüger, who works in one of the assembly plants, is even more critical of what she calls the 'committee culture' (*Komiteekultur*):

Ultimately, all those worker committees just get dominated by the sort of people who are good at networking and backscratching. The meetings, meanwhile, get dominated by those who are most enamoured with the sound of their own voice, and frankly, these are not always the people who have the most interesting things to say. Either way, you don't get a representative cross-section of the workforce in this way – if there is such a thing.

The government's announcements, then, might not make that much of a difference in practice.

VEB manager Heiko Kurz sees the changes as regrettable, but remains optimistic overall:

We will almost certainly see a revival of the workplace democracy agenda later this year. It is true that participation has declined, but at least in the abstract, the idea remains hugely popular.

Hopefully next time, there will be a greater focus on education and awareness. We need to make sure that people are properly prepared. You cannot expect a system like that to work overnight.

The return of the technocrats? East Germany quietly abandons 'People's Planning'

The Guardian, 4 March 1995

The system of participatory planning – or 'People's Planning' – is considered one of the proudest achievements of the East German government. According to its supporters, the democratisation of the planning process has given ordinary workers an unprecedented degree of control over economic life. If there is one policy area that symbolises the difference between the old top-down socialism inspired by the Soviet Union and the new bottom-up socialism of the GDR, it is this.

It therefore came as a surprise to some when the East German government announced that it would temporarily suspend important features of the new system. From next month on, the State Planning Commission (SPK), the organisation which has the overall responsibility for drafting the Five-Year Plans, will see some of its former discretionary powers restored. By the same token, civil society stakeholders will see their influence reduced.

Why would the government put such a popular policy on hold? We met with Katrin Krause, a senior civil servant at the SPK, who told us:

I'm not saying that the old system was great; believe me, I know its downsides better than anyone. But at least, we used to get things done. The plans were usually finished on time and the production quotas mostly fulfilled.

Now, it's just a nightmare. When the government told us to consult with 'the people', they assumed that 'the people' would all speak with one voice. Guess what – they don't. The supposed voice of the people sounds more like a cacophony of conflicting and mutually incompatible demands. This mythical entity called 'the people' actually consists of lots of different groups and different individuals with very different interests and preferences.

But weren't the new Consumer Councils supposed to formalise this process?

Most Consumer Councils are just lobbying for their own pet projects. It's the same thing every day. We meet with a Consumer Council which represents aficionados of product X. They tell us: 'X is supremely important. You need to produce more X. You need to produce better X. West Germany is much better at X.' But when we ask them where they think we should get the inputs from, they say, 'Oh, we don't know. Just take them from somewhere. Produce less Y, maybe. Y isn't that important.'

Then we contact the Consumer Council which represents Y-aficionados. They tell us: 'Y is supremely important. You need to produce more Y. You need to produce better Y. West Germany is much better at Y.' But when we ask them where they think we should get the inputs from, they say, 'Oh, we don't know. Just take them from somewhere. Produce less X, maybe. X isn't that important.'

Surely, though, trade-offs are part and parcel of economic life in any economic system, whether socialist, capitalist, mixed, or anything else?

Of course it is. But that is exactly the problem: in our system, we have no rational way of trading off these competing demands against one another. If we cannot simultaneously produce more of both X *and* Y, what should we prioritise? Should we make it dependent on which group shouts loudest? Is that socialism?

In West Germany, consumer demand is revealed through willingness to pay, and supply adjusts. I'm not saying we should go down that road, which would spell the end of socialism. But at least the West Germans have a method of rational economic decisionmaking. And we don't.

Krause and many of her colleagues at the SPK have been pointing out the flaws in People's Planning right from the start. They have been pleading with the government to restore some of the SPK's former discretionary powers for years. So far, their demands have fallen on deaf ears, because the VL/PDS government was convinced that they were self-serving. They believed that critics of People's Planning were just members of the old bureaucratic elite, who resented the loss of status and power that the new system meant for them. So the government replaced quite a few long-standing civil servants with new appointees who were more sympathetic to the project.

But when, after a short time in the job, most of those new appointees came to the same conclusions as the despised 'old bureaucratic elite', the government started to listen. When progress on the next Five-Year Plan stalled, the government was forced to act. It now seems to have settled for a halfway house, somewhere in between People's Planning and the old model of technocratic planning.

The SPK will still be obliged to consult with consumer and worker representatives. But when their demands are incompatible, the SPK will be allowed to revert to its old computer models for predicting consumer demand. The government insists that this is not a retreat from People's Planning. Stefan Bergmüller, the Minister of Economic Democracy, explains:

People's Planning will remain the normal mode of economic planning in the GDR. Nobody wants to change that. But for the time being, we need to have a Plan B for those instances in which People's Planning does not produce a conclusive answer. We need a backup, a way to fill the remaining gaps.

We will not need that backup forever. Once we have sorted out the inconsistencies in the current system, it will not be needed anymore. But we will need a better way to balance the needs of the whole community with the wishes of individual groups. Consumer Councils need to bear in mind that the Five-Year Plans are there to satisfy the needs of *all* people, not just selected groups. Perhaps we haven't made that sufficiently clear during the transition. Perhaps we have rushed the whole agenda a bit too much.

We remain committed to People's Planning. We expect that over time, as the public's understanding of the system improves, we will

need less and less SPK discretion. At some point, we may not need the SPK at all anymore.

This does not sound like a retreat at all. How important are those changes in practice? For Mrs Krause, the answer is: very.

They say that we should only use our old models when the demands of the Consumer Councils are incompatible. Here's the thing: they are *always* incompatible. If we wanted to produce everything the Consumer Councils ask us to produce, we would need an economy more than fourteen times the size of ours. We would need the whole economy of West Germany, basically. Plus a few Swiss cantons.

The minister's announcements have provoked surprisingly little criticism. In practice, East Germans were already falling out of love with People's Planning. Active participation in the planning process has dropped sharply over the last year. Annette Hartmann, who runs the SPK's Public Engagement Unit, tells us:

It is really hard to keep people involved. When we started these public consultations, there was a lot of enthusiasm. But most people just turn up for two or three meetings and then drop out.

I don't blame them: once you get to the nuts and bolts, economic planning is, admittedly, a dry and technical matter. I can totally see why, after a long workday, most people would rather do something a little bit more entertaining or more relaxing. This is, ultimately, a very specialised job. Maybe the idea of mass involvement was never realistic.

The government remains optimistic that People's Planning will take off again once people become used to it.

Mass exodus: over 240,000 people leave East Germany

The Guardian, 12 July 1995

When the Berlin Wall fell, demographers predicted a flood of East German migrants heading for West Germany. It turned out to be a rivulet.

This time, the demographers erred in the opposite direction. According to the record sections of West German municipalities, nearly a quarter of a million East Germans have settled in the Federal Republic over the past twelve months. Migration in the opposite direction, meanwhile, has come to an almost complete halt, meaning that for all intents and purposes, gross East-West migration equals net East-West migration.

This could be a one-off. But it could also mark the beginning of a return to the migration patterns we used to see in the decade before the Berlin Wall was built. In the 1950s, the GDR lost between 145,000 and 280,000 people every single year (which is, of course, the reason why the Berlin Wall was built in the first place).

Who are these new expats? Why are they leaving? What are they looking for? What could persuade them to return? We met a little GDR expat community in a beer garden in Munich.

Although most of them were reluctant to admit it, it quickly emerged that they mainly left for economic reasons. As Wolf Bauknecht, a car mechanic from Karl-Marx-Stadt, puts it:

I know you're not supposed to say that, because it's considered shallow and materialistic, but yes – I am here because of the higher living standards. I like the fact that I can afford a nice car here. I like the fact that I can go to nice restaurants. I like the fact that I can afford a holiday in Italy. I like the fact that the supermarket shelves are always full. I like the fact that there are plenty of leisure opportunities, plenty of interesting things to do.

His girlfriend Kerstin Karlsberg, a nurse, adds:

The GDR has changed for the better. They're not locking you up anymore for criticising the government. They're not bugging your phone anymore. You can vote in meaningful elections, not just the Mickey Mouse elections we used to have before 1990.

But what hasn't changed is the economy. The queues. The shortages. The monotony. The dreariness.

It's obviously great that the GDR has become a democracy. But our economic problems never had anything to do with the fact that we were not a democracy. It's the *economic* system, *not* the political system, which has created those problems, and which keeps creating them. If you only change the political system, without changing the economic system, then you're still going to have the same economic problems that you've always had.

But the economic system *has* changed. What about all those new opportunities for participating in economic planning which the GDR government has created? Why not use those avenues and try to improve the GDR, rather than just walk away from it? Ms Karlsberg is not impressed by them:

I've been to a few of those planning meetings and found them completely pointless. Most of them aren't going anywhere, simply because the people who take part in them can't agree with each other. The only meeting I've ever been to which actually reached a conclusion was one which got hijacked by a group of single-issue cranks, who were completely obsessed with some niche topic. They took over, because everyone else just got bored and left.

I prefer the way they do things here. You try to sell something. If people want it, you sell more. If people don't want it, you stop and try something else. They have no endless debates about what 'the community' supposedly 'needs'. They just try different things. Some work. Some fail.

Will more East Germans follow? Most of the expats think so. Hans Stoltenberg, an electrician from Stralsund, thinks:

There is a bit of a psychological barrier. We have been divided for so long, West Germany is a foreign country for us. I certainly found the idea of moving here daunting. But then a close friend of mine moved here, told me all about how it went – and that sort of took the edge off it. As more people have a similar experience, more people will move.

It remains to be seen whether he is right, but the macroeconomic situation certainly points towards more East-West migration. At the moment, the West German economy still suffers from the aftermath of a deep recession, which saw unemployment soaring to a post-war all-time high. But leading indicators point towards recovery. If so many people are prepared to move when the economy is still in the doldrums, how many will come when the economy is picking up again?

East Germany reinstates border controls

The Guardian, 7 August 1995

Just over five years ago, Europe's hardest border suddenly became its softest almost overnight. The intra-German border, once the steel part of the Iron Curtain, became mere window dressing. With effect from next October, it is going to harden again. There will still be complete freedom to travel in both directions, but passport checks and customs inspections will make a comeback.

In 1990, the two Germanies did not bother to come up with a proper trade and customs agreement. It was deemed unnecessary. East German goods and services are generally not interesting to West German consumers, and the average East German cannot afford much in West Germany anyway. In theory, the 1990 Brussels-East Berlin Amendment spells out the relationship between the GDR and the EU's Customs Union and its Single Market (of which the Federal Republic is a part). In practice, the Agreement is full of holes, and therefore often just ignored.

But over the past year, cross-border shopping has become a lot more common. It is true that the purchasing power of East Germans in West Germany is not huge. But West German markets are characterised by a much higher degree of product differentiation than their East German counterparts. Where East Germany has two or three generic versions of a product, West Germany has at least a dozen, ranging from very basic no-frills versions to luxury versions with all the bells and whistles. West German products in the middle of the price range (let alone the top end) are generally unaffordable to East German consumers. But products in the no-frills segment, such as a supermarket's in-house brand, tend to be

cheap even by East German standards. They are usually no worse than the generic East German product, and unlike the latter, they are always available.

In short, you will not hear many East German dialects in the *Kaufhaus des Westens*, West Berlin's luxury department store. But you will hear plenty of them at Lidl and Aldi. This is a huge problem for the East German economy, because once these cross-border shoppers have stocked up in West Germany, they are no longer interested in East German products.

Cross-border shopping in this sense is a one-way street. But in quite a different way, some East German products do end up in West Germany. East Germany provides a range of basic essentials at heavily subsidised prices, which do not cover production costs. These are often in short supply, a problem which is far from new, but which has got a lot worse since the opening of the border. Some East Germans bulk-buy these products cheaply and then resell them on street markets in West Germany.

The new customs system will introduce tariffs on West German products, customs checks, and limits on the quantity of goods that people can take with them in either direction. Re-manning and re-equipping this 1,400km long border is a major feat, but the East German government is confident that at least a makeshift border infrastructure will be up and running by October.

Frederik Adler, the Minister of Trade, explains:

The opening of the intra-German border was one of the most wonderful events in my lifetime. I will never forget how overwhelmed with joy I felt when I crossed it for the first time. It was a dream come true.

And it is a dream that will remain true forever. The border between the two Germanies will be one of the most permeable borders in the world. It will not differ much from the border between, say, West Germany and Switzerland. A lot of people will barely notice it. We will introduce a fast lane, where people who are travelling on foot, bike or motorcycle, and without any bags, can go straight through.

We are committed to keeping this border as open as it can possibly be, given the circumstances. But we also need to recognise that unlike the border between, say, West Germany and the Netherlands, the inner-German border is an interface between two very, very different economic systems. On one side, you have an economic system based on profit-maximisation, and on the other side, you have an economic system based on satisfying the needs of the people. This inevitably creates some tensions, which is why the interface between these two systems needs careful management. We cannot allow our subsidised products to leak out. And neither can we expose ourselves to a competitive race to the bottom. It was therefore naïve to believe that this border could remain completely open forever.

One of the as yet unresolved issues is what will happen between East and West Berlin. The return of a border between these two cities, no matter how easily traversable, would inevitably bring back bad memories. And yet, this is where the economic problems identified by the minister are most acute.

East German government in row with West German press

The Guardian, 8 August 1996

As East Germany's brain drain intensifies, the government in East Berlin has accused several leading West German newspapers of adding fuel to the fire, by egging people on to leave. The Home Office speaks of a 'large-scale public disinformation campaign' and of a 'concerted effort to turn the public against the project of socialist renewal'.

The background to the row is this: with the West German economy picking up pace again, East-West migration has soared to levels not seen since the 1950s. The GDR is currently losing over 20,000 people every month, predominantly skilled workers in the prime of their careers.

A bloodletting on such a scale would be a problem for *any* economy, but it is an especially severe problem in a planned economy like the GDR's. Katrin Krause of the State Planning Commission (SPK) explains:

You cannot plan an economy under those conditions. The current Five-Year Plan is based on workforce figures that are already completely out of date. It is, for all intents and purposes, worthless.

If people emigrated in a steady fashion, we could cope with it; we would factor it in when we draft the plans. But there are huge, unpredictable shifts in migration patterns. Over the past few months, we have suddenly lost lots of people who used to work for the railway. Fair enough – we have other mediums of transport. But the problem is that some of our other industries are heavily reliant on rail transport. Their activities are structured around the railway

capacity that was forecast in the Five-Year Plan. Since that capacity is no longer there, many of them are now falling behind their production schedule. And if they fall behind, others, who rely on them, will fall behind as well. And then others... you get the point.

Don't get me wrong: I'm not saying we should put up the Wall again. As far as I'm concerned, everyone should be free to move to wherever they like, whenever they like, and as often as they like. Just don't expect me to plan an economy when the factors of production are moving around all the time.

Against this backdrop, earlier this year, the East German editions of two centre-right West German newspapers have started to explicitly encourage emigration. The *Bild* runs a series in which former East Germans, who have moved to the West, get to tell how happy they are with their new lives. The *Welt* has been a bit subtler, but the message is the same: what are you waiting for? Come on over here and join us.

In addition, the East German edition of the *Frankfurter Allgemeine Zeitung* has also begun to persistently and ruthlessly dissect the GDR's ongoing economic weaknesses.

Sven Holtermann, the GDR's Home Secretary, argues:

This is not journalism. This is just shoddy propaganda. If you read these articles, you would think that every West German is a millionaire, who lives in a mansion with a swimming pool and a private jet. It's so ludicrously biased. Why do they never mention the people who lose their jobs due to automation? Why don't they mention the disillusioned migrants, who end up returning to the GDR? Why don't they mention the rampant inequality? Why don't they mention the economic anxiety, the hyper-consumerism, the lack of community cohesion?

It's because their intention is not to inform. They have an agenda. Follow the money. Look at who funds these papers through advertising revenue: the car industry, the pharmaceutical industry and the petrochemical industry. What do these sectors have in common? They all have problems recruiting skilled labour. That's why they have an interest in cheaper labour from the East.

This is a nothing but corporate recruitment campaign. Those Western

corporations want to induce wage dumping, a race to the bottom. That's why they try to lure our workers with false promises of a better life.

The job of the press should be to help people make an informed choice, through balanced reporting – not to do the bidding of a corporate paymaster.

The GDR Solidarity Campaign in the UK agrees with the Secretary's assessment. According to their press statement on the subject:

West Germany's corporate media barons are desperate to undermine the East German Workers' State, because they see it as a threat by example. They hate it, because it is a source of hope for working people in West Germany and beyond. They hate it, because it demonstrates that a better world is possible. And so, it must be destroyed, like every other example of an economy run for the benefit of working people before it.

We can no longer pretend the Western press in East Germany is impartial¹⁶

The Guardian, 3 October 1996

In the past, the greatest threat to freedom of expression in this country came from the government. State censorship of critical voices meant that our media was unable to do what it should: hold those in power to account, equip people with reliable and relevant information, and help them in forming a considered informed opinion.

Today, the greatest threat to freedom of expression comes not from the government, but from corporate dominance. Over the past few years, we had to learn that corporate control can be just as insidious as state control.

This statement from the East German Department of Media and Culture prefaces the new Media Diversification Bill (*Mediendiversifizierungsgesetz*), which will come into force next month. Its main element is the introduction of a maximum market share: from now on, no single newspaper, or media group, will be allowed to hold a combined market share of more than one eighth (12.5 per cent) of the national print market. The aim is to break up the cartel of the corporate West German media giants, to give small and medium-sized newspapers a chance, and to enable a wider range of voices to be heard.

¹⁶ With minor tweaks, large sections of this fictitious article are based on a real *Guardian* article. See Jones, O. (2017) We can no longer pretend the British press is impartial. *The Guardian*, 9 October 2017. <https://www.theguardian.com/commentisfree/2017/oct/09/no-longer-pretend-british-press-impartial-country-more-leftwing>

Although critics denounced the Bill as the 'return of censorship' and 'the GDR's recidivism to its bad old ways', the truth is that it is hardly draconian. It will only affect three newspapers, namely the liberal-conservative *Frankfurter Allgemeine Zeitung* (FAZ), the liberal-conservative *Welt*, and the conservative *Bild*. Even then, the Bill's impact on the FAZ will be negligible, as the FAZ's current market share is only a few percentage points above the permitted maximum. The Bill will, however, have a major impact on the *Bild*, which has by far the widest circulation of all newspapers. It currently sells over 1.8 million copies every day; from now on, it will only be allowed to sell up to about 600,000. The *Welt*'s market share is about a third below the permitted maximum, but since the *Welt* and the *Bild* are owned by the same company, they will have to divide their permitted market share between them. Thus, the *Welt* could disappear completely from East Germany.

One can debate the fine print of the Media Diversification Bill, but the need for some reform is undisputed. Before 1990, the GDR did not really have a non-state media sector. So once the Berlin Wall was gone, East Germans more or less just copied West German reading habits.

This has led to a number of problems. There is a substantial body of opinion in East Germany which feels marginalised, unheard, and attacked by the broader media.

The reason for that is this: the West German press is not an impartial disseminator of news and information. It is, by and large, a highly sophisticated and aggressive form of political campaigning and lobbying. It uses its extensive muscle to defend West Germany's current economic order which, after all, directly benefits the rich moguls who own almost the entire West German press. Whether it's the *Bild*, the *Welt*, or the *Frankfurter Allgemeine Zeitung*, that means promoting capitalism and denigrating socialism. The press has been instrumental in upholding the political consensus established by the coalition in Bonn: deregulation, privatisation, low taxes on the rich and weak trade unions. It has traditionally defined what is politically acceptable and palatable in West Germany and ignored, demonised and humiliated individuals and movements which challenge this consensus. It is now doing the same in East Germany.

Rather than challenging powerful interests, the press is more interested in punching down, disseminating myths and outright lies in the process, especially about the alleged shortcomings of socialism. Polling shows

widespread acceptance of myths on everything from the true extent of shortages in the GDR to how well East German emigrants in West Germany are doing, and media coverage plays a critical role in spreading these dangerous misconceptions.

The distinction between 'news' and 'opinion' throughout much of the West German press is blurred. The press abounds with writers who use their 'news' writing as a means to advance political aims and causes, even if they pretend otherwise.

Pundits do play, at least in theory, an important role in democracy. The problem is that the West German commentariat is by and large a cartel: its members are mostly there because of their views, their backgrounds and – to varying degrees – their connections. People from working-class backgrounds, for example, are consistently underrepresented. Our backgrounds inevitably play an important role in forming our worldviews, determining our priorities and creating our blind spots.

The spectrum of opinion represented in the commentariat is limited indeed. There is a broad consensus on economic issues – a defence of the market, a rejection of socialist alternatives – and contempt for ideas that challenge this consensus.

In addition, there are prominent broadcast journalists who have outright partisan backgrounds (some used to be prominent Conservative or Liberal activists, others worked for industry associations). The priorities of broadcast news are in large part determined by those of the right-wing press: their headlines and angles often frame debate on TV and radio each day. The problem with broadcast news coverage is that it treats the status quo as 'neutrality'. Voices that depart from the consensus are to be checked for bias.

A media so weighted in favour of capitalism makes progressive, campaigning journalism a necessity. Much of modern journalism exists – often aggressively so – to defend the way West German society is currently structured. And the most common method to do this is to attack the most obvious counterexample: East Germany.

Granted, a sales cap on West German newspapers cannot be more than a makeshift solution to these problems, as the Secretary of State for Media and Culture, Lars Becker, has readily acknowledged. The GDR will have to do better than that. It will have to find ways of building up an independent

media landscape of its own – where ‘independent’ refers to independence both from the state *and* from corporate interests. It will have to find ways of encouraging working-class kids to take up journalism as a career. It will have to develop a media culture which is better suited to the GDR’s specific social and economic environment.

None of this will happen overnight. But nobody in East Berlin is under any illusions about the scale of the challenge ahead. On the contrary, East Berlin is positively brimming with exciting, innovative ideas for progressive change. The Media Diversification Bill is no more than a clumsy first step. The important lesson for now is this: an economic model based on satisfying the needs of the people, and a corporate media model based on promoting the economic self-interest of its owners, do not mix well.

East German government plans introduction of minimum notice period for emigrants

The Guardian, 1 April 1997

Of all the hard-earned rights that East Germans won for themselves in the peaceful revolution of 1989/90, the right to emigrate is the one that has acquired the most sacred and the most iconic status. Surveys show that freedom of movement is almost universally seen as one of the most precious achievements of the renewal period. It enjoys high levels of approval even among those who have the most positive view of the 'old' (i.e. pre-1990) GDR, and among those who have no desire to emigrate themselves.

Is the East German government's introduction of a six-month 'qualifying period' for emigrants a serious infringement of that right? Of course not. Organising a move from one country to another can easily take several months anyway, and it is not a decision that many people will make overnight. But given the country's history, it is easy to see why the announcement has made emotions run high.

In the future, East Germans who wish to emigrate will be required to notify their local record section six months in advance. Contrary to the way it has been presented in parts of the West German and British media, this does not mean that they will require a 'permit' to emigrate. Once they have handed in their notification, the record section will acknowledge the receipt, in written form. With effect from six months from then on, this receipt entitles the holder to emigrate. It is not a permit as such, because a permit can be refused. A receipt cannot. This new measure, while no doubt

inconvenient for many, cannot prevent anyone from emigrating. It can, at best, delay their emigration by a few weeks or months.

Sven Holtermann, the Home Secretary of the GDR, explains:

The freedom to choose where we want to live is one of the most fundamental, and unnegotiable, of human rights. Nobody knows this better than I do. Back in the bad old days, I spent a year in prison for assisting a friend to escape. He committed no crime. He never harmed anyone. All he wanted to do was live together with his West German girlfriend.

During this year in prison, I learned that there was something fundamentally morally wrong with a country which denies its citizens such a basic human right. I am immensely proud of being a member of a government under which the right to emigrate became set in stone.

And so it will remain.

But we need to strike a balance here. To our would-be emigrants, we say this: you are valued members of our communities and we are sad to see you leave. But the decision is yours. No one on earth has a right to stop you.

What we expect from you, however, is that you give us a chance to adjust. Your decision to leave has an impact on other people around you. There is a Five-Year Plan in place, which counts on your contribution. If a lot of people in a particular industry are suddenly no longer available, production in that industry will fall behind its schedule. This has knock-on effects on complementary sectors of the economy. Which then affects other sectors. And so on. In the worst case, this can jumble our Five-Year Plan as a whole.

Our opponents have long asserted that socialism is incompatible with individual liberty. They are obviously wrong, and in fact the reasonable compromise we have just found proves them wrong yet again. But their assertion contains a small grain of truth: there is a tension between personal autonomy on the one hand and the demands of a close-knit community on the other hand. It is a tension that can be resolved – and resolving it is precisely what we're doing

right now. But it is a tension that exists and that requires imaginative solutions.

The big difference between a capitalist economy and ours is that ours is a *collective* endeavour. Once you are part of a collective endeavour, you can no longer automatically just do whatever you like.

We all know this from our personal lives. If you have a spouse and children, you no longer have the flexibility that you had when you were single. If you work with a team, you need to behave like a team player; you need to coordinate your actions with other people, and accept that you won't always get your way. If you live on your own, you can turn up the music late at night as loud as you like, but if you share a flat with other people, you can no longer do that. And so on.

In our personal lives, we all know this, and most of us act accordingly without even thinking about it. It's just what you do. But the same principle applies to whole economies. Unlike the West German economy, our economy is a team effort. Our socialist economy turns our society into a large community, a much more close-knit community than West Germany will ever be. This has many advantages. But it does impose certain constraints upon us as individuals.

None of this means that we cannot have personal autonomy. Of course we can. And we do. But unlike in West Germany, it needs careful management. And that's what we're doing with these changes. You have a right to live wherever you like. But we, as a community, have a right to know in advance, so that we can amend our plans and make alternative arrangements. That's all we ask of you.

We think the current solution strikes a reasonable balance between the rights of the individual and the rights of the community.

A number of practical problems still need sorting out. It is not clear how the new system will deal with people who simply leave without notifying the record sections in advance. A complementary tightening of border controls might also become necessary.

East Germany shows that protest can be a reassertion of privilege¹⁷

The Guardian, 6 November 1997

The feeling of déjà vu is overwhelming. Streets filled with protesters marching in lockstep. Crowds chanting 'We are the people!'. GDR flags with the national emblem – the hammer and compass symbol – cut out. Haven't we been here before? This looks like 1989 all over again.

But this outward semblance is extremely deceptive. East Germany's new protest movement could not be any more different from the protest movements of the late 1980s.

Let's take a step back and look at the bigger picture. The upsurge in global protest in the past couple of years has driven home the lesson that mass demonstrations can have entirely different social and political meanings. Just because they wear bandanas and build barricades doesn't automatically mean protesters are fighting for democracy or social justice.

In some countries, mass protests have been led by working-class organisations, targeting neoliberalism, privatisation and corporate power. In others, predominantly middle-class unrest has been the lever to restore ousted elites. Yet on TV, they look similar.

¹⁷ With minor tweaks, large sections of this fictitious article are based on a real *Guardian* article. See Milne, S. (2014) Venezuela shows that protest can be a defence of privilege. *The Guardian*, 9 April. <https://www.theguardian.com/commentisfree/2014/apr/09/venezuela-protest-defence-privilege-maduro-elites>

From the overthrow of the elected Mossadegh government in Iran in the 1950s, when the CIA and MI6 paid anti-government demonstrators, the US and its allies have led the field: sponsoring 'colour revolutions', funding client NGOs and training student activists, fuelling street protest and denouncing – or ignoring – violent police crackdowns as it suits them.

And after a period when they preened themselves on promoting democracy, they are reverting to their anti-democratic ways. This is what is happening in East Germany, which, for the past two months, has been racked by anti-government protests aimed at overthrowing the socialist VL/PDS government re-elected two years ago.

The right-wing East German opposition seems to have a problem with the democracy business, having lost both elections since the country's return to democracy in 1990. So the opposition leaders – who are closely linked to American and West German corporations, and receive substantial support from them – have now launched a campaign to oust the coalition. They have called on their supporters take to the streets. And they responded.

For eight weeks, they have organised street protests, marches and sit-ins, bringing parts of the GDR's major cities to an almost complete standstill. At least 53 people have been injured. Despite claims by the West German Foreign Minister, Klaus Kinkel, that the GDR is 'returning to its bad old ways', the evidence suggests a majority have been injured by opposition supporters, including eight members of the People's Police and seven soldiers of the National People's Army.

What are portrayed as peaceful protests have all the hallmarks of an anti-democratic rebellion, shot through with class privilege and contempt for ordinary people. Supposedly, these protests are about ongoing shortages and renewed restrictions on personal freedoms, but don't be fooled.

In order to understand where these protests suddenly come from, we need to understand the GDR's peculiar class structure. In theory, the GDR has been a classless society from its inception. In the Soviet Zone of Occupation, the Soviet interim government dismantled the old class structure in Eastern Germany by expropriating all the large landowners and industrialists. The SED then tried to build a society without classes on the 'clean slate' they inherited from the Soviets.

But even though the material *basis* of the old class society had disappeared, the mindset, the attitudes and the social practices associated with a class society still lingered. In subtle ways, class privilege was preserved and passed on to the next generation. It was as if East German society had an 'institutional memory' of class structure, even if that class structure itself had long gone. And this institutional memory is now being used to attempt to rebuild the old class structure. What we currently see, albeit cloaked in the hood of 'progressive' street protest, is nothing short of the reassertion of class privilege.

The protests are dominated by the closest thing that a socialist society can have to a privileged class. These are people in the kind of comfortable, cushy jobs, which are relatively safe even in capitalist countries. They are the ones who would most obviously stand to gain from a restoration of capitalism. And they know it.

Listen to the protesters when they are being interviewed by TV news crews. You will not hear many working-class accents there. You will not hear the uncouth dialects that are so common in the Berlin/Brandenburg area, or in the region of Saxony. But you will hear posh accents. You will come across family names that smack of old money, the equivalents of surnames like 'Montgomery' or 'Bartholomew' in the UK. Even names with a 'von' are making a comeback.

We should not pretend that these protesters speak for the wider public. What we see here is not a popular protest, but a return of the old elites trying to reclaim their former class privileges. Support for the government, meanwhile, remains solid in working-class areas.

But even if we ignore the classist elements, this is not a protest movement which has sprung up spontaneously. It is not really an East German protest movement at all. It is a movement which has been systematically created from outside, with Western money, Western support and Western encouragement. It is hardly surprising in the circumstances that the East German government regards what has been going on as a destabilisation backed by West Germany and the US. Evidence for the US/West German subversion of the GDR – especially the large-scale funding of opposition groups and the provision of logistical support – is voluminous.

That is partly because from the perspective of Western corporations, the GDR represents a vast untapped potential: industries to asset-strip, a

workforce to exploit, consumers to hoodwink, and so on. They cannot bear the fact that there is a country which escapes their clutches, because its people have the audacity to do things differently.

But it is also because the GDR has spearheaded the progressive tide that has swept Western Europe over the past decade: challenging US and EU domination, taking back resources from corporate control and redistributing wealth and power. Despite its current economic problems, revolutionary East Germany's achievements are indisputable.

It has massively expanded public health, housing, education and women's rights, boosted pensions and the minimum wage, established tens of thousands of People-Owned Enterprises, put resources in the hands of a grassroots participatory democracy, and funded health and social development programmes.

So it is not surprising that the VL and the PDS still have majority support. To maintain that, the government will have to get a grip on shortages and inflation – which it has the means to do. For all its problems, the economy has continued to grow, if at a slower rate than West Germany's. There is no unemployment and no poverty. East Germany is very far from being the basket case of its enemies' hopes. But the risk is that as the protests run out of steam, sections of the opposition turn to greater violence to compensate for their failure at the ballot box.

East Germany and its progressive allies matter to the rest of the region because they have demonstrated that there is a social and economic alternative to the failed neoliberal system that still has the West and its allies in its grip.

Their opponents hope that the impetus for change has exhausted itself. They are wrong. The tide is still flowing. But powerful interests at home and abroad are determined that it fails – which means there will be more GDR-style protests to come.

Opinion: Socialism hasn't 'failed' – it hasn't been tried yet¹⁸

The Guardian, 7 December 1998

Last night's election result has brutally choked off the experiment of socialist renewal in East Germany. The main governing party, the United Left (VL), has suffered a crushing defeat, dropping to just 0.2 per cent of the vote. Its coalition partner, the PDS, has stabilised at 21.6 per cent, but since all the major parties have ruled out a coalition with the PDS, this means that their days in government are numbered.

All of the parties that could realistically form a government now have made it abundantly clear that they would immediately enter into reunification negotiations with the Federal Republic. It is therefore safe to say that by the end of this year Germany will be reunited and the GDR will be no more. All the achievements of the past eight years will be swept away.

18 Large sections of this fictitious article are a mashup, with minor tweaks, of various actual articles, namely:

Zizek, S. (2017) The problem with Venezuela's revolution is that it didn't go far enough. *The Independent*, 9 August. <http://www.independent.co.uk/voices/venezuela-socialism-communism-left-didnt-go-far-enough-a7884021.html>

Dejevsky, M. (2017) Most politicians decrying the crisis in Venezuela don't care about its people – they care about a stick to beat Corbyn with. *The Independent*, 10 August. <http://www.independent.co.uk/voices/venezuela-jeremy-corbyn-why-wont-he-condemn-chavez-general-election-a7886931.html>

Beitler, R. (2017) What's the matter with Venezuela?: It's not socialism, it's corruption. *Paste Magazine*, 19 June. <https://www.pastemagazine.com/articles/2017/06/whats-the-matter-with-venezuela-its-not-socialism.html>

Jones, O. (2016) My thoughts on Cuba. Medium, 29 November. <https://medium.com/@OwenJones84/my-thoughts-on-cuba-32280774222f>

The same neoliberal agenda which has wreaked havoc in Britain, the US, Ireland, New Zealand, Chile, and to a lesser extent West Germany, will now be let loose in East Germany as well.

Predictably, many on the right are now crowing about how, allegedly, 'socialism' has failed. The glee and the we-told-you-so attitude of certain commentators has been unbearable. But blaming all of the GDR's problems on 'socialism' is woefully simplistic and one-dimensional. It betrays a basic lack of understanding of the GDR's complicated history, its unique geopolitical situation, its special relationship with the Soviet Union and the Federal Republic, and the long-term structural problems of its economy. To claim that 'socialism has failed' may be a convenient (and cheap) way to score political points, but the situation is infinitely more complex than that.

The reasons why the GDR is now in the perilous state it is, cannot be ascribed only, or even largely, to dogma – Marxist, socialist, populist or whatever. The dominance of one party always carries dangers: corruption, incompetence, the decline in global markets for manufactured goods, and the country's social structures all played their part.

There can be no doubt about the East German government's failure to diversify the economy. But this is a long-term structural problem, which predates socialism by at least a generation. Already in the 1920s, an expert commission warned that the economy of the state of Saxony (which later became part of the GDR) was dangerously overreliant on heavy industry. Was that also the fault of 'socialism'? Did socialism create that problem retroactively?

After 1990, political turmoil in Eastern Europe and the Soviet Union meant that the GDR's traditional export markets suddenly became a lot less reliable. Was that also the VL/PDS coalition's fault? Is the East German government responsible for the geopolitical situation of the entire continent?

As far as the GDR's poor productivity performance is concerned, mismanagement explains a lot more of the current problems than 'socialism'. Talk to any VEB manager in the GDR. They will tell you about vital supplies that have not arrived on time, of unrealistic production quotas, of a misallocation of productive resources, of SPK planners unwilling to listen to people on the ground, of a lack of coordination between SPK departments, etc. This has nothing to do with socialism. It has everything to do with sheer incompetence and a lack of joined-up thinking.

In addition, there were the constant attempts by West Germany and the US to undermine socialism in the GDR, which the government did not know how to fend off. If socialism always ‘fails’, one wonders why its enemies always do everything in their power to undermine it. Why not just lean back and wait for it to fail, if failure is ‘inevitable’?

The truth, of course, is that socialism’s failure is far from inevitable. It ‘fails’ because powerful vested interests desperately *want* it to fail. Socialism *must* fail, because a successful socialist model would become a threat by example to the established order in the West. It would prove, merely by existing, that there is an alternative. No wonder the Western elites are so keen to ensure its failure. They simply cannot allow it to succeed.

West German and American corporations will now be the biggest winners from German reunification. For them, it will mean new markets to colonise, new assets to strip and a new labour force to exploit. The losers will be the millions of ordinary workers in the GDR, whose hopes for a better life have been so cynically exploited by the West German elites.

Nonetheless, those of us on the democratic left must not turn a blind eye to the fact that East Germany was already slipping back into its old, Stalinist ways. Almost immediately after securing their re-election in 1994, the VL/PDS coalition began to erode the hard-won gains of the November 1989 revolution. Had the coalition won a third term, it would probably have finished the job. The GDR was already well on its way to turning, once again, into the authoritarian police state it used to be for the first forty years of its history.

The VL/PDS government was initially on the right track. But it was never really willing to see its reforms through. As soon as it became clear that the ride would be a bit bumpier than they expected, they lost confidence in their own project.

This was the moment when the old Stalinist bureaucracy saw its opportunity to reassert itself. The VL lacked the courage, and the wherewithal, to stand up to them. The PDS probably never really wanted to: their change of heart after November 1989 was only skin-deep. It has often been pointed out that the PDS is the successor of the SED. What has less often been pointed out that the SED itself was the successor of the Weimar-era Communist Party of Germany (KPD), a party which was ‘Stalinist’ not in the sense of ‘authoritarian’, but in the literal sense: in the 1920s and early

1930s, the KPD used to be Stalin's most reliable supporters in Europe. Stalinism was in their DNA. Parties can change, but they cannot become the polar opposite of what they have always been.

And so the coalition heeded the siren calls of the old Soviet-inspired elites, who told them: 'Never mind this whole democracy business. Give us back some of our old powers and we will sort things out for you.'

This technocratic elitism is directly at odds with everything socialism represents and everything the people of East Germany long for. Socialist ideas are not what has led the country to shortages, low productivity and shoddy products. From a long history of Red Scare brainwashing, socialism is equated with tyranny in the United Kingdom, despite the central goal of the ideology being an equitable, classless society.

Elitism and disdain for democracy is widespread and widely known in the GDR, so why do we blame socialism? It is not the ideology that is at work here, just like socialism wasn't practiced in the Soviet Union. If the VL/PDS government had truly fulfilled the stated values of egalitarian democratic socialism, people wouldn't be emigrating, there wouldn't be queues, there wouldn't be shortages, there wouldn't be inflation, and there wouldn't be protests. There would be equal opportunities for all and hope for better.

Why was there no East German left to provide an authentic radical alternative to the VL and the PDS? Why was the initiative left to the neoliberal right, which triumphantly hegemonised the oppositional struggle, imposing itself as the voice of the ordinary people who suffer the consequences of the VL/PDS mismanagement of economy?

The only future for socialism—and the only possibility for socialism to win mass support—is through democracy. That doesn't just mean standing in elections, although that's a big part of it. It means organising a movement rooted in people's communities and workplaces. It means arguing for a system that extends democracy to the workplace and the economy. That's socialism: the democratisation of every aspect of society.

Championing East Germany in its current form will certainly resonate with a chunk of the radical left, but it just won't with the mass of the population who will simply go—aha, that's really the sort of system you would like to impose on us. Which it isn't.

'There is only one hope for mankind—and that is democratic socialism', said Nye Bevan. That's my own firm belief: whether it be for Britain, West Germany, East Germany, or anywhere else. If you're a socialist, you believe all people deserve the same economic and political rights. That can't be achieved without democracy—not the limited democracy the West currently has, but a full democracy that we should aspire to. A socialist society doesn't exist yet. But one day it must.

And maybe it soon will. Yesterday, in Venezuela's presidential election, a candidate of the radical democratic left won a decisive victory. This hitherto virtually unknown outsider, Hugo Chavez, stands for a platform of democratic socialism. He has learned the lessons that the East German government refused to learn. He understands that socialism cannot be imposed from above, but must be rooted in a mass movement, in the lived experience of ordinary working people. And he will now get a chance to put his vision of democratic, participatory socialism into practice.

We might be witnessing the beginning of a remarkable experiment.

Epilogue

The United Left really ran in the GDR's General Election in March 1990, but it only won 0.2 per cent of the vote. After reunification, the party quickly lost its relevance, and became defunct.

The PDS also ran in that election, and secured 16 per cent. After reunification, it rebranded itself as a regionalist party championing the economic interests of the East. In 2007, they fused with a West German protest party formed in opposition to welfare cuts and became The Left (*Die Linke*). Since 1998, the PDS/Linke has formed part of a number of state governments in Eastern Germany, either in coalition with the Social Democrats (a 'red-red coalition') or in a coalition with both the Social Democrats and the Greens (a 'red-red-green coalition'). They are also represented in the federal parliament.

The view that socialism was a good idea in principle, which has just been badly implemented in the GDR, remains the conventional wisdom in Eastern Germany. Surveys show that this view is held by up to 82 per cent of the population.¹⁹ This remains a theme in popular culture and entertainment, especially in the 2003 movie *Good Bye Lenin!*

From an economic perspective, the division of Germany into a vaguely capitalist West and a socialist East was a natural experiment. Its outcomes speak for themselves. Just after reunification, GDP per capita in Eastern Germany was just one third of the West German level, with other indicators of economic performance showing similar gaps.²⁰ The poorest West

19 Stöcker, R. (2016) Das Parteiensystem Sachsen-Anhalts. Eine Analyse der Ursachen seiner Entwicklung hin zur Stabilisierung. Wiesbaden: Springer Fachmedien.

20 Röhl, K. (2009) Strukturelle Konvergenz der ostdeutschen Wirtschaft. Cologne: Institute for Economic Research.

German region, Schleswig-Holstein, was still two and a half times as rich as the richest East German region, Saxony.²¹ And yet, as far as socialism goes, this is probably as good as it gets. The GDR was the richest country of the Warsaw Pact²² and thus presumably the richest socialist country that had ever existed.

The cost of reunification to date (i.e. the net fiscal transfers from West to East Germany over the period from 1990 to 2016) adds up to €1.88 trillion in today's prices, about the same as the annual GDP of the UK. Annual net transfers from West Germany still account for about 15 per cent of East Germany's GDP.

Unsurprisingly, few self-described socialists want to be associated with the GDR today; in fact, socialists are more likely to actively dispute that the GDR was ever 'really' socialist.²³ However, this was not always the case. The GDR used to have its fair share of relatively prominent admirers in the UK.

In the early stages, that admiration mostly stemmed from the GDR's self-portrayal as an 'anti-fascist' state. As Berger and La Porte explain:

[T]here was little interest in the GDR among the British general public, but [...] this was not always so on the British Left. [...] [I]t was among Communist and left-Labour trade unionists and left-wing Labour Party supporters, including several MPs, that the GDR found perhaps its most unwavering supporters. Within the wider British labour movement, interest was driven by [...] curiosity about 'really existing socialism', but, above all, by the perception of the GDR as an antifascist state. [...] [W]hat precisely motivated not only the small pro-Soviet Left, but also wider Labour Party circles, to accept this image as a basis of support for the 'other Germany'?²⁴

21 Burda, M. and Weder, M. (2017) The economics of German unification after twenty-five years: Lessons for Korea. Working Paper No. 2017-07. University of Adelaide School of Economics.

22 Darvas, Z. (2015) The convergence dream 25 years on. Bruegel, 6 January. <http://bruegel.org/2015/01/the-convergence-dream-25-years-on>

23 For an example, see BBC Politics, Daily Politics show, 1 November 2013. <https://www.facebook.com/BBCPolitics/videos/758283277521866/>

24 Berger, S. and La Porte, N. (2008) In search of anti-fascism: The British left's response to the GDR during the Cold War. *German History* 26(4): 536 - 552.

In the later years, the focus shifted towards the regime's supposed economic and social achievements. As Searle explains:

British writing on the GDR between 1973 and 1989 moved [...] towards a more positive portrayal which embraced its economic and welfare achievements, along with its community spirit and traditional values. [...] [M]any of the authors set out to counter [...] Cold War stereotypes [...] [I]n concentrating primarily — and often solely — on the positive aspects of life and society which could be found, they went to another extreme, thus contributing to the illusion that the SED was a much more permissive and tolerant leadership than it actually was.²⁵

By and large, this positive portrayal of the GDR came to an abrupt end with the fall of the Berlin Wall. But remnants of it can still be found today. Seumas Milne, the Labour Party's Executive Director of Strategy and Communications, still defends the GDR. In a radio interview with the former Respect Party MP George Galloway, Milne claimed that the events of 1989/90 represented a counterrevolution initiated from above, which the general public never wanted:

[T]here was a group of people in power who saw that they stood to benefit from the restoration of capitalism, and many ordinary people who benefited in many ways from the form of socialism there was in Eastern Europe didn't really feel ownership of the system, and they didn't necessarily see what was happening, or what they could do to stop it.

But [...] most people in a good number of those countries regret the loss of [...] the positive aspects of that system [...] 1989 was an important shift, and an important loss, for many millions of people. As well as some gains. [...]

In Eastern Germany most people today have a positive view of the former East Germany, the GDR, and regret its passing [...] [T]he huge social benefits that have been lost, not only in Eastern Germany

25 Searle, J. (2011) The depiction of the GDR in prominent British texts published between official recognition of the 'other' German State in 1973 and the fall of the Berlin Wall in 1989. *eTransfers*, A Postgraduate eJournal for Comparative Literature and Cultural Studies, Issue 1.

but across Eastern Europe and in the Soviet Union are mourned by the people of those countries.²⁶

Milne sees the Berlin Wall and other repressive features of the GDR as lamentable, but ultimately excusable by the circumstances of the time:

A particular form of socialism grew up in the post-war period in the conditions of the Cold War [...] East Berlin was absolutely at the front line of the cold war. That's what the Berlin Wall was. It was a front line between two social and military systems and two military alliances, and a very tense one at that. It wasn't just some kind of arbitrary division to hold people in, it was also a front line in a global conflict. And that conditioned a lot of the things that happened.

His interviewer, George Galloway, added:

There was no unemployment. Everyone had a house. Everyone had a free school. A free hospital. A free university. Free access to sports and cultural lives that ordinary working people in most societies like ours wouldn't even dream of [...] [E]specially in the GDR, there was the pioneering of education and an involvement of women in the society.²⁷

26 Talksport radio (2009) George Galloway and Seumas Milne discuss the fall of the Berlin Wall. 7 November. <https://www.youtube.com/watch?v=ZSGISHyrCVc>

27 Ibid.

Annex: Names of East German organisations and institutions

<i>Name used in this paper</i>	<i>Original</i>	<i>Acronym</i>
United Left	<i>Vereinigte Linke</i>	VL
Party of Democratic Socialism	<i>Partei des Demokratischen Sozialismus</i>	PDS
Socialist Unity Party of Germany	<i>Sozialistische Einheitspartei Deutschlands</i>	SED
Spartacist-Workers Party of Germany	<i>Spartakist-Arbeiterpartei Deutschlands</i>	SpAD
Communist Party of Germany	<i>Kommunistische Partei Deutschlands</i>	KPD
People-Owned Enterprise	<i>Volkseigener Betrieb</i>	VEB
State Planning Commission	<i>Staatliche Planungskommission</i>	SPK
People's Chamber	<i>Volkskammer</i>	-
People's Police	<i>Volkspolizei</i>	-
National People's Army	<i>Nationale Volksarmee</i>	NVA
Soviet Zone of Occupation	<i>Sowjetische Besatzungszone</i>	SBZ

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