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Statistical Report on the Development of the Standard of Living in the German Democratic Republic and in the Federal Republic of Germany (1956)

The planned economy of the GDR aimed chiefly to secure the basic needs of the population. This 1956 report by the State Planning Commission of the GDR revealed that East German citizens paid less for housing, heat, transportation, rationed basic foodstuffs, and education than citizens of West Germany. According to the statistics, wages were higher than in West Germany, and purchasing power was only slightly lower. However, considerable differences to the disadvantage of the GDR emerged if one looked at the entire palette of foodstuffs as well as high-quality consumer goods such as cars and televisions. Added to this were the poor quality of many goods and the supply bottlenecks that affected daily life but were only partly reflected in the statistics of the Planning Commission.

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### **State Planning Commission of the German Democratic Republic**

#### **I. Overall Assessment of the Development of the Standard of Living in the GDR and in West Germany**

Standard of living refers to the material and cultural level of a population's lifestyle. The standard of living of the population and its development are measured through a system of statistical indicators. The present report contains especially indicators that provide a comparative assessment of the development of the material and cultural life of the population in the German Democratic Republic and the Federal Republic from 1950 to 1955. The selection of indicators depends essentially on the possibility of comparing the various indicators from West German statistics with the relevant data from the statistics in the GDR. For that reason, complete data for all years in the various categories is not possible in every case. Thus, in comparing and assessing the statistical series, one must always pay attention to the methodological notes attached to the various charts.

What follows is a brief evaluation of the various indicators:

##### **1) The development of wages for industrial workers**

Average gross hourly wages for industrial workers in the GDR are higher than wages for industrial workers in West Germany, both in the Socialist industries and in industry overall. Gross weekly earnings are higher than in West Germany in all sectors of industry, with the exception of the sectors cellulose and paper and polygraphy.

## 2) The development of weekly work hours in West Germany

Average weekly work hours of male industrial workers exceeded the 50-hour threshold in 1955. If one compares the length of the weekly work period with the work period in 1938, the weekly work period for all industrial workers in West Germany already exceeded the weekly work period in 1938 in 1954/55. By contrast, the average weekly work period in the GDR does not deviate from the 48-hour week.

## 3) The development of the tax burden on the population

In the income group (gross) of wage and salary earners of 380.00 DM (tax bracket II and III) and 760.00 DM (tax bracket I, II, and III) per month, payroll tax deductions are higher in the GDR than in West Germany. However, since 1951 the per capita payroll tax in the GDR has been lower than in West Germany. In 1954, the per capita payroll tax was 65 DM in the GDR and 88 DM in West Germany. By contrast, the per capita excise tax in the GDR is higher than in West Germany.

## 4) The development of retail prices

Retail prices overall in the GDR are above the level in West Germany. Prices for fuel and heating fuel, as well as for rationed food items (meat and meat products, fats, sugar and confectionaries, eggs, whole milk, and potatoes) are an exception. These rationed and, compared to West Germany, much lower-priced goods make up a considerable percentage of the commodities supply plan in the GDR. [ . . . ]

## 5) Development of the cost of living for a worker family of four

The total cost of living index, relative to the prices of 1936, is higher in the GDR than the index for West Germany. However, the development in the different categories of goods varies. Expenses in the GDR for the categories "Food," "Semi-luxury goods," "Clothing and Repairs," and "Household Goods" are higher than the expenses incurred by a West German worker family of four when purchasing the same volume of goods. For food, the costs (based on the same volume of goods for the GDR and West Germany) are 22.1% higher than in West Germany, compared to the price level of 1936; for semi-luxury goods, 16.7% higher; for clothing and repairs, 86.2% higher, and for household goods, 50.3% higher. The situation is reversed for the categories and services "Housing," "Heating and Light," "Cleaning and Personal Hygiene," "Education and Entertainment," and "Transportation." Compared to the price basis of 1936, prices for housing are 15.3% higher in West Germany than in the GDR, 72% higher for heating and light, 7.6% higher for cleaning and personal hygiene, 28.1% for education and entertainment, and 2.8% for transportation rates. In assessing the cost of living index, one must bear in mind that the goods on which the calculations are based ignore the at times considerable differences in quality that exist between products in the GDR and in West Germany.

6) The development of income and expenses of worker households

The development that is evident in the cost of living index is confirmed by the study of income and expenses of worker households in the GDR and West Germany. Expenses for food and semi-luxury goods as a percentage of overall income are 48.4% in West Germany and 51.5% in the GDR. The share for rent and for education, entertainment, and recreation is significantly higher in West Germany. Since food and semi-luxury goods account for a higher share of overall expenses in the GDR, there is no disposable income to be used for education, entertainment or recreation.

7) The development of cost volume?

The monthly expenses to purchase goods and services for a worker family of four, positing the consumption of a family in the GDR as the basis, are 23% higher in the GDR than in West Germany. However, expenses in the GDR have exhibited a strongly declining trend since 1950, whereas a rising trend exists in West Germany.

[ . . . ]

10. The development of retail sales and sales per capita.

Compared to 1936, retail sales in the GDR in 1954 were 108% and in West Germany 122% at 1936 prices. In the most important categories of goods, as well, sales were higher in West Germany.

The per capita sales of all goods at 1936 prices was 584.- DM in the GDR in 1954, and 600.- DM in West Germany.

For food and semi-luxury goods, per capita sales in the GDR in 1954 were higher than in West Germany. They were 323.- DM in the GDR, and 308.- DM in West Germany. In terms of prices for the respective years, sales in the GDR were higher than those in West Germany because of the higher price level.

11. The development of the import (and "import per capita") of tropical fruit, coffee, tea, and cocoa.

The per capita import is about 6 times higher in West Germany than in the GDR for tropical fruit, 3-4 times higher for coffee, more than 4 times higher for cocoa, while the per capita import of tea in the GDR is higher than in West Germany in 1955.

12. The development in the manufacturing, import, and export of motorcycles, mopeds, scooters and the like, and of bicycles.

While the production of motorcycles in the GDR was extremely low in the years of the first Five-Year Plan (in 1952, West German production was nine times the production of motorcycles in the GDR), in 1955 motorcycle production in the GDR reached the same level as West Germany relative to population size. If one takes into account the production, import, and export of motorcycles in the GDR and in West Germany, the number of motorcycles made available in the GDR in 1955 was higher than in West Germany relative to the size of the population.

On the other hand, the number of available scooters, mopeds, bicycles with auxiliary motors, and similar motorized bicycles is several times larger in West Germany than in the GDR. As with motorcycles, the relative share of the production of bicycles – in terms of population size – is higher in the GDR than in West Germany. Around 600,000 bicycles came onto the market in the GDR in 1955, taking into account production, export, and import; in West Germany it was also approximately 600,000. That means that the supply of the population with motorcycles and bicycles, relative to the size of the population, has reached or exceeded the level in West Germany. However, the supply of scooters, mopeds, and light motorcycles in the GDR is much lower than in West Germany.

### 13. The development of the stock of registered motorcycles

There are about seven times more registered motorcycles in West Germany than in the GDR. Relative to population size, the stock of motorcycles in West Germany is about three times higher than in the GDR.

### 14. The development of the production of radio and television receivers.

The production of radio receivers is rising steadily in West Germany and in the GDR. Radio production – relative to population size – is higher in West Germany than in the GDR. The production of television receivers in West Germany is about eight times higher than in the GDR.

### 15. The development of the number of radio licenses

The number of radio licenses – relative to population size – is nearly the same in the GDR and in West Germany. The number of radio listeners is rising steadily in the GDR as well as in West Germany.

### 16. The development of the production, import, and export of shoes

The production of shoes – relative to population size – is just about as high in the GDR as in West Germany. The import of shoes (we are talking about leather shoes) in the GDR is about twice as large as in West Germany.

### 17. The development of income and expenses of the state budget

The household income per capita in the GDR rose from 1,303.- DM (100%) in 1951 to 2,019.- DM (154.6%) in 1955.

In West Germany, it rose during the same period from 717.- DM (100%) to 1,013.- (141%).

The income in the GDR from the state-owned economy rose from 100% in 1951 to 254% in 1955. Its share of overall income rose from 16.2% to 35% in the same period.

The share of taxes of total revenues of the West German budget was 82.2% in 1951 and 71.7% in 1955.

The budget expenses per capital are about twice as high in the GDR as in West Germany. The expenses in the GDR for education, science, culture, and the social welfare system are nearly three times as high.

In West Germany, 27.1% of total expenses – 242.72 West Marks per capita – were spent on military armament in 1953. In the GDR, by contrast, only 3% of total expenses – 54.67 DM per capita – are being spent in 1956 on setting up the People's Army, whereas 33% is spent for cultural and social purposes.

Thus, the number of students per class in the general education schools was 28.9 in the GDR in 1953, and 37.5 in West Germany. For each full-time teacher there were 27.8 students in the GDR in 1953, whereas there were 35.6 in West Germany.

In 1954, there were 32 university students per 10,000 inhabitants in the GDR, and 25 in West Germany.

The number of hospital beds per 10,000 of the population is rising year after year in the GDR, while it is falling in West Germany. In 1953, there were 109 beds in the GDR and 105 beds in West Germany.

#### 18. Development of expenses for housing construction

In the GDR, more money was expended on housing construction every year, likewise in West Germany. In 1950, expenses for housing construction in the GDR were 0.29 billion, in West Germany 3.8 billion; in 1954, expenses in the GDR were 0.99 billion, versus 9 billion, that is, ten times as much, in West Germany, including construction for the occupying power. Per capita, 55 DM were spent in the GDR in 1954 for housing construction, and 181 DM in West Germany. With the funds expended in 1954, 1.9 apartments were restored or newly constructed in the GDR per 1,000 people, compared to 11 apartments in West Germany. It should be noted that the expenditures for housing construction per capita in 1954 were about three times as high in West Germany as in the GDR, while the newly created living space is about six times larger.

#### 19. The development of the social and health care system

Pensions for the disabled and widows are higher in the GDR than in West Germany (1953). Apartments in the GDR are not as densely occupied as in West Germany. In West Germany, there are 4.4 persons per apartment (1953), in the GDR, 3.6 persons. There were nearly twice as many inhabitants per doctor in the GDR in 1953 as in West Germany; per specialist, there were about 1 1/2 times as many. By contrast, the number of intermediate medical personnel per 10,000 inhabitants in the GDR is nearly the same as in West Germany.

#### 20. Savings of the population

The savings deposits in the GDR are growing in the individual years. From DM 2,014 million in 1952 they reached DM 4,918.5 million in 1955. In West Germany, they rose in the same period from DM 7,076.5 million to DM 20,127.3 million. The savings per capita are DM 276.- in the GDR and DM 401.- in West Germany.

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Translation: Thomas Dunlap