

# **To the Economic and Political Development of the German Democratic Republic in the 1970s**

*(Pavel Szobi)*

## **Abstract**

The thesis deals with the economic development of the German Democratic Republic in the 1970s. It characterizes the basic elements of real socialism and implementation of the main SED strategy for the studied period – the so called Unity of Economic and Social Policy. It evaluates single aspects and the impact on the political stability of the regime. The thesis determines effects of energetic policy, external debt and lack of foreign currency on the national economy. The author does not consider the economic failures, but the dictatorship itself to be the main reason for the regime decay. Restriction of human and civil rights, together with comparing the standard of living with the Federal Republic of Germany led to the rise of social policy expenses and an extensive subvention of the so called consumer socialism. These courses of action enabled to stabilize the GDR temporarily; however, it also made the main defects of central planning more visible. Not only a modern consumer society failed to form, but even supplying population with random goods remained an issue which is well documented in the thesis on the example of the so called coffee crisis. The author comes to the conclusion that these signs were an augur of the stagnation period in the 1980s, but, after all, the stability and existence of the regime came and went with the Soviet Union and its interest to support the GDR.

**Key words:** German Democratic Republic, real socialism, economic policy, welfare care dictatorship