

Twenty years since the fall of the Berlin Wall

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The following lecture was delivered by Peter Schwarz, secretary of the International Committee of the Fourth International, at a meeting of the Socialist Equality Party of Germany held November 29, 2009 in Leipzig.

Today's meeting takes place at a historic site. Right here in front of the window, on September 4 1989, the first "Monday demonstration" took place. Following a church service at Nikolaikirche, about 1,200 people took to the streets and unfurled banners that read "For an open country with a free people," "Freedom of assembly and association," "Freedom to travel instead of mass exodus."

The banners were seized by members of the Stalinist Stasi (State Security), and the march was stopped by the police.

In the following weeks the demonstrations grew—first, to only a few thousand. Then, from mid-October, they grew to hundreds of thousands and spread to Dresden and other cities. On November 4, one million people gathered at Berlin's Alexanderplatz in the largest demonstration in the history of the German Democratic Republic (GDR—East Germany). Five days later, the Berlin Wall fell. Eleven months later, the GDR no longer existed.

Since then, this movement has been dubbed a "peaceful revolution." But do the events of autumn 1989 really deserve to be called a revolution?

Although the Monday demonstrations contributed to the rapid collapse of the GDR regime, they were only one factor among many, and not even the most important. When the Monday demonstrations began, East Germany's Socialist Unity Party (SED) regime had already decided to throw in the towel.

The GDR was heading towards bankruptcy. The country's debt to the West had increased from 2 billion marks in 1970 to 49 billion marks. Without the support of the West German government, the GDR regime would not have been able to survive for very long.

An analysis of the economic situation of the GDR presented in October 1989 by Gerhard Schürer, head of the State Planning Commission, stated that the debt had "risen to a level which calls into question the ability of the GDR to pay." Schürer concluded, "Halting further credit would require a lowering of living standards in 1990 by 25-30 percent and make the GDR ungovernable."

It is clear what this would have meant—uncontrollable demonstrations, strikes and riots, which would have found a big response among the workers in West Germany and the rest of the world. One should not forget that at that time the signs of a deep crisis were accumulating in West Germany and other capitalist countries.

In Western Europe, 20 million were officially unemployed; in reality it was more than 30 million. The social reforms that had been fought for by the working class after the Second World War were under constant attack. The signs of financial instability were increasing. In October 1987 an international stock market crash reminiscent of the crash of 1929 had occurred. The Dow Jones Industrial Average had fallen on a single day by over 20 percent, and it took 15 months for it to reach its old level again.

Under these circumstances, the SED decided to flee into the arms of the West German government. As the last SED prime minister, Hans Modrow, said later, "In my opinion, the path to unity was unavoidable and

had to be followed with determination." Contrary to popular myth, the SED never lost control over events, as would have been the case in a real revolution.

The Modrow government organized the unification of Germany and made sure that—again, in Modrow's words—"the governance of the country was preserved and chaos was prevented." The SED thus not only forestalled a truly revolutionary uprising in East Germany, it also saved the West German government of Helmut Kohl, who at the time was deemed to have little chance of winning another term in the 1991 parliamentary election. Kohl remained in power until 1998, having governed for 16 years, longer than any other German chancellor.

The key decisions that led to the events in Germany in the autumn of 1989 had already been taken in Moscow four years previously. With the appointment of Mikhail Gorbachev as its general secretary, the Soviet Communist Party had set a course for capitalist restoration. Without understanding the role and character of the Stalinist bureaucracy which drove the Marxists from power in the Soviet Union in the 1920s and physically destroyed them in the 1930s, you cannot really understand the end of the GDR and the Soviet Union. Comrade Wolfgang Weber will make a special contribution on this question. I will limit my remarks to events in the GDR.

How the SED drove forward German unification

In his inaugural address, given six weeks after the fall of the Berlin Wall, the new GDR prime minister, Hans Modrow, proposed a "state compact" between the two Germanys. The fall of the wall had taken the West German government by surprise. Only now did it dawn on it that German reunification, which it had advocated for decades but deemed virtually impossible to realise, had moved into the realm of possibility.

Kohl responded eleven days later, on November 28, with a ten-point programme which envisaged unification occurring over a period of five to ten years. However, for the SED, which had renamed itself SED-PDS (Party of Democratic Socialism), this was not fast enough. On December 19, Modrow and Kohl met in Dresden to coordinate their plans and jointly push them through against international opposition.

Above all, the British and French governments were against unification because they feared the emergence of a powerful Greater Germany. On the other hand, US President George H. W. Bush (the father of George W. Bush) endorsed Kohl's plan.

Modrow took on the task of removing potential obstacles from the Soviet side. At the end of January, he travelled to Moscow to gain Gorbachev's acceptance of German unity. In his memoirs, Modrow stresses that it was he and not Kohl who persuaded Gorbachev not to place any obstacles in the path of unification.

He writes, "The fundamental decision for unity was agreed on January 30 between Gorbachev and myself after extensive discussion. What the chancellor [Kohl] discussed and agreed in February was based on the

results achieved on January 30.”

After his return from the Soviet Union, Modrow published a statement on February 1 entitled “Germany, One Fatherland,” and thus placed himself at the forefront of the nationalist wave that flooded over the country, leading in March to the victory of the Christian Democratic Union (CDU) in the Volkskammer (East German parliament) elections. The Modrow government also negotiated a monetary union with the Kohl government which made unification irreversible and created the conditions for the total collapse of industry in the GDR.

The introduction of the Deutschmark, which gave the East German population access to coveted West German goods, was a poisoned chalice. Now priced in Deutschmarks, East Germany's industrial products were no longer affordable in Eastern Europe and the Soviet Union, with which the GDR was closely intertwined economically, while the GDR's lower labour productivity made its goods uncompetitive on Western markets. The collapse of the GDR's economy could be foreseen—and the Modrow government provided for it. It founded the Treuhandanstalt (Trust Agency), which was to dispose of the GDR's industry over the next three years.

The social consequences of this industrial decline have been devastating. The Treuhand, which was headed by senior officials from the West German economy, sold off or liquidated a total of 14,000 Volkseigene Betrieb (state-owned enterprises). Some 95 percent of the privatized enterprises came into the possession of owners from outside the GDR.

Within three years, 71 percent of all employees had changed or lost their jobs. By 1991, 1.3 million jobs had been destroyed, with another million disappearing over the years that followed. In the manufacturing sector, the number of employees today is one quarter of the figure in 1989. Large sections of the East German population quickly lost confidence in the future. The decline in the birth rate is a clear indication for this, falling from 199,000 new births in 1989 to 79,000 in 1994.

The industrial and social consequences have not been overcome to this day. Today's population of 13 million in the former East Germany is well below the 14.5 million at the time of the fall of the Berlin Wall. Twenty years later, 140 East Germans move to the West every day.

For years, the unemployment rate was over 20 percent. Only in the last five years has it fallen to the current 12 percent. This decrease is not due to the creation of proper jobs, but to an expansion of low-wage and part-time work. One in two workers in eastern Germany is earning less than the low-wage threshold of 9.20 euros an hour. The average gross wage of 13.50 euros is far below the western level of 17.20 euros.

How did capitalist restoration come about?

In the announcement of this meeting we wrote, “The fall of the Berlin Wall heralded the end of a dictatorship. But in its place came not democracy, but a new dictatorship, the dictatorship of capital.”

How could this happen? Why were those who took to the streets in 1989, often demonstrating considerable courage, not in a position to prevent these terrible developments and assert their own interests more forcefully? Why did the working class in the GDR, which constituted the majority of the population, not play an independent political role?

To answer these questions, one must examine two issues: the systematic destruction of the socialist traditions of the labour movement by Stalinism and the politics of the political groups that headed the movement in 1989.

Let us start with the first. Despite its claims to the contrary, the SED was not a socialist party, but a Stalinist one. Stalinism, in terms of its theoretical concepts and social base, is the opposite of Marxism. Like the right-wing Social Democrats, it advocates a national conception of

socialism, or, as Stalin himself put it, the concept of “building socialism in one country.” In contrast, Marxists maintain that socialism can be realized only on an international scale.

Socially, Stalinism represents the interests of a bureaucracy that emerged in the 1920s due to the economic backwardness and isolation of the Soviet Union. This bureaucracy became a privileged caste. It found support in sections of the Bolshevik Party. It found its leader in Stalin, and finally usurped power in a fierce battle against the Left Opposition, led by Leon Trotsky, by suppressing and physically liquidating the opposition.

The biggest crime of Stalinism was its systematic extermination of the socialist traditions of the working class. While Stalin formed alliances with imperialist leaders like Roosevelt, Churchill and even Hitler, temporarily, he showed revolutionaries no mercy. His terror, which assumed colossal forms, was directed primarily against the working class and its Marxist leadership.

The “Great Terror” of 1937-38 claimed as its victims virtually all the leading members of the Bolshevik Party who had led the 1917 October Revolution to victory alongside Lenin and Trotsky. In addition, hundreds of thousands of younger Marxists, factory workers, engineers, academics, artists, and Red Army officers who were loyal to socialism were murdered. It was a political genocide without comparison in history.

The Stalinist bureaucracy based its rule on the property relations that had been created in 1917 by the Russian October Revolution. However, it did this as a parasite that sucks dry its host and ultimately destroys it.

By suppressing any form of workers' democracy, it strangled the creative potential of socialised property. The same was true of its international politics. The Communist parties dependent upon it stifled every revolutionary movement.

After the Second World War, they became a major pillar of the status quo, which ensured the restabilization of capitalism on a global scale. In agreement with the Western Allies, the Stalinist bureaucracy extended its rule into Eastern Europe, where it stifled every independent movement of the working class, including the suppression of the workers' uprising in East Germany on June 17, 1953.

The “Great Terror” of the 1930s had claimed not only the leaders of the October Revolution, but also most German communists who had fled to the Soviet Union to escape the Nazis. It was only sycophants who survived, those who had betrayed their own comrades to the Stalinist executioners—people such as Walter Ulbricht and Erich Mielke, who now formed the leadership of the SED. Herbert Wehner, who after the war made a career in the Social Democratic Party (SPD), was also one of these.

The SED continued Stalin's crusade against Marxism in the GDR. Oskar Hippe, a leading Trotskyist, who was imprisoned for two years under the Nazis and survived the Hitler regime, was arrested in 1948 in the GDR and spent eight years in prison. While West German politicians and the media had access to the GDR, Trotskyists were not allowed to work there openly until the fall of the wall, and were regarded by the regime as public enemy number one. Trotsky's works remained taboo.

As a result, the workers who participated in the demonstrations in the autumn of 1989 were cut off entirely from the Marxist tradition, which they had encountered only—and learned to hate—in the perverted form of Stalinism. They had no independent perspective to defend their social gains, which were inseparably linked to the socialised property forms.

Leaders of the civil rights movement became the spokespersons of the protests. This movement had developed in the shadow of the church and had been tolerated by the SED. Not a few of its members—like the first chairman of the SPD in the GDR, Ibrahim Böhme, and the chairman of Neue Aufbruch, Wolfgang Schnur—turned out later to have been working for the Stasi secret service. The leaders were pastors, lawyers and artists, whose perspective did not go beyond the call for reform of the existing regime and dialogue with it.

Thus, the founding manifesto of Neues Forum (New Forum) began with the words: “In our country, communication between state and society has obviously been destroyed.” Demokratie Jetzt (Democracy Now) introduced its “thesis for the democratic transformation of the GDR” with the sentence: “The aim of our proposals is to achieve the inner peace of our country and thus serve the outer peace.”

These calls were not revolutionary, but conservative, in the literal sense of the word—aiming to maintain the existing order. The call for reforms did not arise from revolutionary aspirations, but from fear of them.

No sooner had the regime made its first concession, replacing Erich Honecker with Egon Krenz and Hans Modrow, than the civil rights movement—initially at the “round table,” then in the government itself—began to collaborate closely with the SED to bring the protest movement under control and hand the initiative to the government of Helmut Kohl.

“The democrats of autumn of 1989,” we wrote, commenting on their actions in the preface to the book *The End of the GDR*, have “proven in every way a worthy successor to the democrats of 1848, the deputies at the Paulskirche, about whom Engels once wrote so aptly: ‘This Assembly of old women was, from the first day of its existence, more frightened of the least popular movement than of all the reactionary plots of all the German governments put together.’ The same verdict that Engels reached about their historic predecessors applied to the new democrats: ‘They can be justly taken as a measure of what the German petty bourgeoisie is capable—nothing else than to destroy every movement that comes into their hands.’”

A warning against capitalist restoration

This development was not inevitable. The Bund Sozialistischer Arbeiter (BSA—League of Socialist Workers), like its successor, the Socialist Equality Party, had at the time predicted with remarkable precision the consequences of the introduction of capitalism, and warned against it. The statements and articles from the time of the fall of the Berlin Wall published in the weekly *Neue Arbeiterpresse* are collected in the book *The End of the GDR*, from which I have just quoted.

On November 4, 1989, the BSA smuggled thousands of pamphlets across the border and distributed them at the mass demonstration at Berlin’s Alexanderplatz. The BSA supported the protests against the SED regime, but warned of the snares of bourgeois democracy.

The BSA summed up the alternative confronting the workers of the GDR in this pamphlet with the following words: “Reform, democracy, or rather, the dictatorship of capital, on the one hand, or revolution, workers’ democracy and socialism, on the other—the social character of the GDR regime necessarily implies that there is no other path for the working class in East Germany, as in West Germany, than to confront this alternative.”

Specifically, the BSA’s statement warned of the dangers of capitalist restoration. After the replacement of Erich Honecker, the new leadership “tried to eliminate even the very limited economic reforms and concessions to the working class bound up with the socialised property relations and planned economy, to restore capitalism and transform the bureaucracy into a new class of capitalists,” it stated.

On January 5, 1990, in a statement on the state compact agreed between West Germany and the GDR, the BSA wrote: “Do not allow the SED regime under the new leadership of Gregor Gysi and Hans Modrow, together with Kohl and the capitalists, to reap the fruits of victory over Honecker! The state compact between the two governments to complete the restoration of capitalism in the GDR is directed against the workers in both parts of Germany: the GDR workers are to become low-wage slaves

to Western corporations and joint ventures, and in the West, this division of the working class will be used to enforce wage cuts and closures.”

Numerous articles in *Neue Arbeiterpresse* warned against the politics of the Round Table, Neues Forum and the Vereinigten Linke (United Left), in which the supporters of Ernest Mandel were active and participated in the Modrow government.

Although it had been able to work openly in East Germany only for a few weeks, the BSA won enough supporters to participate in the last Volkskammer elections on March 19 with its own candidates. I would like to read some passages from our election manifesto of that time, because they show how we clearly foresaw the coming developments.

It states: “The working class must reject with contempt all political tendencies that want to replace the Stalinist dictatorship with the dictatorship of Deutsche Bank, that is, with the dictatorship of imperialism. The crazed petty bourgeoisie from the Round Table rave about the benefits of capitalism at a time when the living conditions of the working class in all capitalist countries have drastically worsened over the last ten years; when one in four young people in Europe—one in two in Southern Europe—are without work or an apprenticeship; when life expectancy is lower in the slums of New York than in Bangladesh; when in the poorest countries in the world, hundreds of thousands die of hunger each day as a result of imperialist plunder...”

“The working class must call a halt... The BSA, the German section of the Fourth International, is the only party to turn directly to the working class and call for the unconditional defence of their achievements. The production facilities that have been developed by the working class at great sacrifice must not be sold off to the capitalists. The socialised property must be cleansed of the Stalinist parasites and be placed in the hands of the working class. Stop the penetration of capitalist corporations and banks! The working class has no responsibility for Stalinist mismanagement. Stop all price rises, rent increases and wage reductions that the Modrow regime is carrying out in the name of removing subsidies!”

Why was the BSA able to foresee the consequences of the introduction of capitalism?

We founded our assessment on a Marxist understanding of history and the crisis of capitalism. We knew that Stalinism was counter-revolutionary in every respect, and had defended this understanding for decades against opportunist tendencies emerging from the ranks of the Fourth International.

And we understood that the crisis of the Stalinist regimes was merely a harbinger of the bankruptcy of all organizations that are based on a national programme. The global character of modern production not only undermined the Stalinist regimes, but also capitalist society. The contradictions between the world economy and the nation state—which had erupted in war and depression between 1914 and 1945—must inevitably lead to economic crises, international tensions and social uprisings. The collapse of Stalinism was the beginning of a new era of wars and revolutions.

This assessment has been confirmed in the twenty years since the fall of the Berlin Wall. The financial crisis of the autumn of 2008 showed how rotten the foundations of capitalism are. This crisis has not been resolved.

In its latest issue, the news weekly *Der Spiegel* has drawn a damning picture of the present state of capitalist society. “In the midst of a still ailing global economy, the financial elite is again amassing billions,” the magazine writes. “The old greed is back, and the old hubris too.” Never before in modern economic history “has the finance industry had such unfettered access to the state treasury.”

The magazine believes a new financial crash is inevitable. The question is not whether, but when the current speculative bubble bursts. The magazine specifically warns against the “risk of hyperinflation—a rapidly progressive devaluation, as seen in Germany in the early 1920s.”

At the same time, international tensions are growing, and the war in Afghanistan is escalating. The German government is using the Kunduz massacre—the greatest massacre by German soldiers since the Second World War—to give the army carte blanche to kill.

Capitalism knows only one answer to this crisis—even more brutal attacks on the working class. This makes social conflicts inevitable, the extent of which will go far beyond the autumn of 1989. The most important lesson from those events is that such struggles must be prepared politically and theoretically. This makes the building of the Socialist Equality Party and the development of the *World Socialist Web Site* the most urgent task.



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