

# **The political role of official statistics in the former GDR (East Germany)**

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# 1. Official statistics of the former GDR as a subject for investigation

## a) Object and methodology

Academic publications on the official statistics of the former (East) "German Democratic Republic" (GDR), the so-called 'Central Administration of Statistics' (CAS), after German reunification dealt mainly with 'only' organisational aspects, responsibilities, the internal structure of authorities, the carrying out of inquiries, the control of data flows, and so on<sup>1</sup>.

I am convinced, however, that this does not explain the political role of official statistics. In particular, relations between the CAS and the political leadership of the former East Germany along with the CAS' self-image should be considered, and conclusions should be drawn regarding the role of official statistics in a democracy<sup>2</sup>.

This account is based on documents from archives, in particular the CAS archive that came into the hands of the federal statistical office, the FSO, after German unification.<sup>3</sup> It shows that official statistics in the former East Germany were almost entirely an instrument of the SED (former communist party), and that there was no question of their being objective or neutral. The reign of the SED even led to the general public both at home and abroad being deliberately deceived and to a false picture of East Germany emerging in the (former) Federal Republic on the basis of East Germany's official statistics (though not without the ignominious involvement of the West Germans).

## b) Standards

It should not be overlooked that the standards used in East and West Germany were quite different. When measured against the standards of a planned economy, East Germany's statistics were fine. When measured against the standards of a 'Western democracy', however, as they have been repeatedly formulated at international level<sup>4</sup>, they were a glaringly negative model for official statistics. The most noteworthy difference between both forms of standards is that, according to 'Western' (democratic) thinking

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<sup>1</sup> The advantage of this type of approach is that it can hardly be 'unbiased'.

<sup>2</sup> This paper is in the main based on my own essay 'Die politische Rolle der amtlichen Statistik in der ehemaligen DDR', in: *Jahrbücher für Nationalökonomie und Statistik*, vol. 215/6 (1996), p. 641ff.

<sup>3</sup> von der Lippe, Peter, *Die gesamtwirtschaftlichen Leistungen der DDR-Wirtschaft in den offiziellen Darstellungen, Die amtliche Statistik der DDR als Instrument der Agitation und Propaganda der SED*, a report commissioned by the German Parliament's commission of inquiry, German Bundestag (ed.), Source Material of the Commission of Inquiry *Aufarbeitung von Geschichte und Folgen der SED-Diktatur in Deutschland*, volume II, part 3, Baden-Baden (Nomos) 1995, p. 1973 - 2193 (hereinafter known as: v.d.Lippe, *Materialien*) also available in paperback edition, Frankfurt/M. (Suhrkamp) 1995. I have actually only seen a minute number of these archives. What this means is that the manipulation of statistics set out in this work can only serve as examples. It may also be assumed, however, that the many blatant instances involving the party's control of statistics can no longer be proved and had only been verbally enforced, anyway. It should also be expressly emphasised that the object of my investigation was *not* to make general statements regarding the quality of data published by the CAS.

<sup>4</sup> These refer to the code of the principles of professional ethics of the International Statistical Institute (ISI), the principles set out in the UN Handbook of Statistical Organisation and the principles, following the collapse of East Germany, established by the European Conference of Statisticians (ECS).

- the information given by respondents (*micro data*) is subject to *secrecy* (confidentiality) and may leave its mark on aggregate data (*macro data*) in unidentifiable form only whereas, by contrast,
- statistical findings (*macro data*) are made available to *everyone* and are considered public property, an 'informational infrastructure' that no-one is excluded from using.

In the former East Germany, as in all socialist countries, both principles were completely reversed. In a planned economy, statistics are used to rouse the public and to control the implementation of plans. The rights of respondents (companies required to report), general information on the public with aggregate data and international cooperation were of little interest, or were matters exclusively decided upon by the party leadership. Criteria were completeness (instead of samples), verification of micro data, speedy reporting and efficient processing of data. With *these* quality standards, official statistics were first and foremost an extended arm of state authorities, and less like a neutral body or one providing a service for the general public.

One consequence of 'democratic centralisation' or, put more simply, dictatorship, is that responsibility for the improper use of statistics is ultimately difficult to establish, since almost anyone can refer to an 'order from above'. For us it is of more importance, however, to study the admittedly extreme experiences in the former East Germany in order to rethink our ways and make us aware of the positive critical role of statistics in a democracy.

## 2. Political instruments of power and official statistics in the former GDR

We will firstly describe the working conditions of statisticians and the instruments used by the party to exert influence on the CAS. Sections 3 and 4 will deal with the consequences that arose from intensifying conflicts with other political interests in the GDR (cf. Diagram 1).

### a) Basis: ideological self-image and the Cold War

The ideological self-image and partiality of official statistics was a disciplinary factor that should not be underestimated. Prof. Donda for many years (from the early 1960s until 1989) leader of the CAS wrote to Günter *Mittag* (hereinafter known as G.M.)<sup>5</sup>, after the latter had criticised the public relations work of the CAS, that the view had been reached that it was necessary 'to make better use of statistics as a weapon for rousing the public and propaganda to inform and rally party organisations and all workers when implementing these plans'<sup>6</sup>. Objectivity and neutrality were not only discarded but frowned upon as relics of a false bourgeois consciousness. It should be made clear that the CAS continually saw itself as an instrument of the party during the Cold War.

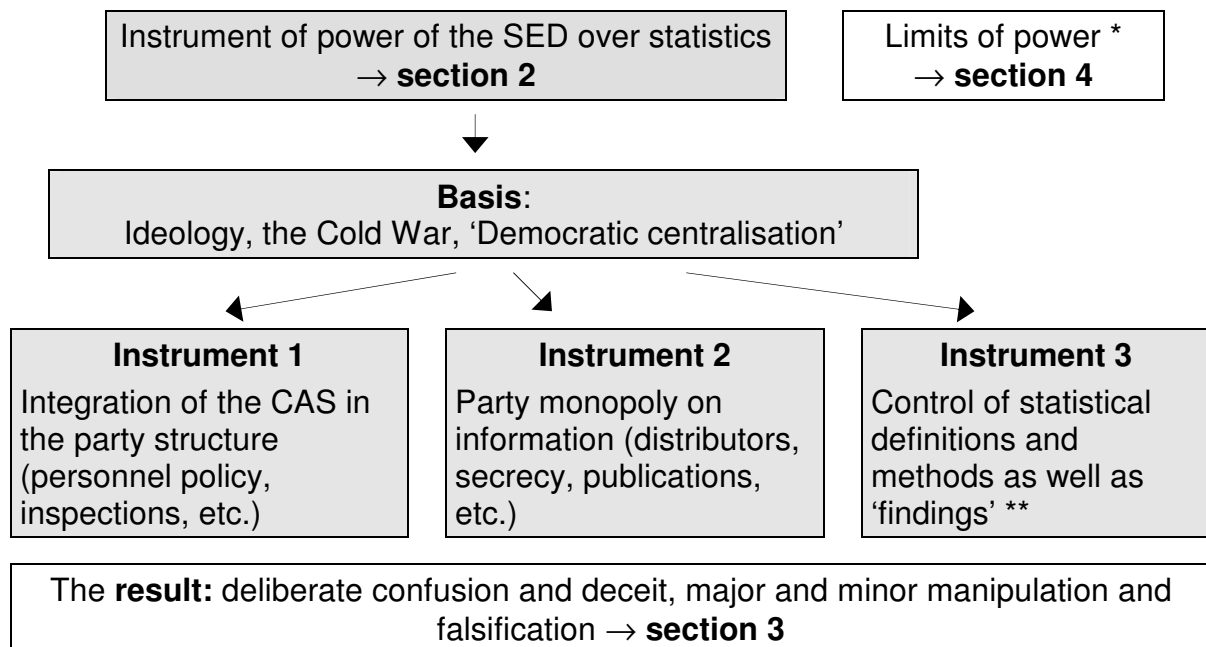
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<sup>5</sup> Dr. Günter *Mittag* was a member of the Central Committee of the SED from 1962 to 1989 and the Politburo from 1966 to 1989. He was the Central Committee secretary for economics from 1962 to 1973 and from 1976 to 1989 and was generally regarded as the most influential official in all economic issues.

<sup>6</sup> Letter from Donda to Mittag of 25 September 1967.

On the rare occasions when there was contact between East and West, which was scrupulously observed by the party, it was invariably clear to the East that they were dealing with the 'class enemy'<sup>7</sup>, while their interlocutors from the West were usually seen as politically candid, unassuming and almost naive.

**Diagram 1**



\* This refers in particular to the 'provision of figures' to the UN and similar authorities that increasingly irritated East Germany and caused it ever greater embarrassment.

\*\* Control right the way down to the arrangement of concrete figures - 'findings' ('revision' of results) for publication or submission to international organisations (see section 3).

## b) Integration in the power set-up of the party: inspectors under inspection

The CAS was officially an organ of the East German council of ministers. In actual fact, it was spoon-fed down to the finest detail by Günter Mittag, the leading member of the Politburo on economic affairs and Secretary of the Central Committee of the SED. The CAS received instructions from the Central Committee on an almost daily basis regarding studies and queries on reports in the Western press, for example, or on speeches by top officials, and so on. It is interesting to see how reports commissioned by the CAS were in return appraised and criticised by the Central Committee or, more specifically, in Dr. Mittag's office itself. It was not uncommon for them to be methodically criticised and referred back with instructions for resubmission. In all this collusion, the CAS gave the impression more of being a private research institute for G.M. than for a government office. Exclusive information was frequently given to G.M. (without including other top officials).

Another important instrument was the personnel policy and the control or political patronage in the office's decision-making regarding all external contact<sup>8</sup> (the media,

<sup>7</sup> For East Germany, dealing with statistics always had a similar quality to the work of the intelligence services.

<sup>8</sup> Two cases of dismissal of branch managers were to be found in the files of the CAS, one after 15 and the other 25 years of service in official statistics in East Germany, and both owing to contact with the West. These dismissals were for reasons such as staying in touch by post with a sister-in-law who had fled the Democratic Republic. On top of this, pleas for dismissal on *personal* grounds were rejected, and the reason for the dismissal was left as 'unsuitability' with the corresponding consequences as far as pension provisions were concerned.

foreign countries, etc.). Even during domestic appearances by statisticians, e.g. before the press, the party continually suspected them of being immature, incompetent or even politically unreliable and treated them accordingly. Statisticians were required to comment on their figures in a 'constructive' and 'forward-orientated' (literally *vorwärtsweisend*) manner, as the contemporary 'technical term' put it, even when that was not what the figures suggested.<sup>9</sup>

Their documents were drawn up word for word by the Central Committee with a pre-determined picture to be given with words and figures, which had to tally with the assessments that the Secretariat of the Central Committee had already submitted. Where there was divergence between the CAS and such figures, it was the statistics that had to be adjusted to those of the party, and not the other way round.

The creation of secondary and controlling devices was also an instrument of power. Not only the party, but also the ministries carried out separate inquiries, against which they could, to a certain extent, check the data of the CAS.

### **c) Monopoly on information, distributors, secrecy and two variants**

The SED managed to control the public dissemination of statistical data completely at its own discretion. The instrument it used was the so-called 'distributor'<sup>10</sup>, who made it possible to transmit specific statistical information either fully or partly, dressed up or not, to the authorities required, or to deprive them of such information. In the West it has not been uncommon

- to consider the cover-up or dressing-up of statistics as less critical than the falsification of statistics and
- to knowingly think of secretiveness as where a little may have been published, but that the little in the way of data that was published was correct within the framework of the underlying definitions and methods.

It turned out that both were completely flawed and as we now know, the party<sup>11</sup> at least was in possession of and used figures other than those that were published. It can be shown that it was not uncommon not only for the public but also for state bodies to learn of only 'half-truths', if not misinformation<sup>12</sup>. The general political climate also gave rise to a great readiness among the people to consider statistics in general as a state secret and the party's control over the distributor became increasingly rigid over the years.

### **d) Party control of definitions and methods, limits of power**

The party's spectacular intrusion in statistics naturally included the laying down of statistical methods and findings. After reunification it became known that there were regulations regarding how particular findings of inquiries were to be defined so that the corresponding counts would lead to the big or small figures required by the party. The best known instances of this include the wide-ranging terms for 'prefabricated

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<sup>9</sup> For some examples of such 'forward-orientated' wording, cf. section 3d, Table 1.

<sup>10</sup> He laid down in detail who should obtain what statistical information (tables and analyses).

<sup>11</sup> This does not apply in every case to the state leadership.

<sup>12</sup> Different variants were submitted for the more explosive reports (for internal purposes and for public relations work), which allowed varying degrees of insight into the matter.

buildings'<sup>13</sup>, 'industrial robots', 'microprocessor techniques' or 'CAD/CAM systems' as well as considerable intervention in the measurement of productivity after the formation of combines in the late-1960s. The circumstances should be pointed out where

1. such intervention by the party seems to have gone back further than was previously assumed.
2. the extent of overestimates of East Germany made in this way were actually considerably higher than previously suspected in the West. For example, in 1982, the number of 'industrial robots' according to the common international definition as against East Germany's was 1:17. In other words, the misinformation established quite *consciously* in this manner was *considerable*.

It was no coincidence that the party intervened in indicators of the social situation of the population (house-building) and the international standing of East Germany as a modern industrialised country. The more East Germany strove for its reputation and the more discernible it became that its great technological leap forward had not succeeded, the greater the dilemma it found itself in (cf. section 4):

- on the one hand, it wished to be described in the statistics of international organisations 'as a developed socialist industrialised state',
- on the other, it also wanted to play it close to its chest.

The 'provision of figures' was increasingly a thorn in the side of the political leadership. It is also interesting to note that East Germany became increasingly isolated within COMECON regarding such matters as the definition of 'industrial robots' and it must have felt especially let down by the Soviet Union.

### 3. The result: confusion, manipulation and falsification

#### a) Overview

In this section it will be shown how, following party instructions and proposals made by statisticians, the capitalist 'class enemy' was consciously deceived with confusing terms and methodical tricks. This went as far as 'revising' figures that had been correctly determined for publication upwards or downwards by certain figures, so that we can rightly speak of 'falsification'. It is also interesting to note the blatant efforts made to hush this up.

There was at least one case of genuine falsification<sup>14</sup>, which was the provision of foreign trade data to international organisations. This involved routine proposals on those figures relating to East Germany's foreign trade, in particular with the NSW<sup>15</sup>, COMECON<sup>16</sup> and the UN, that were to be submitted. These proposals had to be submitted to the Central Committee of the SED for approval and to be agreed upon with a number of top politicians.

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<sup>13</sup> Another well known instance is the celebration in October 1988 of the opening of the three millionth prefabricated building since 1971, when it was actually only the 1.9 millionth.

<sup>14</sup> Another case appears to have been the report on environmental pollution in East Germany, where, according to H.F. Buck, on instructions from the board of the council of ministers 'falsified data on sulphur dioxide emissions' were published and continually 'admitted only as much as the West believed to be true' (in a commission of inquiry paper in a hearing of 5 February 1993, cf. *Materialien*, Volume II/1)

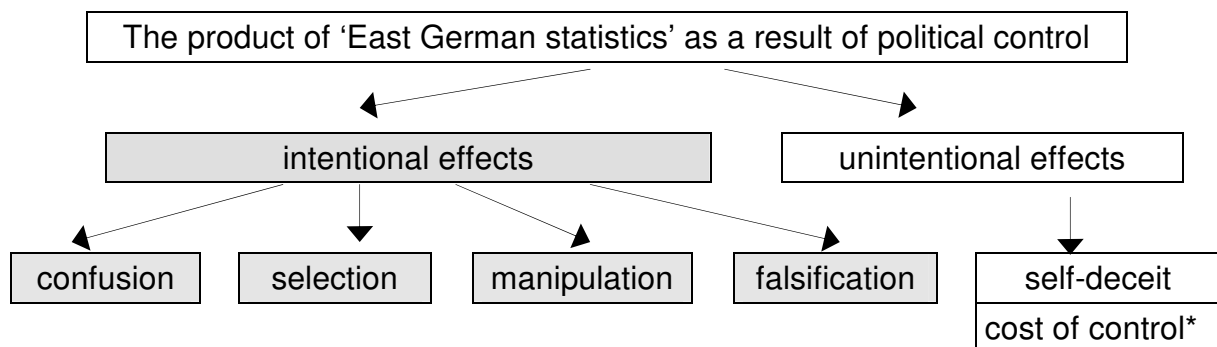
<sup>15</sup> Non socialist economic territory.

<sup>16</sup> Council for mutual economic assistance.

Falsification is of course a particularly blatant offence in statistics, but a number of basic and less serious practices that at first sight may seem rather 'harmless' (an assessment I do not share) should also be dealt with.

Finally, it is also interesting to note that the political harnessing of statistics can also lead to misjudgements and embarrassing self-deceit, regardless of the fact that such a system, even without outside pressure, due to the enormous cost of control alone, cannot survive on a permanent basis.

**Diagram 2**



\* i.e. the enormous cost of cover-up, secrecy and prevention of the disadvantages of misinformation at home

## b) Creating confusion

East Germany managed to use certain terms in order to create deliberate misunderstandings and ambiguities among foreign users of their statistics. The two best known examples of this are:

- The term *Non socialist economic territory* (NSW), which was often misunderstood as 'capitalist industrialised country' (excluding developing countries) or hard currency countries.
- The so-called '*Exchange mark*' (Valutamark - VM)<sup>17</sup> continually caused Western observers great difficulty, since its equivalent value in 'East German Marks' or in a hard currency was usually unknown; the conversion factor would fluctuate and was kept secret.

The exploitation of 'intentional' ambiguities and predictable misinterpretations in the West in this field<sup>18</sup>, was rather skilful and clever and achieved its desired effect.

## c) Selective publication

Evidence could be provided of prohibition of publication of the following: data on emigration, journeys abroad and suicides, along with the quantitative expansion of the high-school leaving certificate, or Abitur grade, in secondary schools at the behest of Margot Honecker. Following instructions from Mittag, from 1975, imports and exports were no longer separated in figures on foreign trade, but only the *total* foreign trade balance (imports plus exports) was disclosed. This meant that it was

<sup>17</sup> The VM will be discussed in greater detail in part f) of this section.

<sup>18</sup> I have only ever described statistical practices in East Germany where I could support them with documentary evidence and inspection of files has only ever been very fragmentary. Foreign trade is probably only one example of cover-up. Confusion has been documented in literature in many other areas. For example, misleading price statistics or budgetary figures seem to have been given.

impossible to recognise the *balance* of trade, as the professed aim was to conceal it. Another taboo area was employment in the so-called x-field, i.e. the People's Army, the police, uranium ore-mining, arms factories, national security service, etc.

#### d) Manipulation of words and numbers

A number of probably very widespread practices used by East German statisticians in their publications will be taken up briefly below. Though not as spectacular as falsifications, for example, more often than not they managed to fulfil their political aim.

##### 1. 'Forward-orientated' texts in 'public relations work'

As already mentioned, written commentary on statistics was very important for the SED. It meant that they could have the last word, and the appropriate CAS proposals were continually checked in detail by the Central Committee. Nowadays, the relevant examples (cf. Table 1) will seem somewhat amusing, but considerations such as

- publish or not publish?
- report absolute figures or only rates of increase?
- provide commentary or not? If so, how should it be worded?

at the time played a *very* important role.

Such manoeuvres may seem harmless, but on closer inspection, they are not. The overriding aim of statistics is to paint an accurate picture of the overall situation. This is done in various ways. Figures are only one means of achieving this aim, albeit the typical means of statistics in a narrow sense. The textual commentary of methods and findings is also part of it, however<sup>19</sup>.

Table 1: Some examples of 'forward-orientated' wording

| Reality  | Written proposal   |
|--|--|
| Non-fulfilment of large sections of the plan                               | 'to be published, although in some cases we can expect reactions from the class enemy' |
| Drop in prime costs: plan 2.3%<br>actual only 1%                           | it has 'become apparent that further provisions for reducing costs must be found'      |
| Output in the chemical industry, plan:<br>+11.9%, actual +2.6 %            | 'Measures have been implemented ... to increase performance'                           |
| 'The contribution of science and technology ... has diminished since 1986' | 'Returns from ... peak technical and scientific output ... can be further increased'   |

##### 2. Explanations intentionally omitted

An example of shady practice is when methods and terms are deliberately left unexplained in tables for public relations work<sup>20</sup>.

<sup>19</sup> It is probably even more decisive for forming an opinion, since most people find it easier to take in texts than bare figures. For this reason, one-sided textual commentaries are also a form of manipulation of statistics that should be taken seriously.

<sup>20</sup> The point here was that a table, unlike before, did not include data on a certain combine, because the combine had apparently given the wrong information. This had been indicated in tables for internal use, but not in the published version.



### 3. Choosing the base year

By choosing an inappropriate base year for indices one can be sure of achieving certain effects. Evidence shows that this has deliberately been done several times.

### 4. Altering the choice of goods

The following is a very popular method of data manipulation without changing the figures, in other words without direct 'falsification':

- in CAS draft reports of output figures for G.M. only those goods were listed where output had risen in terms of volume.<sup>21</sup>,
- a similar practice in the area of price statistics involved routinely changing the choice of goods in absolute published prices, so that only those goods appeared in the list where the price had dropped or at least remained the same.

This last tactic is comprehensible even to outsiders by comparing the East German statistics yearbooks (StJB). For example, the 1988 StJB, unlike the 1987 one, no longer contained the following goods, whose price had apparently risen:

Men's casual suits, cardigans, pullovers, dress shirts, small typewriters, stereo-audio systems.

Instead, the 1988 StJB included the following new goods<sup>22</sup>:

Men's short socks, adults' track suits, plastic bins, matches.

It should be mentioned in passing that perhaps few advocates of 'chain indices' are aware of the fact that, even with such a seemingly advantageous method, the choice of goods and the remaining bases of price surveys (for example, the choice of businesses responding) could be changed at will. Obviously, this does not occur in order to 'fudge' price increases, but in the interests of the particular current basket of goods. Unfortunately, only very few people realise that this can damage comparability or even pave the way for manipulation<sup>23</sup>.

### 5. Base-adjusting

If a growth rate should be higher than it actually is over the previous year's, obviously it is arithmetically possible to simply reduce the previous year's figures. In East Germany, this was known as 'base-adjusting' (literally *Basisbereinigung*). The term can also be found in the files, together with formulations such as the following:

- to 'ensure the scheduled growth rate',
- the 'scheduled' base-adjusting is no longer possible, as the previous month's figures are already in Geneva, and
- the provision of figures could be delayed for one or more months and 'the adjustment between the monthly indices that is appropriate' where a drop is only temporary could then be checked.

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<sup>21</sup> In one document, the reference 'not published owing to a fall in output' is even explicitly quoted.

<sup>22</sup> Not listed in the 1987 StJB.

<sup>23</sup> It is also highly peculiar that, at Eurostat, the greatest efforts are made purely in the interests of price comparisons to attain countries' lists of goods in international comparisons and not only that there is seen to be nothing dubious about the formation of chain indices with continually changing goods baskets, but that this is seen as progress.

### e) Falsification of figures for international organisations

We shall confine ourselves to the description of one case of falsification. 'In the interests of showing an export surplus', a number of changes were made to the half-yearly results (first half-year of 1987: exports + 2.2 billion VM<sup>24</sup> and imports + 1.1 billion VM), which overall turned an import surplus of 250 million VM into an export surplus of 850 million VM. Accordingly 'revisions' of the same amount were proposed for the first three quarters, which would have transformed an import surplus to the value of 579 million VM into an export surplus of 521 million VM.

As such this is not too dramatic, as there was a whole series of such occurrences that led to the UN and COMECON being informed. What makes this case interesting, however, is the fact that G.M. apparently intervened because he would not accept a balance of + 521 million VM, demanding one of + 910 million instead.

This balance would then be disclosed and submitted to international organisations. Furthermore, it is quite amusing to see how easily the required balance of + 910 million VM was 'produced' by the CAS: in the original draft imports were simply reduced from 18428 to 17893. The reason for this so called 'central recommendation' of G.M. (in fact rather a 'central instruction') seems to have been to reveal:

1. an increase in exports in the NSW
2. a foreign trade surplus over the NSW and also
3. an increasing export surplus over the course of the year.

Consideration of all these restrictions is a very interesting problem mathematically speaking. Objective No 3 led to the following restriction: if the balance had been + 521 and not + 910, the West could think that East Germany had ended the third quarter of 1987 with a balance of - 329 = (521 - 850); in other words, the balance would have to be greater than 850, which is the (false) value officially reported for the first two quarters, at least<sup>25</sup>.

It could be perfectly well imagined that these 'revisions' were not malicious falsifications, since the CAS may not have been informed of all East German foreign trade with the West as, for example, they had no data on the military sector or only obtained certain data later on. If that were the case, then certain statements in the files would sound at the least slightly unusual:

- 'Judging from the previous years' experiences, the modest rise possible in the actual data is a prerequisite for being able to publish credible findings in the future', or
- 'It will be ensured that the revisions to be made ... cannot be checked by the organs of COMECON and the UN',
- in order to attain 'a justifiable rise in exports' or
- 'In the interests of providing evidence of an export surplus and in accordance with the development of data to be reported...'

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<sup>24</sup> For the exchange mark as a unit of currency in East German foreign trade, roughly the following conversion rate applied: 2.776 VM = 1 US \$. The abovementioned 'revisions' therefore amounted to a balance of + 306 million \$, instead of - 90 million \$, which was not insignificant, as with this revision, East Germany's exports to the West increased by about 20% over this period.

<sup>25</sup> The question of why G.M. arranged for the 'recommended' 910, and not, for example, 890 or 960, to be given, remains unanswered.

- 'No inconsistencies should arise regarding any data published in press reports owing to this practice' and
- 'In the proposal ... it was assumed that ... this finding could be understood using data on the exports or imports of partner states. For this reason ... I do not think it is possible to work with an even higher level of revision', or there is talk of
- a 'reduction' (instead of revision), which was necessary to 'guarantee the data required on growth and the balance of trade'.

It turned out later that the state of East German foreign trade in relation to Western industrialised countries was precarious as far back as 1986, whereas in actual fact, until the fall of East Germany, seemingly great export achievements had been reported (and were even believed by the West).

#### **f) Inadvertent consequences, some rather more subtle aspects**

1. The absence of a critical public: Statistical offices in the West are usually not only obliged by law to plan and conduct their inquiries while being careful that the methods they use are appropriate, but also to try and gain acceptance among respondents. In addition, they must lay themselves open to criticism, even regarding their methods. By contrast, the CAS was completely free from such obligations. This is a factor that may, at least subliminally, also be relevant to the events set out below.
2. Self-deceit: It says a lot that the CAS was genuinely convinced that East Germany fared better in international comparisons than was actually the case. For example, calculations were submitted to the Central Committee alleging that East Germany had outstripped the United Kingdom in terms of per capita national income (not per worker) and Italy in terms of labour productivity *and* prosperity. Moreover, in 1985, the CAS submitted a calculation in an internal paper to the Central Committee alleging that labour productivity in East Germany was higher than in Japan in 1970, 1975, 1980 and 1983, a country whose labour productivity was placed at the low level of the former Soviet Union. Such blatantly false estimates are only really possible after years of living behind an impenetrable wall, avoiding all communication with a critical public or foreign countries, as the Devil avoids holy water.
3. Deceiving with correct figures: Finally, another aspect that borders on statistics should be addressed. To give just one example, it is quite fitting that East Germany, in the late-1980s, should have had more economists, researchers, and so on, than the Federal Republic (though this is also a matter of definition). While this was not untrue, it was a falsification, as there is plenty of evidence to suggest that these people were not very effective.
4. Incorrect data as a basis for statistics: There is ample evidence that major errors emerged when collecting data in East Germany since, in a command economy, there is a great tendency to create false data. If the data are already incorrect when being collected, however, then an authority that collects *this* data quite correctly and seriously can also create a false image and be an instrument of misinformation, even with a clear conscience.

### g) Errors and falsifications in statistics

This raises the question of the difference between *errors* and *falsification*. The deciding factor is the purpose being pursued. Errors are an issue, a very central issue, in fact, in statistics, but falsification is not. Errors are usually unavoidable, morally harmless and do not bring statistics into question; the same cannot be said for falsification.

If you take into account the intention of the aim pursued by this definition, you are entering difficult terrain. A legitimate task of economic statistics can be seen, that of gaining 'selective knowledge' that can be used to support arguments. If this was dispensed with, statistics would be deprived of a large share of their 'practical' use. In this regard, statisticians behave like lawyers. A lawyer's job is not to describe the legal position, but to find and present legal arguments to support his case.

In my opinion, the rubicon will be crossed once this view is adopted in *official* statistics<sup>26</sup>. Such behaviour is reprehensible, since it ruins the reputation and reliability of official statistics. *All* forms (also milder forms) of shady statistics to create a false image among the public with the authority of official statistics are unacceptable.<sup>27</sup>

## 4. The West and statistics in East Germany

The role of the West is double-sided. On the one hand, it was both a user of statistics and partly even an interlocutor with statisticians in the East, and it seems that it did not especially distinguish itself in this role. On the other, the West had set up a network for international cooperation that was positively shaped by its spirit of democracy and transparency. It was in this role of pacesetter for international cooperation that the West made a decisive contribution to the collapse of a statistical system such as East Germany's.

A fair 'reconstruction' of the East German chapter in the history of official statistics in Germany in my opinion also requires an examination of the West German side. Here, the problem is not so much that from today's standpoint much has revealed itself to be political naivety and misjudgement (one is always wiser with hindsight). The problem is rather that those responsible have so far not (or at least not very noticeably) owned up to their mistakes.<sup>28</sup> Immediately after the collapse of East Germany, they even quite openly presented accounts of the extraordinary degeneracy of the East German economy, while only a few months earlier, they themselves had declared it to be in reasonably good health.

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<sup>26</sup> To use the same metaphor, their task should be to describe the legal position

<sup>27</sup> They are often wrongly dismissed as trivial offences. To *knowingly* use, for example, non-publication, misleading terms, ambiguous definitions and inadequately explained methods and definitions in order to deceive the 'class enemy' is *not* trivial. For these are the simplest and least transparent ways to falsify statistics. Unlike blatant instances of falsification, such offences require no costly cover-up and there is no need to worry whether the figures are consistent with other figures or over the course of time.

<sup>28</sup> This applies in particular to the German Institute for Economic Research (DIW) the studies of which decisively shaped the official picture that the former Federal Republic had of the East German economy. It is now quite easy to see that an attempt by the DIW to gain an unbiased view of East Germany using 'in-built' East German statistics, with a high degree of understanding of their problems and with a more technocratic outlook was not suitable in order to be able to see through the dressed-up self-portrayal of East Germany. It is not without irony that the DIW described its 'line' as follows: 'We fundamentally believe that the figures officially published by East Germany are reliable.' (according to a document not included in this paper). Not only was this line blatantly untrue it could also have been misused by the CAS in its purely political public relations work, which is actually what happened.

East German involvement in international organisations (which was very important to it) gradually became an increasingly significant barrier to the power of the SED over statistics. In retrospect and for citizens of a democracy, it is hard to comprehend *how much* the party leadership and official statistics took a hammering from requests to provide international organisations with statistical data. The price East Germany had to pay for preserving its international reputation was very high and only gradually did it become clear. Among other things, this involved the cover-up and manipulation of statistics becoming increasingly difficult. Another concern were developments in data technology. Reports on hackers, for example, were followed with great interest.

It is no exaggeration to say that the system of official statistics in East Germany described so far was defeated first and foremost from abroad. It deserves to be stated that transparency and international cooperation in matters of statistics can also be an instrument of democratisation, an impression that struck me the most while working with official statistics of East Germany.

## 5. An attempt to draw conclusions

### a) Democratic principles in statistics

In 1987, a working group of former leading officials of the CAS wrote an approximately 300 page-long history of the CAS up to 1980<sup>29</sup>, achieving the feat of reporting on as good as *none* of the facts addressed here. Only three pages are devoted to more technical aspects of CAS publications. This shows clearly that there are two worlds in matters of statistics, each with its own quality standards.

As with everything in life, it is the spirit from which something arises that determines the outcome. How statisticians understand their role in a democracy is therefore very important. Democratic standards are the basis for everything (cf. Diagram 3) and they can easily be developed in the light of the bad experiences of the counter-model. The example of statistics in East Germany underlines how important it is to consider the core of democratic principles and to continually ensure that statistics is established democratically.

### b) The democratic constitution of statistics

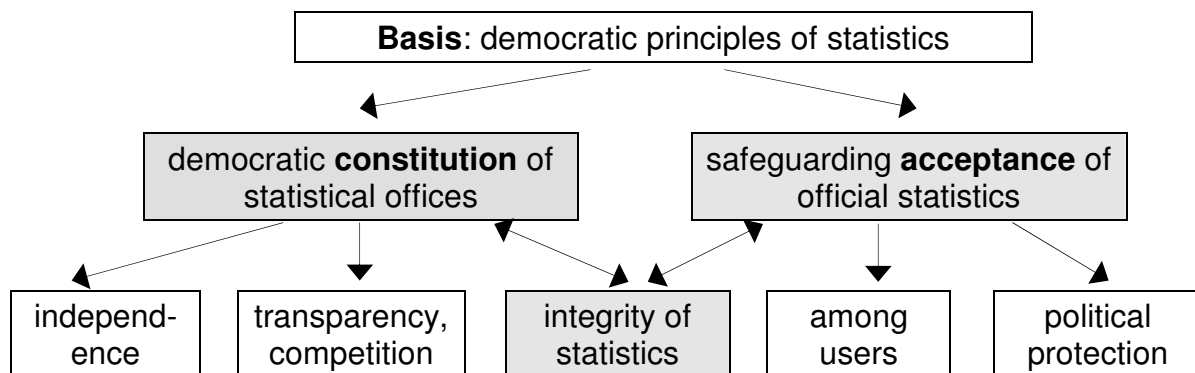
What has been reported on in this paper has been less the result of the misbehaviour of individual statisticians<sup>30</sup> than the consequences of a system concerned with those official statistics that suited its own purposes. There can be no good statistician without also having a good (legal and political) constitution of statistics.

It is tempting to lay down those findings that official statistics should provide and to suppress findings that are not convenient. The negative example of East German statistics also shows the dangers of all forms of monopolisation of information and all attempts to subordinate statistics to political goals.

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<sup>29</sup> An internal unpublished paper of the CAS.

<sup>30</sup> It should not be forgotten that probably only a handful of people were aware of the documents presented and commented on here. Thousands of people worked for many years in the apparatus of the CAS without knowing about what is set out here.

**Diagram 3**

The only effective protection from these dangers is the independence of statistical offices and the transparency and international nature of statistical practices. The negative example of the grip held by G.M. over the CAS should give reason to think about giving statistical offices more autonomy. The neutrality of official statistics will above all be served by staying out of (political) disputes<sup>31</sup>. Independence and neutrality of statistics are strong values that should be recognised by all, in particular the political leadership of the state. This should be pointed out by official statistics more aggressively in public relations work. Experiences with East German statistics could provide the key to this.

### c) Openness, transparency and competition

Information and communication are productive forces. Their force only unfolds, however, when the information is correct and statistics open about their findings.

If statistics, on the other hand, are regarded as contact with state secrets, then objective scientific curiosity about statistical data, which is necessary if they are to be made at all useful, cannot be developed. Secretiveness in East Germany seems to have even been detrimental to the State itself<sup>32</sup>. The cost of control that had to be sustained was formidable and at the same time futile; in the long run, East Germany's backwardness and the discontentment of its people could not be kept secret. In the end, East German statistics were practically a mirror image of the (bankrupt) East German economy. Statistics could not be accepted as objective by the representatives of the broadest of interests, and therefore could not fulfil its function.

International cooperation in official statistics, transparency and critical discussions of methods and findings are to be valued highly. Without them, the professional integrity of statisticians and acceptance among respondents and users cannot be preserved. It is significant that in East Germany attempts were made to prevent these precise things in order to create the form of 'statistics' that suited the dictatorship.

<sup>31</sup> Therefore, it says a great deal for a system where the collection of data is largely a matter for official (state) statistics and that competing private institutes are largely entrusted with the far more contestable analysis of this data.

<sup>32</sup> This includes not only the well-known 'self-deceit', but also mistrust of the people regarding statistics and the remaining state apparatus and the formidable cost that had to be sustained for the control, secrecy and 'revisions'. It is important to note that under conditions such as those that existed in East Germany statistics also could not be productive and an instrument of knowledge.

There should also be a healthy mix of official statistical bodies and competing private statistical evaluations. In retrospect, it is a blessing that it was a private economic research institute that was responsible in the Federal Republic for the downright embarrassing misjudgement of the former East Germany, and not official statistics.

#### **d) Acceptance**

Without the integrity of statistics referred to above, the acceptance and image of statistics cannot be improved. Whether or not this succeeds is less a matter for the provider of statistics than the user. However, for statisticians it is a permanent task and challenge to strive for this. Statisticians are also responsible for the efficient use of statistics. Only in this way can acceptance be achieved in the long run, and only in this way can the value of statistics be extended to all.

The experience of East German statistics could perhaps heighten awareness that the openness and neutrality of statistics, the use of statistics by *everyone* and an independent statistical authority is just as much an element of democracy as freedom of speech. This should encourage statisticians to be more assertive, to insist on the participation of respondents, to act against the improper use of statistics, and also to call for the state to exercise restraint when it comes to cutting back on resources. The strive for acceptance and the professional integrity of statisticians is a good thing, but it is not enough. It is important to take the offensive and to find allies in politics who will give the statisticians the support they need.

#### **e) Political protection of official statistics**

Preserving democratic principles calls for on-going protection of statistics by politicians. It is relatively easy to emotionalise the general public against official statistics. It is often enough just to be one of 'those affected' to qualify as an 'expert' on statistics, when these statistics are actually merely burdensome.

In the former West Germany, an emotionally charged and legally dominated discussion occurred relating to the 1983 census in which, in my opinion, a number of *political* aspects of official statistics were all too briefly included and in which the main concern involved legislating on statistics and putting it in shackles, just as if it were a danger for the free citizen.

Hardly anyone saw that statistics were not an instrument of an authoritarian state but actually an instrument of free citizens. The danger of the improper use of personal data was seen, but not the danger of monopolisation and politicisation of statistics.

In the current discussion in which other issues come to the fore, for example the belief that cutbacks in statistics lead to a leaner and better state it is most likely that we again miss the point. Dealing with the official statistics of the former East Germany could prove useful in recognising that the real problem is not confidentiality, response burden, or cost of statistics but non-neutral, and eventually useless official statistics, which clearly is detrimental to everybody, also to the State itself.