

## **Wirtschaftswunder -- The Economic Miracle In Post-War Germany**

Guaranteed, anything you ever read about Germany's *Wirtschaftswunder* will start by telling you it's the "economic miracle." I choose to think of it as the beginning of the game "Punch Buggie."

C'mon, I know I make fun about a lot of things; so why should this be any different.

For those of you who've never heard of Punch Buggie, it's pretty simple. Every time you see a Volkswagen Beetle you give a good slug to your friend, brother, sister, whoever's near you while you yell "Punch Buggie, red" (or whatever color it happens to be). Then you have to say "no punch backs," otherwise they could give you a punch for the same car.

Sure, to some this might seem like a senseless kid's game. For others it brings back memories of road trips for thousands of kids, all in the hopes of spotting one of these [German cars](#) (which as kids, you might not have known that) to give us an excuse to whack our siblings.

What's this got to do with Germany's Economic Miracle?

I guess it's as simple as, these cars were a sign of West Germany getting back to work.

Critics have said that the United States' Marshall Plan (the economic recovery aid) wasn't the reason Germany experienced its Economic Miracle. Whatever the cause or not the cause, it doesn't matter. The bottom line was, Germany flourished.

And let's face it; Germans are hard workers, so the long hours of production helped the country prosper yet again. Then there were the *Gastarbeiter* (or guest workers), migrating from other European countries (Italy, Spain, Greece, Turkey, Yugoslavia), who created an influx of cheaper labor into the mix.

In order to be totally fair, East Germany did see some economic recovery; but it wasn't anything on the scale of the west. OK, so it was paying the USSR war reparations which didn't help its economy.

Also, the *Wirtschaftswunder* usually includes the country of Austria; but this isn't an Austrian website. I will, however, give them honorable mention because they're Germany's neighbor. ;-)

The first thing to help the economic recovery (regardless of your view on the Marshall Plan) didn't come along until 1948, when the Deutsche Mark became the legal tender. No longer was the Reichsmark the money of Germany.

Yeah, yeah, so what, big whoop! Who cares if they changed the name of the money?

Well, this created a currency that was supposed to steady the rate of inflation (unlike what happened after [World War I](#) with hyperinflation). It did help with inflation, by the way.

It also took that long to jumpstart the economy because of measures put in place after [World War II](#) (economic stimulus was expressly a no-no for two years). Plus, Germany's brightest minds (as well as patents, etc) were snapped up by the Soviets and the other Allies. Within those two years of Germany's broken economy, the United States picked every ounce of meat from the country's technological know-how.

On the flip side, the United States gave Germany more than one billion dollars in aid to help finance its future success, realizing that a hurt German economy was trickling down to the rest of Europe. By 1971 (less than 30 years later) all of the money had been repaid.

Now, what does that tell you about Germany's *Wirtschaftswunder*?

After the 1940's ended, the next decade (as well as into the '60s and '70s) ushered in an economic growth that was one of the best in the world, pretty much doubling the value of all the country's exports, which included those "punch buggy" Volkswagens.

More than sixty years after the devastation of World War II on Germany, the country still prospers (thanks to the *Wirtschaftswunder*), enjoying one of the highest standards of living on the continent (if not the world).

Hey, it'll give us plenty of leisure time to play Punch Buggie, won't it? ;-)