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The Currency of Socialism: Money and Political Culture in East Germany

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Jonathan R. Zatlín, *The Currency of Socialism: Money and Political Culture in East Germany*. New York: Cambridge University Press, 2007. 377 pp.

Reviewed by Peter Loedel, West Chester University

A historical timetable of significant and transforming moments in German history would inevitably be punctuated with references to money, monetary policy, and currency politics. From the establishment of the German Reich in 1871 to the crisis of Weimar symbolized by the hyperinflation of 1923, and from the establishment of the West German Deutschmark (and solidification of the division of Germany) in 1948 to the monetary unification of Germany in July 1990, the politics of money permeates the fabric of Germany's political, economic, and cultural psyche. Jonathan Zatlín's impressive study of the economic and monetary "culture of socialist consumerism" (p. 15) in the German Democratic Republic (GDR) provides a critical and important link in our understanding of the deeply ingrained German "problem" with money. For Zatlín, the GDR's attempt to create a Communist utopia rested on eliminating the critical role of money. Despite these efforts, the leaders of the GDR, most notably Erich Honecker, ironically ended up creating the conditions for socialism's implosion. Perhaps the leaders of the GDR should have known better, having placed the picture of Karl Marx on the East German 100-mark note. As Marx feared, nothing distorted individuals and society like the power of money.

Zatlín skillfully weaves a powerful and original interdisciplinary explanation of the collapse of East Germany. Economic historians, political scientists, and students of Germany will all find something of interest and value in this book. Zatlín's account of the interplay of politics, economics, and culture meticulously recaptures the confusing and contradictory attempts of the leaders of the GDR to control and regulate the use of money. He has reviewed in painstaking detail the official archives of the GDR, and also draws on interviews with key actors, revealing a portrait of the East German leadership trapped in an almost impossible task of controlling the GDR economy. If money (in the form of hard currency) makes the world go around, it was money in the form of the Deutschmark that made the GDR run aground. Attempts to harness market forces and hard currency (for example, through the Intershop system) merely served to undermine the moral and ethical status of the government's appeal to egalitarianism and social justice. At almost every step in the planning of the East German economy (Zatlín's primary focus is on the Honecker era), the party leaders found themselves confronting the failures of key policies, compounded by earlier failures. Examples of the hypocrisy of their policy formulations in the name of "real existing socialism" are too numerous to mention (Zatlín's book cites many).

Moreover, for those of us who followed the role of the Deutschmark in locking in German unification in July 1990, Zatlín illuminates the critical role of citizen petitions, showing how they steeled the courage of an East German public ready to appeal to authority and ultimately turn their back on it. It is not surprising, then, that Kohl's aggressive embrace of parity—which was intended in part to secure political control over the emerging and fast-changing reunification process (and a future all-German

government) and also to stem the tide of refugees to the west—found such a receptive ear in the East. Whether one agreed with his 1:1 proposal (and the Bundesbank was none too pleased), it was the final nail in the coffin of the East German system. The Deutschmark had finally come to East Germany. In another ironic twist, the West German government with its capitalist system was now set to “equalize” the two Germanys (in terms of the exchange of Ostmarks for Deutschmarks)—something the East German socialists could never quite manage.

There is very little to criticize in this book. Given Zatlin’s historical approach, the book is, not surprisingly, long and detailed (348 pages of text). Perhaps some material might have been condensed. For example, Chapter 5, titled “The Vehicle of Desire,” could have been integrated into Chapter 6, dealing with consumerist ideology. These two chapters appear the most like parts of a dissertation project—interesting, illustrative to a point, and well-written but longer than they need to be to support the author’s argument. One might also contend that the book is a bit short on a larger explanatory theory. At times, the author does bring into his analysis various analytical frameworks; for example, citing Albert Hirschman’s exit option theory or Marxist-socialist monetary theory (all used appropriately at the right moment in the book). However, the book lacks an overarching framework to explain the demise of the East German system. Was it political culture, social movements, power politics, or interparty bureaucratic struggles that brought down the regime? One could counter that the end of the regime has no one “best” explanation, and, indeed, Zatlin carefully stitches together a unique multiple-level understanding and interpretation of East German economic history and its collapse.

One might also argue that the demise of the East German regime was more about markets than about money or culture. In the end, the markets—relentless, unyielding, and uncontrollable—brought down the GDR. Despite efforts to eliminate the price mechanism as a functioning element of economic planning, supply and demand would in the end put a “price” on nearly everything in the GDR, including the price of freedom. This basic reality brought on the collapse of the GDR and lives on in the turmoil of uneven economic development in the eastern parts of unified Germany.



Ethan Pollock, *Stalin and the Soviet Science Wars*. Princeton, NJ: Princeton University Press, 2006. 269 pp. \$35.00.

Reviewed by James T. Andrews, Iowa State University

Ethan Pollock has produced a cogent, elegantly written analysis of Soviet knowledge, science, and power in 1945–1953, the era of high Stalinism and the dawn of the Cold War. The book is based on prodigious archival research in Russia, drawing on thousands of documents from the former Central Party Archive (now known as the Russian State Archive for Socio-Political History) in Moscow. Pollock focuses on Iosif Sta-