

**Jonathan R. Zatlin, “Unifying without Integrating: The East German Collapse and German Unity,” *Central European History* 43 (2010): 487-507.**

Zatlin’s serious and witty article sets out to examine the relationship between economic development and monetary policy, between bureaucratic control and political power “in the life and death of the GDR.” Zatlin uses Georg Simmel’s *The Philosophy of Money* to turn an old story on its head. He cleverly argues in the essay that the East German Democratic Republic sabotaged itself by refusing to embrace the logic of money; rather they were hostile to it. Their ill-conceived monetary policy led to the rationalization of resources, resulting in the creation of new economic sectors that proved impossible to police in a centralized political system. Historical changes in the monetary policy, in other words, eroded the power of the SED. Zatlin identifies an ideological determinism at work in the 1970s, in which party leaders argued that productivity and supply would be improved if money were replaced with a redistribution of resources. Far from producing the great socialist utopia Marxists promised, the GDR’s monetary policy, exacerbated by Erich Hoenecker’s reliance on borrowing hard currency from West Germany, led to chronic shortages in manufactured goods. These shortages merely encouraged East Germans to hoard items for barter. The alternative economic system based on private exchange and barter weakened the political structures of the GDR and, Zatlin concludes, that these intense economic alternatives encouraged the belief that West German money generated West German wealth, a powerful myth that still exists in a reunified, but asymmetrically integrated German state.

Zatlin uses a range of sources, drawing from economic theory, and the historiography of the GDR and USSR, from archival documents and Stasi records, as well as oral interviews. His essay offers the reader a cultural history of the economy in a form that combines complex theoretical approaches with compelling and often amusing real life examples to make his point. One example of the humor found in economic history will suffice: to make the most of a limited supply of fabric, and to meet the demands of clothing for “larger women”, one combine produced 50,000 short-sleeved shirts that no self-respecting large woman would want. The shirts sat unsold on store shelves until they were recalled and then scrapped.

Most importantly, Jonathan Zatlin’s work pushes historians to consider the GDR, and its economy, in an entirely new light. He shows how the GDR’s rejection of the economic logic of money had all kinds of destabilizing consequences, not the least of which was the irrational

production of western-style products. Many have written about the problems the GDR encountered with shortages as well as the failure to meet consumer demands. And indeed, the suggestion that the GDR failed in part because its economic ideology did not work is nothing new in the historiography or (western) politics. But to see GDR currency policy as having played a critical role in reshaping ordinary citizens' understanding of consumption, political power, socialism, and most especially freedom offers an entirely new perspective on an old topic.

**Prize Committee:**

Hilary Earl (Chair)

Caitlin Murdock

Jared Poley