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Making and Unmaking Money:  
Economic Planning and the Collapse of  
East Germany

Jonathan R. Zatlin  
Boston University

# Making and Unmaking Money: Economic Planning and the Collapse of East Germany

## **Abstract**

This paper locates the collapse of East German communism in Marxist-Leninist monetary theory. By exploring the economic and cultural functions of money in East Germany, it argues that the communist party failed to reconcile its ideological aspirations - a society free of the social alienation represented by money and merchandise - with the practical exigencies of governing an industrial society by force. Using representative examples of market failure in production and consumption, the paper shows how the party's deep-seated hostility to money led to economic inefficiency and waste. Under Honecker, the party sought to improve living standards by trading political liberalization for West German money. Over time, however, this policy devalued the meaning of socialism by undermining the actual currency, facilitating the communist collapse and overdetermining the pace and mode of German unification.

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*Jonathan R. Zatin  
Boston University*

During the 1970s, a joke circulated in the German Democratic Republic, or GDR, that deftly paraphrases the peculiar problem of money in Soviet-style regimes. Two men, eager to enrich themselves by producing counterfeit bank notes, mistakenly print 70-mark bills. To improve their chances of unloading the fake notes without getting caught, they decide to travel to the provinces. Sure enough, they find a sleepy state-run retail outlet in a remote East German village. The first forger turns to his colleague and says, “Maybe you should try to buy a pack of cigarettes with the 70-mark bill first.” The second counterfeiter agrees, and disappears into the store. When he returns a few minutes later, the first man asks him how it went. “Great,” says the second man, “they didn’t notice anything at all. Here are the cigarettes, and here’s our change: two 30-mark bills and two 4-mark bills.”<sup>1</sup>

Like much of the black humor inspired by authoritarian rule, the joke makes use of irony to render unlike things commensurate. This particular joke acquires a subversive edge from its equation of communism with forgery. The two men successfully dupe the state-run store into accepting their phony bills, but the socialist state replies in kind by passing on equally fake money. The joke does not exhaust itself, however, in an attack on the moral integrity of communism, which responds to one crime with another, or even with the powerful suggestion that any regime that counterfeits its own currency must be a sham. What is unusual about the joke – and most likely responsible for blunting its satiric edge – is that it preserves the socialist

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<sup>1</sup> A version of this joke can be found in: Reinhard Wagner, *DDR-Witze: Walter schützt vor Torheit nicht, Erich währt am längsten* (Berlin, 1995), p. 82.

yearning for a society in which money has no meaning. After all, the transaction is successful despite the fraud: The two men are able to purchase the cigarettes with the most inept of fictions. At least in the counterfeit world of the joke, then, the organization of the economy along socialist lines has reduced money to the paradoxical status of a necessary, yet somehow insufficient, condition of exchange. The resulting liberation of economic activity from monetary constraints makes possible a world of consumer plenty, where moral and industrial goods abound – where people can counterfeit their money and smoke their cigarettes, too.

At the heart of the joke resides a fable about how the planned economy was supposed to work: To eradicate poverty, unemployment, and exploitation, Marxism-Leninism sought to free economic activity from the shackles of pecuniary mediation. Denied value in exchange, money would no longer prove an obstacle to the satisfaction of consumer demands, much less an object of desire and envy. Nor could it be misused to gain political power. Reducing money to a partial expression of comparative value that was constituted not by market forces, but instead by the labor theory of value, would transform money into a purely notational device, a marker balancing production against consumption.

In the factories, the disciplinary powers of money were transferred to planning indicators, which pointed towards the future production of specific physical values in line with the party's political priorities – creating what János Kornai aptly termed “soft budget constraints,” since they were seldom binding.<sup>2</sup> For consumers, the Socialist Unity Party, or SED, did not exactly eliminate money. Instead, it softened household budget constraints indirectly by providing a high social wage. The practice of ensuring full employment, fixing prices for consumer goods, and

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<sup>2</sup> János Kornai, *The Socialist System. The Political Economy of Communism* (Princeton, 1992), pp. 273, 294-301.

subsidizing basic necessities such as bread and the rent, had the effect of removing existential constraints on ordinary East Germans while uncoupling wealth from money.

By unmaking money, East German communists believed they could realize the promise of Edenic riches and create a society of inexhaustible plenty and limitless good. The East German mark would become an instrument for allocating wages and procuring consumer goods – that is, for redistributing social wealth for consumption along egalitarian lines. Unlike capitalist money, which served as an agent of social alienation and exploitation, socialist money would never prevent consumers from buying what they needed. Instead of mediating exchange, the East German mark would circulate as the official embodiment of an egalitarian consumerism and a ceremonial reminder of socialist legitimacy.

It is worth recalling in this context that Karl Marx frequently mocked the ability of money to generate boundless fictions. “My power is as great as the power of money,” he wrote. “I *am* ugly, I can buy myself the most *beautiful* woman. Consequently I am not *ugly*, for the effect of *ugliness*, its power of repulsion, is revoked by money. . . . Does not my money thus change all of my incapacities into their opposite?”<sup>3</sup> The fact that anything can be had for money bestows upon it the apparent ability to negate reality. The appeal of its commensurability leads people to read the general measure of value as if it were value itself, and so “this estranged essence dominates people, and they worship it.”<sup>4</sup> In capitalist society, money becomes the repository of our displaced, alienated desires. It becomes a fetish.

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<sup>3</sup> My translation of Karl Marx, “Ökonomisch-Philosophische Manuskripte (1844),” in: *Ergänzungsband Schriften bis 1844, Erster Teil - Karl Marx*, (East Berlin, 1968), p. 564 (Karl Marx, “Economic and Philosophical Manuscripts of 1844,” in: *Karl Marx and Friedrich Engels: Collected Works*, vol. 3 (New York, 1975), p. 324).

<sup>4</sup> My translation of Karl Marx, “Zur Judenfrage,” in: *Marx-Engels Werke*, vol. 1 (East Berlin, 1981), p. 375 (Karl Marx, “On the Jewish Question,” in: *Karl Marx and Friedrich Engels: Collected Works*, vol. 3, p. 172). According to Anitra Nelson, his mature theory of money relies on Hegelian distinctions between

For this very reason, Marx was severely critical of schemes that promised to eliminate capitalist exploitation by eliminating money. Most famously, he dismissed the efforts of early socialists like Robert Owen to replace money with labor vouchers as confusing cause with effect. The failure of utopian socialism, Marx charged, rested on a misidentification of money as the locus of social inequality.<sup>5</sup> According to Marx, “money is not a thing, it is a social relation” – a physical expression of alienation that casts a veil over the real relations of production that structure exchange.<sup>6</sup> Because it is not an independent force in human relationships, money cannot be the root of all evil. For Marx, a genuine transformation of society will come about only when private property is abolished, not the currency that embodies the particular set of social relations that make private property possible.

Despite his insistence that we not confuse money with markets, however, Marx failed to reconstitute the hostility towards money among his heirs. Instead, a deep-seated antipathy to money, rooted in non-Marxian traditions of socialism, continued to inform socialist attitudes towards the economy. East German communists were no exception, and their failure to heed Marx on this and other points resulted in precisely the kinds of social alienation they were so determined to sweep aside.<sup>7</sup>

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appearance and reality (Anitra Nelson, *Marx's Concept of Money: The God of Commodities* (London and New York, 1999), pp. 183-6).

<sup>5</sup> See Karl Marx, *Capital*, in: *Karl Marx and Friedrich Engels: Collected Works*, vol. 35 (New York, 1997), p. 105, fn. 1; Karl Marx, *The Poverty of Philosophy. Answer to the Philosophy of Poverty by M. Proudhon*, in: *Karl Marx and Friedrich Engels: Collected Works*, vol. 6 (New York, 1976), p. 145; Paul Craig Roberts and Matthew A. Stephenson, *Marx's Theory of Exchange, Alienation and Crisis* (Stanford, 1973), p. 67.

<sup>6</sup> Marx, *The Poverty of Philosophy*, p. 145. See also the discussion in Marx, *Capital*, vol. 35, pp. 86, 97, 107.

<sup>7</sup> For example, East German economic planners sought to circumvent the use of money in their own work by calculating labor productivity according to units in time – just as the utopian socialists had. See Werner Obst, *DDR-Wirtschaft. Modell und Wirklichkeit* (Hamburg, 1973), pp. 218-9. For an overview of

As Marx might have anticipated, the reality of production and consumption in the GDR was more prosaic than the fabulous world of the joke or the utopian reveries of communist party members. The inability of the planned economy to deliver prosperity, much less the moral emancipation from economic constraint envisioned in the joke, made the elimination of money impossible. Instead, the SED's attempt to order economic interaction along extra-monetary lines disrupted production and consumption. That is, the party's efforts to suppress the formation of prices according to supply and demand and their expression in money terms were the main reason for the GDR's large-scale waste of resources. Although releasing companies from the threat of bankruptcy ensured that workers never had to fear unemployment, rescinding the disciplinary powers of money permitted an inattention to cost constraints that generated inefficiency and waste. The resulting economy of shortage undermined the currency of socialism by depreciating socialist money, as East Germans increasingly discovered that they could not acquire the goods they desired with the East German mark.

For consumers as well as producers, the waste and inefficiency created by the "passiveness" of socialist money most often expressed itself as a problem of complementarity, or the dependence of one commodity on another in order for it to function.<sup>8</sup> To give but one example, in the summer of 1979, East Germans experienced a severe shortage of ketchup, a scarce and highly desirable commodity.<sup>9</sup> The shortage of ketchup induced consumers to shift to

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debates regarding money in the Soviet Bloc after 1945, see Alan H. Smith, *The Planned Economies of Eastern Europe* (New York, 1983), pp. 3-7, 15-16, 83-98.

<sup>8</sup> The problem of complementarity achieved popular notoriety in the GDR in the early 1980s through East German pop-star Nina Hagen's song "Michael, du hast den Farbfilm vergessen" (Michael, you forgot the color film), which contrasts the colorfulness of the singer's experience with the frustrating black-and-white record her lover will leave her.

<sup>9</sup> The following account is based on: Bundesarchiv Berlin (BArchB), DE1, 53092, Komitee der Arbeiter-und-Bauern-Inspektion (ABI), 29.4.80, pp. 63-9, and Klopfer, "Stellungnahme zur Information über

mustard as a substitute. The mustard plan for 1980, however, had not accounted for such an increase in demand. The responsible factory had no difficulty producing the mustard, but discovered that it did not have enough jars in which to put the mustard. The production bottleneck created a minor political crisis, as East Germans were forced to eat without the aid of condiments. By April 1980, the Politburo found it necessary to intervene by conscripting the Schmölln glass factory to take up the slack in production. Schmölln had no problems meeting this revision in its plan and was able to produce several million containers. It did so, however, only by ignoring another task: producing marmalade jars.

In the absence of cost constraints to induce rationing or “active” money to provide an incentive for expanded production, supply in the GDR could be influenced only by the written directives of the center. The enforced underconsumption characteristic of Soviet-style regimes led to the creation of black markets, which not only undermined communist control over the economy, but also eroded the value of the socialist currency. Although the East German mark sufficed to complete purchases of the basic necessities of life, such as food and housing, it could not overcome shortages or the unofficial forms of rationing typical of the planned economy, such as exorbitantly high prices for consumer durable goods or exceedingly long lines. To ensure the prompt delivery of washing machines, to reduce the long wait for cars, or to purchase stockings, not to mention western consumer goods, West German currency came to play an increasingly prominent role. As a result, the GDR’s monetary regime fragmented into two competing modes of exchange: Socialist money was used to satisfy basic needs, while capitalist money was used to fulfill the desires of East German consumers for convenience, creature comforts, and social

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Kontrollergebnisse des Komitees der Arbeiter-und-Bauern-Inspektion zu Ursachen von Verstörungen bei Senf vom 29.4.1980,” 9.5.80, pp. 46-7.



status. Far from re-ordering trade along non-market lines, the partial elimination of money only aggravated existing asymmetries between supply and demand, unleashing increasingly bitter distributional conflicts that eventually discredited central planning.

Over time, moreover, the party's failed attempt to abolish markets by abolishing money eroded the productive capacity of East German industry. By the late 1980s, the East German infrastructure had thoroughly deteriorated. In 1989, for example, 75 percent of all equipment in the East German manufacturing, mining, and energy sectors was more than 20 years old.<sup>10</sup> In 1988, moreover, the Workers and Peasants Inspectorate, which was responsible for monitoring the state apparatus, reported that barely half of the warehouses in the GDR met the regime's rather loosely defined construction standards. The other 45 percent had holes in the roof through which rain dripped onto foodstuffs, consumer goods, and machinery, and ruined them.<sup>11</sup>

By the mid-1980s, the maintenance of public space had deteriorated so much that the Inspectorate felt impelled to investigate the state of sanitation in the GDR. After checking the toilets in over 10,000 stores and 6,000 restaurants, the Inspectorate classified more than half as

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<sup>10</sup> Bundesbeauftragter für die Unterlagen des Staatsicherheitsdienstes der ehemaligen Deutschen Demokratischen Republik (BStU), Arbeitsbereich Mittag, Nr. 58, "Zu den ausgewählten Problemen bei der Durchführung der Beschlüsse des XI. Parteitages der SED zur ökonomischen Entwicklung der DDR," pp. 16-7, and Anlage 6, "Anteil alter und neuer Anlagen am Ausrüstungsbestand der Industrie," p. 42; *Neues Deutschland*, 11.1.90; Phillip J. Bryson and Manfred Melzer, *The End of the East German Economy. From Honecker to Reunification* (New York, 1991), p. 87; Günter Kusch, Rolf Montag, Günter Specht, and Konrad Wetzker, *Schlußbilanz-DDR. Fazit einer verfehlten Wirtschafts- und Sozialpolitik* (Berlin, 1991), p. 56.

<sup>11</sup> Stiftung Archiv Parteien und Massenorganisationen der DDR im Bundesarchiv (SAPMO-BA), DY 30, Vorläufige SED 41853 [Band I], Komitee der ABI, Arbeitsgruppe für Organisation und Inspektion beim Ministerrat, Staatliche Finanzrevision, Anlage 1, p. 5). Other problems included the high humidity registered in warehouses, as well as the use of aging storage space, some stretching back even into the fifteenth century (see SAPMO-BA, DY 30, Vorläufige SED 41853).

substandard. The worst cases involved restaurant facilities from which fecal matter had not been removed for years.<sup>12</sup>

The decrepit infrastructure often conspired with production bottlenecks to bring work to a complete standstill. In a 1988 meeting, Finance Minister Ernst Höfner observed that the rapid deterioration of the East German industrial base had led to “an ever-increasing portion of working time consumed by breakdowns” of machines.<sup>13</sup> Indeed, factory idleness resulting from production bottlenecks and the lack of complementarity continued to rise throughout the 1980s.<sup>14</sup> Material problems, moreover, were compounded by poorly conceived service and distribution schedules. Insulated against costs and customers, enterprises focused on production, not delivery. In the first seven months of 1988, the Inspectorate estimated that 353 million marks worth of consumer goods failed to reach stores because of non-delivery.<sup>15</sup>

To illustrate the effects of the decline of the GDR’s productive capacities on East German consumers, let us examine the meat shortage of 1988. In response to a cattle crisis that had occurred during 1982, when malnourishment had decimated animal populations, the East German animal husbandry sector embarked on a successful campaign to fatten up its cattle. By 1989, the average weight of East German hogs had jumped to 151 kilos from 1982’s low of 113.

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<sup>12</sup> SAPMO-BA, DY 30, Vorläufige SED 41853, Band II, Komitee der ABI, Inspektion Handel und Versorgung, “Bericht über Ergebnisse der Massenkontrolle zur Durchsetzung von Ordnung, Sauberkeit und Hygiene in gesellschaftlichen Einrichtungen des Territoriums – Bereich Handel und Versorgung,” 24.5.88.

<sup>13</sup> BArchB, DE1, 55384, Klopfer, “Persönliche Notizen über die Beratung beim amtierenden Vorsitzenden des Ministerrates am 25.10.1988,” 25.10.88, p. 7.

<sup>14</sup> BArchB, DE1, 56756, Wenzel, “Zum Stand,” p. 209.

<sup>15</sup> SAPMO-BA, DY30, Vorläufige SED 41853, Komitee der ABI, Inspektion Handel und Versorgung, “Bericht zur Kontrolle ‘Effektiver Einsatz des Transportraumes im Territorium zur Sicherung des Warenumschlages bei Frischwaren und ausgewählten Industriewaren’,” 25.07.88, p. 3, and Komitee der ABI, Arbeitsgruppe für Organisation und Inspektion beim Ministerrat, Staatliche Finanzrevision, no date, p. 6.

But this tremendous gain in weight also had significant drawbacks. The party's campaign to fatten up East German pigs simultaneously reduced the quality of the meat because the hogs added body fat rather than muscle tissue. Because of its unusually high fat content, many East Germans refused to buy the pork on offer.<sup>16</sup>

Not much meat was on offer, however, because it never reached East German consumers. The animal husbandry sector's fat years coincided with the food processing industry's thin years, as a shortage of functioning machines made it difficult to prepare the animals for consumption. Of the 76 abattoirs operating in the GDR, for example, 44 were run down and worn out.<sup>17</sup> The hogs that were slaughtered, moreover, could not always be delivered because the transport sector possessed so few refrigerated trucks and railroad cars that still functioned. When pig carcasses were actually delivered, the poorly outfitted meat processing sector, with its worn-out equipment, was overmatched by their corpulence. Because of a shortage of "trained experts," the meat processors often delivered whole carcasses rather than the smaller, more manageable portions stipulated by regulation.<sup>18</sup> That placed the onus of carving the meat onto workers at the meat counters in retail stores – a job that was not particularly attractive to begin with. The sales staff was called upon to carve the meat into individual portions, a task considerably complicated by a shortage of knives and

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<sup>16</sup> SAPMO-BA, DY30, IV 2/2 039/268, "Bericht zu den Ergebnissen," no date, p. 142; SAPMO-BA, DY30, Vorläufige SED 31984, cable from Walde to Honecker, 17.5.82, p. 1.

<sup>17</sup> SAPMO-BA, DY30, IV 2/2 039/268, "Bericht zu den Ergebnissen," no date, p. 141.

<sup>18</sup> At the VEB Fleischkombinat Leipzig, over 45 percent of the fixed capital was no longer functional. In the combine's main factory, 70 percent of the machines and 50 percent of the buildings that housed them were worn out. Nor were there enough forklifts or packing machines to go around. In the district of Neubrandenburg, moreover, deliveries had been reduced in half (*ibid.*, pp. 139, 142-3). Whole carcasses were often delivered without being quartered or otherwise prepared, and many portions weighed more than 40 kilos (SAPMO-BA, DY30, Vorläufige SED 31984, Generaldirektion des volkseigenen Einzelhandels (HO), "Bericht über die Untersuchung der Frage 'Warum wollen die Verkäuferinnen nicht am Fleischstand arbeiten,'" 22.9.89, p. 2, and "Ursachen für die nicht ausreichende Sicherung des Arbeitsvermögens," no date, p. 1).

slicing machines. Without the necessary equipment, the sales staff was forced to work after business hours, and particularly on weekends, when they could pre-pack the meat without having to attend to customers.<sup>19</sup>

Nor were they well compensated for what was dirty and back-breaking work under the best of conditions.<sup>20</sup> Their low pay resulted from a confluence between Marxist-Leninist ideology and working-class traditions, both of which privileged production over services, and a traditional distribution of labor along gender lines, which ensured that the sales staff was overwhelmingly female.<sup>21</sup> Despite the SED's progressive rhetoric, the labor of women was simply not valued by the regime as equivalent to that of men. Party officials claimed, for example, that working at the meat counters was especially tough on women, who were not up to the "great amount of counting in their heads" required by the job.<sup>22</sup>

The excessive physical burden associated with the work, the lack of equipment, long hours, low pay, and minimal status led to permanent understaffing, which only increased the workload of the employees who stayed on.<sup>23</sup> Saleswomen began to quit in droves, leaving the trickle of meat that

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<sup>19</sup> SAPMO-BA, DY30, IV 2/2 039/268, "Bericht zu den Ergebnissen," no date, p. 145; SAPMO-BA, DY30, Vorläufige SED 31984, Generaldirektion des volkseigenen Einzelhandels (HO), "Bericht über die Untersuchung der Frage," 22.9.89, p. 2, and VdK der DDR, "Operative Versorgungskontrolle zu Problemen der Fleischversorgung in der Hauptstadt der DDR, Berlin," 26.9.89, p. 1.

<sup>20</sup> Meat-counter clerks earned between 850 and 920 marks a month, considerably less than the average monthly wage of 1,280 marks (SAPMO-BA, DY30, Vorläufige SED 31984, Generaldirektion des volkseigenen Einzelhandels (HO), "Bericht über die Untersuchung der Frage," 22.9.89, p. 2; Staatliche Zentralverwaltung der Statistik (ed.), *Statistisches Jahrbuch der Deutschen Demokratischen Republik 1989*, p. 129).

<sup>21</sup> SAPMO-BA, DY30, Vorläufige SED 31984, "Ursachen," no date, p. 2.

<sup>22</sup> SAPMO-BA, DY30, Vorläufige SED 31984, Generaldirektion des volkseigenen Einzelhandels (HO), "Bericht über die Untersuchung der Frage," 22.9.89, p. 2.

<sup>23</sup> Given that the HO management limited its investigation to Berlin, which as a rule enjoyed a superior supply of consumer goods, it is safe to assume that the situation in the rest of the Republic was even worse (*ibid.*, p. 1; SAPMO-BA, DY30, Vorläufige SED 31984, VdK der DDR, "Operative Versorgungskontrolle," 26.9.89, p. 1).

arrived uncut, unpacked, and unsold. By mid-1989, meat counters in department and grocery stores throughout the GDR were suffering from a shortage of workers as well as meat, operating with 20-50 percent fewer employees than they required. The dearth of workers, together with the shortage of meat, forced stores to reduce their opening hours, or close down entirely. For example, in the town of Waßmannsdorf near Potsdam, a community of 1,200 people, the local butcher closed its doors for the entire month of July.<sup>24</sup>

In an environment of such scarcity, incentives and opportunities for corruption abounded. Employees often stole supplies from the workplace for use at home or sale on the black market. By the mid-1980s, working conditions in retail stores had deteriorated to the point where theft was perceived by workers as appropriate compensation for being overworked and underpaid. Employees of the Kaufhalle department store in the city of Neubrandenburg, for example, stole over 67,000 marks worth of products in the month of October 1987 alone – double the thefts for the entire previous year.<sup>25</sup> By 1987, theft of public property consisted of 25 percent of all crimes committed, with the value of losses increasing by 65 million East German marks over 1986.<sup>26</sup> Encouraged by management's lackadaisical attitude, for example, employees at the People's Own Enterprise Baked

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<sup>24</sup> SAPMO-BA, DY30, Vorläufige SED 31984, Generaldirektion des volkseigenen Einzelhandels (HO), "Bericht über die Untersuchung der Frage," 22.9.89, p. 2. Turnover was so high that 127 clerks left Berlin meat counters during the first eight months of 1989 (SAPMO--BA, DY30, Vorläufige SED 31984, "Ursachen," no date, pp. 1-2). Out of 300 butchers in the Dresden district, 12 had completely shut down. Others turned to Vietnamese, Mozambican, and Polish migrant workers to fill the gap (SAPMO-BA, DY30, IV 2/2 039/268, "Bericht zu den Ergebnissen," no date, pp. 141, 145).

<sup>25</sup> SAPMO-BA, DY30, Vorläufige SED 41853, Komitee der ABI, Arbeitsgruppe für Organisation und Inspektion beim Ministerrat, Staatliche Finanzrevision, no date, p. 6; SAPMO-BA, DY30, Vorläufige SED 31984, Generaldirektion des volkseigenen Einzelhandels (HO), "Bericht über die Untersuchung der Frage," 22.9.89, p. 2.

<sup>26</sup> SAPMO-BA, DY30, IV 2/2.039/60, "Politbüro-Sitzung vom 19.4.1988," pp. 43-5.

Goods Combine Cottbus regularly stole bread for family and friends.<sup>27</sup> Similarly, workers in the service sector “stole” their own labor, moonlighting at considerable personal profit. By the 1980s, even factory managers were making off with public assets, inventing such scams as under-reporting production in order to pocket the excess or embezzling loans.<sup>28</sup> By 1989, participation in black market trade had become so widespread as to elicit the helpless demand from Politburo member Willi Stoph that “income from work must return to being the most important source of income for the employee.”<sup>29</sup>

Likewise, East German meat-counter clerks had no difficulty legitimating petty theft as a form of just compensation for their low pay and poor working conditions. Most commonly, saleswomen saved the best cuts of meat for family and friends. Many also engaged in a form of profiteering, parlaying their structural position as distributors of scarce commodities into financial leverage over prospective customers. With increasing frequency, sales personnel hid choice pieces of meat and sold them at a personal profit to those customers willing to pay more. Worse still, these scarce commodities – often referred to as “bend-over goods” (*Bück-Dich-Waren*) because of the

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<sup>27</sup> One truck driver stole 300 loaves of bread by using a fake delivery slip, while another stole 104 loaves and 600 rolls outright. Moreover, the Party Control Commission estimated that the enterprise sold around 20,600 loaves of bread a month as “rubbish” to collective farms to use as fodder, or enough to feed 4,000 people a month in Cottbus (SAPMO-BA, Vorläufige SED 35986, ZPKK to Mittag, 5.6.86, SED Kreisleitung Cottbus-Stadt, Kreisparteikontrollkommission, “Bericht zur Untersuchung der KPKK in der GO VEB Backwarenkombinat Cottbus,” 27.2.86, and Bezirksparteikontrollkommission, “Information an den Kandidaten des Politbüros und 1. Sekretär der Bezirksleitung SED Cottbus, Genossen Werner Walde,” no date).

<sup>28</sup> SAPMO-BA, DY30, IV 2/2.039/60, “Politbüro-Sitzung vom 19.4.1988,” pp. 43-5.

<sup>29</sup> BArchB, DE1, 56285, Klopfer, “Persönliche Notizen über die Beratung beim Generalsekretär,” 16.5.89, p. 13.

motion required by the clandestine, under-the-counter transaction – were distributed according to principles that contradicted socialist notions of exchange.<sup>30</sup>

To some extent, the saleswomen were willing to barter, trading the meat for prized consumer goods such as stockings or jeans. Because some perishable goods were only distributed locally, barter helped forge supra-regional markets where economic planning could not. Smoked eel from the Baltic was difficult to find in Berlin, for example, while schnapps was harder to find outside the capital. But barter is highly inefficient, requiring a double coincidence of wants to function, whereas money is completely fungible and therefore more attractive – provided of course that it is good money. There is some evidence that the meat clerks accepted East German marks in these deals, but it is also clear that they found other forms of currency more attractive. Some western consumer goods, for example, functioned like near monies: West German coffee, especially *Jakobs Krönung*, was not brewed but instead circulated unopened, almost like a currency. Most desirable, however, were West German marks.

The *Deutsche Mark*, or DM, had always been a part of the GDR's economy. Even after the construction of the Berlin Wall in 1961, a trickle of DM found its way into East German pockets through the gifts and gratuities left by western diplomats and journalists. But Erich Honecker changed this shortly after he assumed power in 1971. Beginning in 1972, Honecker responded to *Ostpolitik*, or the West German variant of détente, by trading political liberalization for hard currency in an effort to improve East German living standards. Specifically, Honecker established a pattern of relaxing travel restrictions between the two Germanys in return for massive infusions of West German cash. For the first time since the construction of the Berlin Wall, large numbers of

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<sup>30</sup> As one woman writing to complain about the chronic shortages remarked, “children’s juices are shortage goods or ‘bend-over-goods;’ without connections nothing works” (BArchB, DL1, 26395, petition from 13.10.89).

West Germans could travel to the GDR.<sup>31</sup> Naturally, West German visitors brought with them West German currency, dramatically increasing the circulation of West German marks in East German hands. Gifts from family and friends constituted the main source of western currency. The result was a flourishing illegal market for goods and services in return for West German marks.

Trade on the black market represented a serious challenge to the party's power because it took place beyond the purview of the plan. On the one hand, the black market circumscribed the SED's ability to determine economic behavior. Growing numbers of East Germans were engaged in transactions that circumvented the socialist state, while the state was forced to tolerate this behavior because it helped overcome otherwise insuperable gaps in the supply of goods and services. On the other hand, the shadow economy undermined the value of the East German mark, itself a key instrument of state control over the economy. But black markets also represented an ideological challenge to socialism because they operated on capitalist lines. Trade on the black market employed alternate media of exchange, from social connections to western money, all of which competed directly with socialist ideals and socialist money. Moreover, the principles embodied by these illegal forms of currency contradicted the ideal of consumer egalitarianism advanced by the SED.

To reduce the scope of black market trade, Honecker tried to move it inside the Intershops, or hard-currency stores. Much like the Soviet *Beriozka*, the Czechoslovak *Tuzex*, the Polish *Pewex*, and the Bulgarian *Corecom*, the East German Intershops were initially designed to offer inexpensive

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<sup>31</sup> By the revolution of 1989, some 8 million East Germans were visiting West Germany a year, while around 35 million westerners traveled to the GDR, of whom around 6 million were West Germans (BArchB, DE1, VA 56323, pp. 576, 628; SAPMO-BA, DY30, JIV 2/2A/3252, "Welchen Nutzen haben wir alle aus dem Intershophandel," p. 1; SAPMO-BA, DY30, IV 2/2.039/307, Abteilung Sicherheitsfragen, "Information und Schlußfolgerung zur Durchführung des Beschlusses des Politbüros vom 9.11.1988," 28.2.89, Anlage, p. 129).



western goods exclusively to western tourists as a way of supplementing the GDR's hard-currency receipts. These similarities between the GDR and its communist allies ended, however, when Honecker embarked on an aggressive expansion of the Intershops, opening them to East Germans, aggressively expanding their role in domestic retail trade, and legalizing use of western money in 1974.<sup>32</sup> The result was an explosion in the GDR's intake of hard currency, with Intershop revenues soaring from a mere 170 million West German marks in 1971 to 1.2 billion in the revolutionary year of 1989.<sup>33</sup>

Officially sanctioning the use of western currency, however, did little to make the West German mark less attractive. Instead of reducing the presence of western money and all that it symbolized, the Intershops only made the extent of its circulation more apparent. The gradual depreciation of the East German mark, moreover, accrued a political dimension once the regime gave its official blessing to a two-currency economy, in much the same way that the party leadership's public preference for Volvos devalued the domestic automobile industry.

The corrosive social effects of the Intershops were closely linked to the social value ordinary East Germans attached to the *Deutsche Mark*. This value was not restricted to the potential represented by the currency to purchase high-quality commodities, or even the prestige attached to these products because of their scarcity or western origin. Rather, the West German mark was

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<sup>32</sup> BArchB, L1, 3077, "Protokoll vom 17.8.1954," p. 37, cited in: Katrin Böske, "Abwesend anwesend. Eine kleine Geschichte des Intershops," in: Neue Gesellschaft für bildende Kunst (ed.), *Wunderwirtschaft. DDR-Konsumkultur in den 60er Jahren* (Cologne, Weimar, and Vienna, 1996), p. 215; Council of Ministers decree, "Gründung spezieller Einrichtungen für den Valutaverkehr auf dem Gebiet der DDR,," 4.1.62; BArchB, DL2, 1005, "Analyse der Entwicklung des Intershophandels im Jahre 1976," p. 4; BArchB, DL2, 993, Schalck to Sölle, 23.8.76; SAPMO-BA, DY30, Vorläufige SED 42023, "Standpunkt zur ADN-Information über den 'Beschluss des Ministerrates der UdSSR über Maßnahmen zur grundlegenden Vervollkommnung des Intershopssystems'," p. 8; Armin Volze, "Die Devisengeschäfte der DDR. Genex und Intershop," *Deutschland Archiv* 24:11 (1991), p. 1150.

<sup>33</sup> See the reports in SAPMO-BA, DY 30, Vorläufige SED 42023, and BArchB, DL2 992, Panse, "Geschäftsbericht 1989," 2.2.90, p. 14.

imbued with the nimbus of an alternative value system that appeared to promise East Germans all that economic planning could not. Legalizing trade denominated in hard currency, however, was tantamount to legitimizing capitalist relations in the GDR. The SED's attempt to shore up the socialist state by embracing the West German mark also reinforced the popular tendency to look to the West rather than the East. For example, East Germans adorned their bathrooms with empty western cosmetic bottles, venerated "violins," as West German 20-mark notes were known because of the violin on the reverse, and eagerly sought "blue tiles," slang for the blue-colored 100 DM note. Ironically, the SED's own economic practices were eroding the ethical and financial ground on which the model of socialist consumerism stood.

The proliferation of meaning that accompanied the increased circulation of western consumer goods because of the Intershops reflected the SED's failure to devise a genuine alternative to the capitalist model of consumerism. The western provenance of the cosmetic bottles, for example, hinted at a mystical realm of abundance just beyond the Wall that enclosed the GDR, conferring status on the householder by implying access to that fabled world of goods. The ornamental function of the make-up bottles also suggested a strange inversion of plenty over penury: The western packaging, emptied of its contents, advertised an association with capitalist consumerism. Drained of their "useful" meaning, the bottles functioned as metaphors for the capitalist system that produced them. Precisely because they were physically empty, moreover, the bottles represented a curious reversal of the SED's productionist hierarchy, which privileged use value over exchange value and functionality over fashion.

Making the Intershops an integral part of the party's domestic retail strategy also introduced new social conflicts into East German society that belied the egalitarianism of the SED's consumer ideology. These new rifts in the social fabric of the GDR did not manifest

themselves in traditional Marxist-Leninist categories of analysis, which were based on an individual's relation to the means of production, the cultural capital implicit in their social background, and their political loyalty to the Workers and Peasants State. Instead, social conflict under Honecker came to be defined by German rather than class divisions, by accidents of birth rather than any labors of socialist love – in short, by access to West German currency and the nimbus of western lifestyle surrounding it. Most of those blessed with West German money owed their access to it to ties of family or friendship – which automatically excluded most party members, who were obliged to cut off all contact with the Federal Republic. Rather than rewarding people loyal to the regime, then, or improving the position of the working class, the Intershops system privileged the very people whose sympathy for the GDR was most likely to be the least enthusiastic. Nor did the party's ideological resourcefulness prove adequate to the task of explaining away this new and contradictory distribution of privilege.

For their part, East Germans who had no access to hard currency sought to appeal to the regime's egalitarian sensibilities against the Intershops, flooding the regime with letters of complaint. One woman, for example, charged that

the GDR is a socialist state, in which the privileges of certain people should be abolished. That is why I am indignant about the Intershops in this country.<sup>34</sup>

Many letters written to party officials, however, journeyed on to the next logical step. They inverted the relation between egalitarian ideology and divisive practice, demanding uniform access to West German money, and the Intershops along with it, as a right that should be accorded everyone in keeping with the regime's advocacy of social equality. Another woman wrote Honecker to demand that “in the future, West German marks are to be part of monthly

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<sup>34</sup> BArchB, DL2 930, petition from 4.2.88.

salaries” so that everyone might have the opportunity to shop in the hard-currency stores.<sup>35</sup> In another curious reversal, many East Germans linked moral probity to western money. One man, for example, denounced

the corruption and fraud blossoming in all walks of life. The only way to remain honest is to obtain West German marks. That’s why I would like to apply for 50 percent of my salary to be paid out in West German marks.<sup>36</sup>

Increasingly, the population was inclined to link economic performance, as measured by the supply of western currency, to questions of political power.

Because it was so difficult to obtain yet so useful, capitalist currency took on the very fetishistic qualities that Marxism-Leninism denounced so vehemently. The particular fascination with the West German mark revolved around the ability attributed to it – by the regime as well as the populace – to resolve a variety of practical problems. The broad powers ascribed to western money because of its ability to overcome adversity are aptly satirized in the following East German joke. “Question: What does the repairman say when he arrives? Answer: What Forum does your problem take? (*Forum geht’s denn?*)”<sup>37</sup> The joke substitutes the name of the Intershop parent company (*Forum*) for the German conjunction “what” (*Worum*), with which it rhymes. Not only does it poke fun at the capacity of hard currency to extract necessary services from repairmen, but the joke also highlights the power of service providers in an industrial economy that suffered from chronic shortages of parts and labor. The discrepancy between these material shortcomings and the regime’s promises, of which there were no shortage, invited this sort of mockery. What should have

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<sup>35</sup> BArchB, DN10 931, Wunsch, Bezirksdirektion Erfurt, “Analyse über die Entwicklung der Eingaben im Verantwortungsbereich der Bezirksdirektion Erfurt, 2. Halbjahr 1988,” 23.12.88.

<sup>36</sup> BArchB, DG7 VA-1813, petition from 16.5.89.

<sup>37</sup> Wagner, *DDR-Witze*, p. 95. See also the variation in: BStU, MfS BKK (KoKo) 819, HAZ, 28.1.89, p. 4.

given Honecker pause, however, was less the criticism itself. The population circulated jokes in defiance of the regime, just as it did with western money and merchandise. The real danger to the SED lay in the concrete solutions to their problems that East Germans perceived in the GDR's West German rival.

Similarly, jokes began circulating in the late 1980s that poked fun at the SED's official explanations of the differences between capitalism and socialism. According to one joke, an East German pensioner is permitted to travel to West Germany, and when he returns, everyone wants to know what it was like. "Well," he says, "it's basically the same as here – you can get anything for West German marks." The joke derives its humor from its insinuation that ideological and social differences between East and West Germany have been reduced by a common denominator – West German money. Another joke highlights the extent to which western consumer ideals had become familiar because of the party's own practices. Have you heard the news, it begins. A People's Policeman ran into an Intershop the other day, jumped over the counter, and asked for political asylum.<sup>38</sup> Clearly, the distance between the Intershops and monetary union that would unify the two German states was narrowing.

Party leaders were not blind to the political consequences of their economic policies. In a 1988 meeting, for example, Honecker grumbled that "some people act as if our money is worth nothing."<sup>39</sup> But the solutions they devised only furthered the penetration of the monetary paradigm, with its alienating effects, into every sphere of life. By the late 1980s, the SED was even willing to adopt pecuniary incentives to improve the planned economy. To return to our story of meat-counter

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<sup>38</sup> Reinhard Wagner, *DDR Witze Teil 2. Lieber von Sitte gemalt, als vom Sozialismus gezeichnet* (Berlin, 1997), pp. 93, 107.

<sup>39</sup> BArchB, DE1, 55384, Klopfer, "Persönliche Notizen über eine Beratung von Mitgliedern der Parteiführung," 22.11.88, p. 5.

clerks, East German consumers were confronted during most of 1988 and 1989 with closed butchers, overworked saleswomen, a scarcity of meat, and when it could be found at all, a choice between fatty meat or better quality meat obtainable only through the black market. Concerned about consumer dissatisfaction, party leaders launched a thorough investigation of the saleswomen. In the end, management proposed a solution designed to ease the shortages of labor and meat and restore the primacy of the East German mark. Rather than call for the purchase of new equipment to improve working conditions, the managers recommended increasing wages and introducing bonuses for the saleswomen. For the first time, the socialist regime openly adopted market-based solutions to imbalances in supply and demand, using money to ease shortages.<sup>40</sup>

By eliminating money as an agent of economic exchange, East German communists erroneously believed they could eliminate the economic scarcity and social injustice generated by capitalism and replace it with economic abundance and social harmony. Without money, the planned economy would abolish commodity fetishism, stamp out social hierarchies based on the acquisition of material goods, do away with the inequitable distribution of wealth, and eradicate economic and therefore political constraints on human freedom. This virtually moneyless society, organized around an allegedly rational allocation of resources, would shield East Germans from the vagaries of market forces, ensuring full employment, creating economic plenty through non-exploitative production relations, and fulfilling the material and spiritual needs of all of its citizens.

Despite the SED's utopian aspirations, however, the partial elimination of money failed to free East Germans from economic need and social want. Instead, economic planning resulted

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<sup>40</sup> SAPMO-BA, DY30, Vorläufige SED 31984, Abteilung Handel, Versorgung und Außenhandel to Abteilung Parteiorgane, 21.8.89, p. 1, VdK der DDR, "Operative Versorgungskontrolle," 26.9.89, p. 2, and "Ursachen," no date, p. 2.

in stagnating productivity, infrequent innovation, diminished efficiency, chronic waste, and frequent shortages. The SED's economic policies also generated the very kinds of social inequities based on material and spiritual want for which it criticized the West. Under Honecker, the party even contributed to the commodification of East German life by adopting western models of consumption and expanding the Intershops. Perhaps most paradoxically, socialist money, which was supposed to act as a conduit for social justice, had become a source of shortage and a symbol of disenfranchisement, whereas capitalist currency seemed to possess supernatural powers. By the 1980s, moreover, the glaring incommensurability between the SED's aims and its accomplishments had exhausted communist ideology as a political force. The equation of anti-capitalism with anti-fascism that had proven particularly disabling to generations of older Germans was unable to convince younger Germans who had no direct experience of Nazi rule that economic privation was ennobling. To bolster its grip on power, the party was increasingly forced to rely on the tools of its capitalist rivals, which only intensified the discrepancy between its daily recitation of socialist ideals and the reality of its political interests.

Similar combinations of tangible economic decline and ideological hypocrisy helped delegitimize communism throughout the East. What distinguished the GDR from other Soviet-style regimes was its peculiar status as a socialist state forced to compete in a divided national space with a powerful capitalist foe. When compared to the magnitude of West German successes, the relative failures of the East German planned economy loomed even larger. In real terms, the East German experience of economic shortage was certainly less acute than the Polish or Romanian experience. Yet the point of reference for East Germans was not eastern Europe, but West Germany. As a result, the SED had to contend with an economic morass of its own

making, as well as widespread rumors and televised reports of a vastly superior West German economy. The regime's persistently mendacious approach to the GDR's failures and its reliance on the Federal Republic, however, delegitimized the socialist state while solidifying popular orientation toward West German society. The SED had not simply exhausted the sources of its political legitimacy, it had also created the material conditions for its own demise.

Even as East Germans struggled to liberate themselves from the SED in 1989, however, the legacy of socialism continued to shape their perceptions. Forty years of communist rhetoric and the everyday experience of real-existing socialism, rather than any "natural" preference for capitalism, convinced East Germans to embrace West German money and the political institutions that accompanied it. Money, the object of the SED's utopian passions, unmade the GDR and then unified Germany.

Next to the Stasi, the East German mark was one of the most important targets of popular protest during 1989. In part, this was because the weakness of the socialist currency served as a compelling metaphor for all that was wrong with the GDR, providing demonstrators with an excellent opportunity to express their anger at the SED's hypocrisy and incompetence. Yet East Germans did not articulate their outrage at the party's arbitrary and inept rule in the categories of western liberalism. Instead, the SED's attempt to subordinate economy to society had conditioned East Germans to frame economic problems in moral terms. Infuriated by the discrepancy between what the communist party preached and what it practiced, East German demonstrators denounced the regime's platitudes, inscribing parodies of socialist maxims on their own revolutionary posters. They demanded fulfillment of the basic goal of Marxism – the right of workers to enjoy the fruits of their labor – in such catch-phrases as "Hard money for hard work."<sup>41</sup>

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<sup>41</sup> Ewald Lang, *Wendehals und Stasilaus. Demo-Sprüche aus der DDR* (Munich, 1990), p. 164.



Other slogans linked politics more directly to economy, using money as shorthand for the shortcomings of socialism. As one of the more pithy mottoes put it, “Marx on the currency – Muck in the economy.”<sup>42</sup> By equating Marx with material failure, the play on words asserted a causal link between Marxist-Leninist ideology and the GDR’s economic woes, with money relating the theory to the practice of economic planning. Where the party had adorned the 100-*Ostmark* note with Marx’s austere visage to confer moral authority on its control over the economy, the play on words coined in the streets suggested that the SED’s willingness to back East German marks with Karl Marx was the cause of the country’s economic decline.

Even the controversy over the freedom to travel, which would bring down the Wall, had more to do with money than any abstract notions of liberty. From the start, East German protesters demanded that the state remove the financial as well as the political obstacles to travel, echoing the SED’s claim that political liberty is contingent on economic freedom.<sup>43</sup> But holding the communist state responsible for the gap in purchasing power between the East and West German mark was not merely a popular attempt to turn the SED’s own arguments against it. The demand that the GDR subsidize travel to the FRG revealed the extent to which East Germans had accepted the premise that the state had a moral obligation to shield its citizens from the market and provide them with the financial means to exercise their legal rights.

In deciding what should become of the GDR, however, the popular confusion of wealth with money turned out to be more fateful than the legacy of paternalism. Communist monetary theory, which held that money was the embodied form of labor, and communist economic

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<sup>42</sup> “Marx auf der Währung - Murks in der Wirtschaft” (mdv transparent (ed.), “Wir sind das Volk.” Aufbruch ’89, Teil 1: Die Bewegung. September/Okttober 1989 (Halle and Leipzig, 1990), title page).

<sup>43</sup> Even reform communists agreed that the government should help East Germans realize their right to travel freely by providing them with 500 DM a year (Bohlener Treffen, “Für eine Vereinigte Linke,” 13.10.89; in: Zeno and Sabine Zimmerling (eds.), *Neue Chronik DDR*, Folge 1 (Berlin 1990), p. 120.

policy, which had encouraged an equation between West German marks and consumer plenty through the Intershops, had convinced East Germans that West German money not only had the power to command real resources, but was in fact equivalent to wealth. In the chaotic aftermath of the Wall's collapse, this fundamental misapprehension about the meaning of money increasingly led East Germans to view a currency union with the Federal Republic as the best solution to the challenges facing the GDR.

By December 1989, the asymmetry between East German consumer demand and West German supply had provoked a crisis of confidence in the *Ostmark*, no doubt intensified by memories of the two currency collapses in recent German history. In addition to their concern that their own money might become worthless, many East Germans were disturbed by the social implications of the influx of D-Mark. One politician in Leipzig, for example, relayed popular fears that "social tensions between those who possess DM and those who do not will increase. Hard work, ethical values, and morality will fall victim to speculation in DM and corruption by ordinary people. Young people will continue to leave our country."<sup>44</sup> From this perspective, the only solution was to ensure social solidarity by importing the *D-Mark*.

By January 1990, the GDR had been plunged into an existential crisis. The weakness of the socialist currency, the GDR's large debts, the SED's intransigence, and the anti-capitalist gestures of the opposition convinced increasing numbers of East Germans to take advantage of the open border and migrate westward.<sup>45</sup> Those who remained also wanted a market economy. But

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<sup>44</sup> SAPMO-BA, DY16, Vorläufige 2764, Jahn, Stadtbezirksverband Leipzig-Nordost, 20.12.89, p. 1. See also the official representations of popular complaints in: SAPMO-BA, DY30, IV 2/2.039/321, "Hinweise über die Reaktion der Bevölkerung," 24.11.89.

<sup>45</sup> Jonathan R. Zatlín, "Hard Marks and Soft Revolutionaries: the Economics of Entitlement and the Debate over German Unification, November 9, 1989 – March 18, 1990," *German Politics and Society* 33 (Fall 1994), pp. 57-84.

stripping the GDR of the economic rationale that had formed the basis of its identity and set it apart from West German capitalism called into question the very existence of the “better Germany.” While the risks involved in reforming the planned economy seemed great, the political and economic institutions that had conferred prosperity on West Germans were there for the asking. In fact, unification with their wealthy neighbors promised to rescue East Germans from an almost certain reduction in their comparatively modest standard of living. In the climate of constant revelation that prevailed in December and January of 1989/90, when newspaper headlines and television shows revealed new discrepancies every day between the party’s lofty claims and the sobering realities of the GDR’s economy, such a rescue seemed increasingly attractive.

Mirroring this development, the slogans protesting the SED’s hypocrisy mutated into formulas demanding unification. Thus, the anti-authoritarian chant “We are the people” was swiftly replaced by the appeal to national solidarity “We are one people.” In keeping with East German political culture, however, the crowds chose an economic path to political union. In a coda to the revolution, millions of East German demonstrators expressed their desire for political freedom in terms of West German money, chanting “If the *D-Mark* comes to us, we’ll stay here/If not, we’ll go over there.” Their experience with enforced underconsumption and the GDR’s confused monetary regime, together with the revolutionary chaos, had convinced them that possessing West German money meant acquiring West German wealth.

Although both East and West Germans are prone to forget it, unification was not imposed by the West. Ordinary East Germans made it inevitable by deploying the threat of continued outward migration and demanding integration with the Federal Republic in large-scale demonstrations. Far from reunifying Germans, however, sharing the D-Mark has only exacerbated political differences and fueled cultural resentments. In the East, economic underperformance has

enabled the political successors of the SED to speak for regional interests. East Germans express anger at West German triumphalism and arrogance, but flee into the comfort of memory before the hegemonic influence of West German culture. The forgiving process of reminiscing transforms the camaraderie of deprivation that characterized the dictatorship into a cozy social solidarity that never was.<sup>46</sup> Although there is little support for a return to communist rule, the phenomenon of “Ostalgia,” or nostalgia for the (supposed) simplicity and (coerced) cohesion of the GDR, continues. Most ironically, East Germans have colluded in the commodification of communism, purchasing consumer goods, such as marmalade, that sport old socialist labels even though many of these products are now manufactured by West German firms. In this manner, the communist presentation of “the people” as a harmonious and monolithic subject lives on in East German memory. Similar regrets over unification have appeared in the West. Anger that years of financial sacrifice have brought such meager results has led to an outpouring of public anger directed at East Germans and nostalgia for the old West German polity.<sup>47</sup> As it always does, economic scarcity breeds envy and discontent. In the East German case, cultural perception continues to trump economic logic and historical agency.

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<sup>46</sup> Jürgen Habermas, *The Past as Future*, trans. Max Pensky (Lincoln, Nebraska, 1994).

<sup>47</sup> See, for example, the title cover of *Der Spiegel* 15 (2004), “1.25 Trillion Euros for What?” and the bestselling book by Gabor Steingart, *Deutschland, der Abstieg eines Superstars* (Munich, 2004).