

**Accounting for Money: Keeping the Ledger of Monetary Memory in Germany**

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Ursula M. Dalinghaus

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Professor Karen Z. Ho, Ph.D. Advisor

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## **Dedication**

For Daphne Berdahl

and

Diane Dalinghaus

and

Angeliki Niteros

## **ABSTRACT**

This dissertation traces the socio-economic problem spaces and afterlives of the 1990 currency and economic union between West and East Germany, and the parallel process of creating the European single currency. Based on two and half years of full-time multi-sited (geographically and institutionally) fieldwork in Frankfurt am Main (West) and Leipzig (East) Germany, I show the pragmatic challenges of defining, enacting, and materializing relations of solidarity and obligation through new forms of monetary relations. I argue that the long and fraught histories of harmonizing east and west German regions offer critical insights for analyzing the new fault lines emerging between ‘core’ and ‘periphery’ nations in the euro-zone. My project therefore makes a contribution in narrating currency unions as emergent technical and social relationships, through which expert and lay understandings about money and economy are unwound and remade over time. In pursuing this line of inquiry, a key focus of my research included participatory research on the communications work of the German Central Bank (Deutsche Bundesbank) in Frankfurt am Main and Leipzig.



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## Chapter 1: Introduction

“The question is not *whether* to remember or to forget, but *what* to remember and to forget, when and in what context”(Grosz 2004)

In 2008 I met with Herr Schultz at his apartment in Leipzig-Gohlis, (former East Germany). Herr Schultz was speaking about the euro long before the beginnings of the present euro crisis (2013 at the time of this writing). Yet his articulate analysis by now resonates within multiple temporalities of currency shifts and economic crisis.

Schultz worked as underground engineer drilling natural gas in the GDR. He wanted to study at university. He was not allowed to do so because his father had been a private businessman (long into the socialist period). As Herr Schultz noted ironically, I was labeled a “capitalist” child. He became a small-business entrepreneur himself after unification, opening the first joint West-East tourism office with Lufthansa sponsorship: at the time a new business concept. Within the space of four years he and his wife had opened four different offices. Business was going well. Herr Schultz even had the chance to travel to exotic parts of the world, a dearly held dream of most East Germans trapped by the wall dividing East and West.

Little did Herr Schulz imagine, but the seeds of failure had already been sown in the credit arrangements for his new entrepreneurial venture. Little did he know at the time that the demise of his venture was one of many other examples in which the currency union would contribute to a contradictory logics in which monetary value could be represented as absent, yet exploited at the same time (I will return to this problem in later chapters). Herr Schulz received a loan from one of Germany’s large *Geschäftsbanken* (investment bank). As a small entrepreneur, he had arranged a 50% partnership with Lufthansa to ensure capital for his business. He submitted the paperwork to the bank on time. However, the bank did not process the paperwork until eight months later, after Herr Schultz had already opened his business. Unbeknownst to Herr S. or the local tax accounting office (*Steuerkanzlei*), the bank had already begun proceedings

against him, charging 17,5% on his loan. His troubles did not end there. The bank broke bank privacy laws by disclosing his business plans to a competing firm. Even though Herr Schultz had a strong case against the bank, by the time he learned of the bank's missteps, the window of time in which it was legally possible to file charges against the bank had run out. He was advised to transfer to his wife's separate bank account all of his capital for the business or risk having it seized by the bank. Upon transferring the funds, however, his wife left him, taking the cash with her. With a twinge of irony, Herr Schulz explained he had been married once before, during the GDR period. This also ended badly when someone—his wife or a member of her family—reported his wish to commit *Republikflucht* (escape to West Germany). Herr Schultz's application to teach with aid services in a developing country (with political ties to the GDR) was turned down. Herr Schultz joked: I lost my first wife for political reasons, and my second wife because of money!

Herr Schultz now works as a motivational instructor for hard-to-employ youth. He draws on his many work experiences in different fields to show youth how it is possible to gain valuable knowledge and work skills even in the hardest of circumstances. Such experiences have also given S. a certain insight into the meanings of money and the particular problems of economic integration on the ground. I asked him if he saw differences and parallels between the German and European currency unions. He surprised me, not only by having quite a lot to say on the matter, but also confirming to me in certain terms that there was something lurking behind the usual reluctance of interviewees to make the comparison at all. He described the complex entanglements through which two currency unions, separated in time, and each having their own sets of narratives and logics, take on their ambiguous status in post-unification Germany. East Germans' dissatisfaction with the euro "is a two-fold problem," Schultz explained, "because we have German unification":

German Unification also brought a social reordering, and this reordering of society remains incomplete, both economically and socially. And the second point is that the East German Mark became the Deutsch Mark because many held the view that the Deutsch Mark was the most stable currency after the Dollar. So

since 1990 we have this social breach (change) and new strategies for society, that are still not fully developed. And in this process of uniting Europe, which had already been taking place in the Federal Republic for several decades, we (the GDR) were abruptly part of this European community, and then parallel to this, the changeover to the euro. As you know in the US, the euro is a very interesting, stable currency,<sup>1</sup> but because of the economic problems in East Germany that have yet to be overcome, it has hit us with grave consequences. The reason is as follows. In East Germany we have double the unemployment because many did not understand the economic consequences of the rapid unification process.”

Herr Schultz then reiterated a dominant narrative in Germany about the role of Chancellor Kohl in shaping the outcome of Unification. Unique factors allowed Kohl to take advantage of the small window of opportunity to re-unify Germany, economic arguments to the contrary. As Schultz explained it, the economic aspects of unification have yet to be clarified, or effectively implemented:

While many factories and business did not work efficiently, others did but these were simultaneously potential competition for West German businesses and thus these unwanted competitors had to be eliminated. So there was never a chance to recover. The *Treuhand* (Privatization Trust) also opened the doors to criminal activity, or at least could not prevent such activities from occurring. The European currency union, on top of an already unstable context with few capital resources, little investment, and absence of industry, has created social discord and uncertainty among the public. The changeover to the euro at first divided the prices in half, but with the rate of rising prices, the DM and euro are in a one-to-one relationship. Even I find myself converting between the euro and the DM. The euro is stable and will probably be the leading currency over the dollar... Globalization has brought many good things, but there is a lot to critique. Here in Germany, we don't speak about the free market but rather the social market economy. But this market is no longer social, particularly with rates of childhood poverty at 1,5 million...

So, it is not possible to separate the European currency union from the problems of German unification. Other former socialist countries such as Poland or Hungary also experienced these historical shifts, but they don't have the problem of unification, involving large monetary transfers. A lot of money has been transferred from West Germany to the East in order to create an economic balance, and this has created a range of problems that remain unresolved.

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<sup>1</sup> This was during the US financial crisis, but before the euro debt crisis.

No matter the “exchange value of a currency,” Herr S.’s experiences underscore how monetary value is subject to multiple registers, and its reconfiguration not without consequences. Arguments about the relationship between money and labor productivity, between earned pension funds and work biographies are an ongoing problematic of German unification, specifically the translations of value that occurred with the currency union. One could argue that socialist money became more real after the fact: at the moment of its devaluation the East German Mark was understood not in terms of its value in the capitalist west, but within the context of work, consumption, and savings as it was defined and lived in the GDR.

When I asked one close friend and respondent about her memories of the currency union, she said, “What do I remember? Back then everything was new. Back then it was impossible to make any real judgment about it. I knew what money was worth in the GDR, how much everything cost—rent, bread, the everyday things one needed had stable prices that seldom changed. But then *everything* was suddenly different. Not just prices, but everything: work, professional qualifications, insurance —money was only part of it.” The socio-economic ruptures of German unification get enfolded in calculations of gain, loss, and misunderstanding in complex ways, not all of which are immediately at the surface of public discourse. Calculations of cost and benefit, of new possibilities but also lost hopes are shared by, but also distinguish East and West German experiences of economic transformation in EU-Germany.

My dissertation examines the meanings and effects of two currency union projects: the 1990 currency union between West and East Germany, and the European Monetary Union, marked most viscerally by the introduction of euro notes and bills as legal tender in January of 2002, in Germany<sup>2</sup>. In examining how money is understood to be a particular mediating agent and form in these projects, it has been my concern not to accept at face value money’s universalizing features. Rather, I have been interested in how money, as a particular currency embodying both economic and socio-historical agency, shows how monetary projects might be apprehended as something more than

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<sup>2</sup> The euro was introduced as book money in 1999. Thus, 1999 is the official beginning of the euro.

formal agreements in technocratic language and rule-bound regulations. If, as many scholars of money remind us, money is not a thing but a social relationship, then how do people understand the new relationships that money mediates in these arrangements? In my understanding, the reconfiguration of monetary relations is not simply a substitution of one currency for another, but is at once a new set of social, institutional, political and economic relations mediated by money.

I trace the socio-economic problem spaces and afterlives of these projects. I show the pragmatic challenges of defining, enacting, and materializing relations of solidarity and obligation through new forms of monetary relations. I argue that the long and fraught histories of harmonizing east and west German regions offer critical insights for analyzing the new fault lines emerging between ‘core’ and ‘periphery’ nations in the euro-zone. My project therefore makes a contribution in narrating currency unions as emergent technical and social relationships, through which expert and lay understandings about money and economy are unwound and remade over time.

In Germany currency unions have been at the center of two unifying projects: German Unification and European ‘integration. While an almost mythic story highlights their interconnection, it is far more common to differentiate them. My project has been concerned with understanding how and in what ways these projects are thought to be entangled and mutually constitutive. Just as important, I have tracked some of the ways in which these are understood to be radically different and temporally bounded endeavors. What work do re-definitions and displacements do, and to what ends? The 1990 currency union was both a re-founding of the German state and a settling of accounts with multiple and morally fraught ‘pasts’.

Monetary unions shape and impinge upon multiple domains of daily life. From consumer and banking practices to the crossing of borders, and ultimately faith and trust in new monetary entanglements of obligation, the introduction of the euro reaches into people’s lives in ways that exceed the changing of interest rates or ‘regulating’ the money supply (or inflation targeting). My study is thus an effort to place macro-economic narratives and assumptions and the experiences of the broad public into the same analytical frame. Given the particular collective and visceral dimensions of these events

and their ‘afterlives’ I wanted to understand how alternative modes of understanding the meanings and effects of ‘distant monetary policy’ could offer a frame of reference that is reworked in the different readings of its effects over time, and in light of new historical conjunctures of transformation and crisis.

This dissertation argues that the process of legitimizing the new euro currency aims to inscribe it with the collective meaning of national currency but simultaneously hold ‘national’ meanings at a distance. The technical knowledge, language, and practices of creating and managing a stable currency become effective but fragile and contested forms through which trust is built. The afterlives of other monetary arrangements, re-orderings, and revalorizations are actively remembered, forgotten, and reworked. This is an effort to trace the historicity of money as monetary events with reverberations that exceed the instance of transformation.

### **Methods/Sites/Problem-Spaces**

I examine experiences of German and European economic integration in Germany since 1989. Based on two and half years of full-time multi-sited (geographically and institutionally) fieldwork in Frankfurt am Main (West) and Leipzig (East) Germany, I chose these sites to understand how currency shifts and economic transformation have been experienced in different, yet interconnected ways in West and East Germany by experts and the public. I suggest that the currency union between socialist and capitalist German economies in 1990 *prefigured* and *haunts* the instabilities now emerging at the euro’s moment of crisis.

My research shows that the economic effects of the German monetary, economic and social union over twenty years ago remain unresolved issues within Germany. This stands in stark contrast to German responses to the current euro crisis where failures of integration are framed as lying outside Germany’s borders. Within Germany, however, laments about the financial burdens of paying for the East have occluded how deindustrialization, dispossession, and demographic decline shape and also erase East German contributions, work biographies and economic futures. I argue that the failures



and violent ruptures of German economic integration must be understood *through*, and *not apart from*, the currency union with West Germany. It is precisely here that paradoxes and dilemmas faced by *both* West and East German experts, institutions, and the public are viscerally evident.

The technical measures that underlie such currency union projects are not value-neutral and outside culture as experts claim. My project has thus been concerned not only with the social effects of this currency union, but also the technical problems of conversion through which it has been understood. The German currency union is predominantly viewed as an exceptional case of monetary union, an anomaly that renders the logics of value it inscribed invisible. For instance, by framing East German money as *without value*, it appears as if no economic value was lost in the conversion. But measures of equivalence do not transparently represent the economic difference between capitalism and socialism; they are instead moral arguments about the radical incommensurability of the political-economic Other. The technical details of these monetary conversions must therefore be understood as moral forms through which power and inequality have been differently recognized, disavowed, and mobilized in the complete social reorganization of East Germany. Currency unions thus *re-figure and are also shaped by* cultural logics of exclusion, even as they are predicated on unifying difference. By reframing currency unions as ongoing problems of translation and unruly accounting acts, I demonstrate how public contestations of the euro and EU integration can likewise be analyzed as a crucial interface through which expert practices are re-defined.

Methodologically, I organized my fieldwork around participant observation of peripheral work within a powerful institution (the German Central Bank/*Deutsche Bundesbank*), and movement between the financial center of Germany and its East German periphery. My approach was purposely multifaceted and eclectic in order to pry open the cultural logics and lived contexts of German and European currency projects. First, I conducted ethnographic research on the public relations work of the German Central Bank to show how the introduction of the euro necessitated an opening up of financial technical expertise. The Bundesbank considers this work to be important

because of its commitment to transparency and communication with the public, guarding carefully what can be said, but it also considers this work secondary to the technical matters of monetary policy. Communication staff thus negotiated multiple hierarchies within and outside the institution in their work. Simultaneously, my ethnographic research in Leipzig included local institutions and events in which Europeanization and the historical process of division, dictatorship and transformations since 1989 are represented and publically debated. Respondents working in and interacting with these institutions were caught up in dominant efforts to re-define and *process* (work through) the East German past. But this form of political commemoration often negates and delegitimizes easterners' lives during socialism, often placing subjects and institutions in a double bind in addressing problems of Unification. Through participant observation, interviews, and informal conversations I have traced personal histories and their interconnections with the broader macro-economic processes that currency unions reflect. Respondents in both cities come from all walks of life, from financial and scholarly experts, to key witnesses and participants of the transformations before and after unification, to grandmothers and their grandchildren visiting the *Geldmuseum* (visitor's center) of the Deutsche Bundesbank. The historical actors, experts, and ordinary Germans who participated in my research are themselves crosscut by institutional hierarchies, east/west asymmetries, and differently valued life histories and avenues of influence. With these multiple and differently positioned sites and subjects, then, I show how monetary policy depends upon public perceptions and people's daily money repertoires. My research contributes to the ethnography of financial institutions and is the first ethnographic study of the Bundesbank's communications work with the public.

The 1990 currency union seems to be a matter of the past, the euro is understood to be an ongoing, emergent and—according to many—an irreversible project facilitating every deeper integration in Europe. My research has been concerned with the remainders and 'afterlives' of the 1990 union as it sometimes erupts in and unsettles the certainties of present European agendas and claims surrounding the euro.

My queries into the interconnections between currency shifts, new forms of monetary relationships, and the project of European and German integration were both

timely and untimely at once. Untimely in the sense that the main action of both had already passed. Though the euro was only a few years old by the time of my fieldwork, it was already assumed by most academics and elites to be a done deal, no longer worthy of much scrutiny. The monetary changes of German unification were further removed in time and space, with the physical walls and fences that had once divided east and west no longer visible on the landscape. Yet in both cases, there continued to be so-called mental conversions and obdurances. If the euro continued to be met by repeated price comparisons with its D-Mark predecessor, then unification more broadly could often be subject to complaint via the ever-resistant “wall in people’s heads.” If the euro was imposed on the German public by its visionary elites in concert with other European technocrats, then the introduction of the West German mark to the former GDR was the result of popular demands from the streets of Leipzig, Dresden, and Berlin. Ostensibly the euro would bring new and more transparent consumer possibilities while the granting of the D-Mark to the east in the 1990 currency union and its subsequent substitution by the euro would be the political price for a unified Germany.

Because I wanted to think through the logics, claims, and pragmatics of the European monetary project this dissertation asks how the ‘intra-German’ experience might offer parallels into the long-term effects and meanings of ostensibly technical matters. In posing this question I do not mean to imply that the technical is outside, or separate from cultural meanings, discourses, and beliefs. Rather, I am interested to understand how diverse subjects enacted, re-worked, internalized or contested the technical matters presumably beyond their control. Given that the euro has been widely perceived in Germany and beyond as a technocratic vision and monetary regime designed by political, economic and technocratic elites, and imposed on ordinary citizens who, in Germany, were not eligible to voice their acceptance and/or rejection in a national referendum, I wanted to understand why public critiques and discontent about the euro were taken so seriously by many of my respondents at the Bundesbank.

In both projects, the transformative effects of shifting currency regimes have been the subject of immense, if uneven and contradictory expressions of solidarity, belonging, and obligation.

While ‘ordinary people’ are ascribed extraordinary agency in ‘demanding’ the 1990 currency union, the euro is perceived as the outcome of decisions and plans imposed from above—a matter about which the public has little ‘choice.’ This is ironic given that the benefits of the euro are conveyed in terms of consumer freedoms and choice. The Bundesbank was anxious about public critiques of the euro. On the other hand, the project could be displaced as a project of the politicians, which the Bundesbank must manage. There was a concern to cordon off monetary policy and the tasks of central banks from other financial matters. The Bundesbank should have a uniform institutional message (hence, no privileging of the East). It should also emphasize its role as only part of the European system of central banks. At the same time, by sticking to the technical modalities of price stability, but maintaining particular German concerns, differences between the Bundesbank and the ECB seem to be a means of defending a particularly German stance in the euro project, and more recently, in sometimes differentiating Bundesbank priorities from those of the ECB during the euro crisis.

The euro is a binding relationship between member nations that use it and part of an unprecedented (some would now say flawed) “architecture” in which monetary policy is disconnected from fiscal and political union that supra-national level. That is, there are no mechanisms for transferring funds via taxes or social transfers between member states in the event of unequal developments or economic shocks within particular regions (or nation-states).

An important aim of my project has been to imagine technical, macro-projects in concrete ethnographic terms. I do so in a number of interconnecting ways that suggest but also exceed any ambition to identify these as inevitable networks that can be traced straightforwardly. In many respects, my study is an effort to place macro-economic narratives and assumptions and the experiences of the broad public into the same analytical frame. In doing so I do not mean to imply that one can simply connect the dots. This would be to ignore the complex and multiple forms of mediation on the one hand, and take particular abstractions as ‘really real’ on the other (an irresolvable and contested endeavor to say the least). Instead, given the particular collective and visceral dimensions of these events and their ‘afterlives’ I wanted to understand how alternative modes of

understanding the meanings and effects of ‘distant monetary policy’ could offer a frame of reference that is reworked in the different readings of its effects.

Money is understood to be a generality that transcends particularities and which, as a universal equivalent, is the very agent of substitutability for, and exchange of, incommensurable things. My impulse, then, has been to understand the ways in which it is particularized in German and European projects of monetary integration. This does not mean that the D-Mark or the euro are not also and perhaps overwhelmingly, apprehended as currencies not unlike others. Nor do I wish to overemphasize the strategic ways in which currencies are essentialized in the dominant national or European discourses that circulate throughout the politics that my project seeks to unpack. Instead, my concern is to reflect upon what work currency does and does not do in particular claims about the integrations of markets and persons. If many authors emphasize that money/currency is a social relationship and not a ‘thing,’ then it is all the more important to concretize the ways in which monetary systems depend upon and are intelligible only as social relationships. In what ways, then, do the technical frames through which these projects are explained and understood emphasize some forms of relations over others? How are concepts such as stability, solidarity and obligation enacted and or occluded? In what varied and contradictory ways are differently positioned subjects making sense of these technical ‘arrangements’ in their daily lives, and in the temporal horizons in which futures are planned for and pasts revisited?

Critical analyses of development projects, which is a register through which the 1990 currency union can be read, may wish to highlight the multiple and unintended factors contributing to what is deemed a failed or successful project. In this study, however, I have been concerned to trace the specific ways in which monetary integration and revaluation have been ascribed agency and affect. In tracing this thread I do not wish to then offer a singular or causal explanation, nor do I ignore other factors. Indeed, the cause and effect relationships read through such projects are always already contested, and claims to knowledge of these relations used to discipline or neutralize other relevant critiques. For my purposes, though, I argue that it is nonetheless productive and necessary to trace and analyze the possible afterlives of the beginnings and ongoing (emergent)

relations of currency union projects. In this way, it is possible to understand how particular explanations are naturalized and how processes of subjectification unfold and are immanent to these processes (Balibar 1995; Read 2003), and the possibilities for alternative and critical reflections.

### **Pedagogy of (price) stability**

The Bundesbank understands the value of currency to be absolutely dependent upon trust. Its interactive ‘Geldmuseum,’ which opened in 1999 in Frankfurt, has become a significant means to communicate this to the public. One underlying goal behind the creation of this center was the anticipation of the Euro and the need to explain the rationale and goals of the new monetary policy that would accompany this. Visitors of different ages from all over Germany visit the center including: school groups and teachers, tourists, employees’ families and officials from central banks across the globe, providing an ideal space to theorize the relationship between expertise and practical repertoires of economic experience. The museum is also unprecedented in its systematic representation and explanation of the key elements of monetary policy, the responsibilities of a central bank, and the historical experiences of money. Staffed by specialists who explain the practices of ensuring the euro’s value, the center provides a dynamic vantage point from which to examine ongoing experiences with the euro and its connection with other economic processes and actors. Language and media used in exhibits present different arguments for, and definitions of, the value of currency in affirmation of the center’s mission of eschewing dogmatism in its commitment to transparency.

Bundesbank employees<sup>3</sup> are very much invested in the efforts of their work. The use of statistical data for them is a validation of why things are working and public mistrust of these measures is a source of frustration. As many commentators have noted, economics is often called the dismal science—or as it is stated in the guide to the Geldmuseum, the topic of monetary policy is “dry as dust.” While currency is concrete

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<sup>3</sup> The names of all respondents in this study have been changed, unless otherwise noted.

to people and part of their daily experiences, the abstract theories that inform monetary practice seem far from comprehensible for the majority of the public. There is a desire on the part of museum staff to make this approachable, yet there is an abiding sense of frustration with the language and methods one has available to do this—particularly because changes to exhibits or the language and definitions used to explain key concepts “become quasi political decisions,” as the Museum director told me in an interview in 2006.

The European currency union is an unprecedented economic and historical experiment whose outcome is far from certain. This is evidenced by the fact that some member states have elected not to adopt the euro and that indeed the “economic” arguments for maintaining a single currency remain open to debate as both experts and the public question the economic, political and social implications of membership in such a complex and diverse economic configuration. Many skeptics from diverse political camps continue to question how and to what extent a single economic institution such as the European Central Bank, which has oversight for the entire euro zone and whose members are appointed rather than elected, can be transparent and democratic. Thus, money specialists (central bankers) in particular are tasked with the particular challenge of working to make the euro appear to be inevitable and necessary to the political project of European integration, even if the specificities and technical arrangements of making this work are continually in flux. The question of whether the euro makes more political than economic sense is one that requires money specialists to continually move beyond the safety of technical language and forms of argument in order to remain in dialogue with a non-specialist public. Moreover, as public servants, (not employees of private financial institutions), Bundesbank staff navigate on a daily basis what are often categorized as separate “financial” and “public” domains. As professionals and members of the public, monetary experts must continually revisit the question of how economic value and stability is defined, justified, and maintained.

Historical experiences of monetary crisis and economic instability have shaped institutional and cultural understandings of stable money in Germany (Widdig 2001b). The economy has long been a visible, powerful agent in Germany’s problematic path

toward democracy. The qualities and structures of monetary policy take on explanatory power in these histories, whether to link bad, exploitative money decisions to particular banking, market, and political agents during the two World Wars (WWI and WWII), or to highlight the power of sound financial practices during the post-WWII era of the DM and the independent Central Bank in West Germany. Since the late 1940s, the Bundesbank has tried to reinforce scientific understandings of monetary policy (Peebles 2003), i.e., it has tried to separate the idea of money as a neutral instrument that enables economic and political stability from the concept of money as a political tool. Historical memories of financial crises in Germany also legitimize the scientific status of monetary policy. This separation made the DM stable, while the East German Mark embodied instability because it was (perceived as) both economic and political (Zatlin 2007a). Yet the contradictory effects of German Unification have once again produced negative linkages between monetary policy and currency because it did not result in the hoped for 'second German economic miracle.' Unlike the historical link between the DM and Ludwig Erhard's dictum of 'prosperity for all,' the euro just as easily slips into symbolizing 'stability for a few.' Many Germans continually worry that the financial commitments of European economic integration will come at the expense of the local economic concerns they face daily. Thus public relations work is, at its core, about reconnecting monetary policy with public trust in their economic expertise. I would argue that money specialists and the public are mutually engaged in narrowing and opening up the euro to multiple framings of agency and effect.

Bundesbank staff charged with explaining the single currency and monetary policy to the public on the basis of trans-European concerns for safeguarding the stability of a shared currency occupy the somewhat ironic position of selling the stability of the euro in part on the basis of West German experiences with the Deutsch Mark. At the same moment that the Bundesbank is coming to terms with its new position within the EU landscape, (and its notable loss of power to determine monetary policy), the Bundesbank occupies in growing intensity the position of teacher and nurturer of the new currency. Yet the Bundesbank must convey the euro in part through national memories of money, financial crisis, and institutional success attached to the very currency, the Deutsch Mark,



they are urging citizens to leave behind. Though historical documents and newsreels also remind those who care to look back that the economic reforms attached to the Deutsch Mark and Ludwig Erhard's vision of the social market economy did not win public acceptance in the beginning—arguably only after the economic upturn was experienced across different levels of society—the task of conveying a similar link between the euro and economic well-being across the vastly different economic and national contexts of member states will likely remain an ongoing challenge.

Why do popular complaints about the euro matter? No matter what critiques the German public may have, these will not change the fact that the euro has been introduced, that the European Central Bank will make its decisions about interest rates even as politicians argue about how to reform the welfare state and reduce public spending. From the vantage point of the central bank, maintaining the value of the euro is ultimately only possible through a relationship of trust with the public. There is a great concern that without this trust, the public will not understand or support the policy decisions made by the central bank. A lack of trust is seen as potentially undermining the value of the euro. Paradoxically, many ordinary people would be surprised to discover that that they had any power at all to exert pressure on a powerful and influential institution such as a central bank. Critiques about the euro and the state of the German (and European) economy tend to be directed at politicians rather than the ECB or Bundesbank. My use of the term “public” includes multiple subject positions and interests and encompasses a wide range of opinions about and experiences of European economic integration. Even for those individuals trained in economics or business, the responsibilities and meanings of a central bank may nevertheless be illusive.

Since macro-economic theory and policy seem beyond the comprehension and/or interest of most non-specialists, why make an effort to explain this in “lay terms”? If the popular sentiment is one that sees institutions such as central banks as impervious to daily concerns, why are trust-building activities necessary? As the museum director said in response to my question about the significance of the Geldmuseum for Bundesbank employees, ‘Monetary policy functions without the museum.’ On the other hand, she noted that colleagues could also be envious of the opportunity to work in the visitor's

center because it is *nicht so ganz Bank* (not only or just bank).’ In other words, the visitors’ center could be understood as a site that privileges interaction with the public and that emphasizes the work of the bank as a public institution.

### **Background of the German and European currency unions**

The European monetary union has predominantly been framed as dominated by the relationship between France and Germany in particular. This has to do with the aftermath, rivalries, and atrocities of two world wars. It has also been informed by competing and different ideas about economy and monetary stability specifically. The origins of the EU in coal and steel were about limiting Germany’s ability to control what in the past had been key military resources. More broadly, the size and strength of the German economy has animated political leaders’ negotiations over exchange rates, monetary policy, and the goals set for the order of establishing the EU more broadly. This concerns what has been termed the monetarist and economist positions. The monetarists (France) preferred the establishment of a monetary union first as a “catalyst” for further political and fiscal integration of member states. The economist position (Germany) privileged above all an independent central bank and insisted, in contrast to the former position, on close convergence of economies and political mandates first, to be concluded only then by monetary union (the so-called “coronation theory”). According to several scholars, this had been the 30-year stance of the German government and the independent Bundesbank. Precisely this stance, so it is argued, was reversed in 1989/1990 with the rapid unification of West and East Germany (more precisely, the accession of East German ‘regions’ to the Federal Republic (Bundesrepublik)).

More broadly, France and Germany have been characterized by their very different monetary “cultures” with France less concerned about spending and inflation than Germany. In Germany, like nowhere else, the stability of monetary value is understood as upheld by the separation of political and monetary policy, and low inflation. It is not an exaggeration to say that the experience of the Hyperinflation and other monetary crises are easily and frequently called forth as a founding trauma, a

central cause of Hitler's rise to power, and as an authorizing underpinning for austerity and saving repertoires. There is much evidence that financial crises have been internalized in families who experienced it, with affective and pragmatic strategies passed down to subsequent generations. This is so not only through narratives, but also in the un-commented practices many children would have observed and responded to in household practices surrounding money.

Attending to the logics, contingencies, epistemologies and temporalities that particularize money in the context of currency unions suggests how such projects exceed formal economic models in which these are framed. In social science theories of money the euro is more commonly thought of as just one currency among others (which it is). This leaves open, however, what work the euro does as the medium that links different economies and subjects across multiple "boundaries": such as national, cultural, linguistic, institutional. In order to take euro as a narrow entrée to revisiting long-standing scholarship on economy, money and value, it is thus important to work with but also bracket such categories. I don't mean to take them for granted, or to fill them in any essential manner. Rather, they are provisional constructs that get destabilized and mobilized in the debates and interactions that are the focus of my study.

During my fieldwork I thought of each currency union as separate projects. I did so because this is how it was understood by many of my expert respondents. The scholarly analysis also segregates the two projects, not only because of their temporal and spatial difference, but because one came to be understood as an internal project and the other as external (with other member nations). The 1990 currency union entailed a social and economic union, followed by a formal political union. The European monetary union was limited to a currency union and the establishment of a European central bank comprised of national central banks to form what is termed the European system of central banks. The 1990 currency union is understood as a singular, exceptional event that marked the end of German division and the dissolution of the planned economy (socialism) in the GDR. Unification has predominantly been framed as a restoration of a prior unity, even if the status of sameness and difference has been a significant aspect of deliberations and identity politics in the post unification context. The European monetary

union, in its planning, inception, and negotiations had been underway long before unification could have been anticipated.

Conceptual ambiguity is a fruitful mode of thinking with and against different notions of monetary value (and how these are understood as relating to some real, or even different perceptions of the real). More importantly, I draw on Hiro Miyazaki's (Miyazaki 2013) insights about the conceptual ambiguity that emerges from the dual positions of arbitrage to consider how doubt and crises of reference might become the object of intense purification and justification practices in a context of hegemonic 'responsibility.' My question is to what extent the conceptual and epistemological problems of unwinding the GDR economy, and the ethics and affective tensions attached to that (that it activated), explain the perpetual need to subject the socialist past to renewed symbolic and rhetorical dismissal and condemnation.

What is the link between German and European currency unions? Such a question is typically asked and answered as a historical question about political actors and policy decisions. Because the plans for the European Monetary Union were already underway, Unification seems at best an interruption or a propelling forward of what was already in motion. In this light, one of the "myths" as it is deemed by subscribers and skeptics alike is that Chancellor Kohl bargained for Unification by agreeing to the relinquishment of the D-Mark and the full commitment to proceeding with EMU. Whether true or not, its salience as an explanatory narrative for commenting on the state of things in Germany by differently situated actors is interesting. It joins a larger repertoire of sacrificial metaphors that seem to pop up in critiques of the euro in German media, and among the public.

But is it possible to think of the interconnection and mutual constitution of these projects beyond particular empirical coordinates? Is it conceivable that the Germany currency union refracted back and even destabilized the European project underway? If key actors were negotiating European level decisions at the same time that they faced immense and unanticipated problems in efforts to privatize and reconfigure the East German economy, were the two logics always distinct in their categorical referents?

German Unification in 1990 ended the Cold War and propelled the European project of integration forward. The currency union that effectively joined Capitalist West and Socialist East German economies has been narrated as a singular event. Politically it signified Germany's redemption and re-inclusion into the community of European nations. From an economic standpoint, the 1990 currency union is Unification's most profound failure. The West German Mark embodied economic stability and a neutral *substitute* for a discredited national identity. East German desire for the Deutsch Mark served as a powerful recognition of the West German success story and its superior economic status. However, many in the West anticipated the introduction of the Deutsch Mark to the East would be a destructive force, since it exposed a closed economy to the world market "overnight." The currency union set into motion an economic shock from which the East has not recovered, more than 20 years later. It erased the very basis through which a locally sustainable recovery would be possible. The 1:1 exchange rate of the German currency union has marked failure and success simultaneously. Different valuations of wages, pensions, and debts are the traces of these monetary conversions. As moral forms<sup>4</sup> these continue to mark East and West German difference. Thus, the Deutsch Mark revalorized post-war German identity, but it also paradoxically repeated the history of monetary trauma for which it was the remedy.

Only by tracking the remainders of translating an entire economy—from financial obligations of people-owned factories to bank deposits and wages—is it possible to examine how currency unions exceed any narrow accounting of some economic *real*. The German currency and economic union escapes celebratory and ambivalent commemorations alike. Precisely because a currency union must (temporarily) settle such accounts, it offers analytical insight into how differently positioned subjects exploit these gaps. Reading against the grain of technical definitions, I therefore theorize currency unions as ongoing rather than circumscribed events. In the following section I trace the gaps and silences in which currency shifts and material upheaval inform and also complicate their further iteration.

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<sup>4</sup> Bill Maurer (2005) *Mutual Life Limited: Islamic Banking, Alternative Currencies, Lateral Reason*. Princeton: Princeton University Press.

## **Approaches to money and economy**

Attention to the ‘how’ or the pragmatics of money is crucial for opening up the ‘black boxes’ of techniques, modalities, and practices that make and unmake money at a particular point in time, and at historical conjunctures.

Anthropologists have urged for more attention to money’s pragmatics rather than its meaning (semiotics). For instance, Bill Maurer has pointed out that finance does not necessarily only or substantially draw on the logics of exchange or commensuration; it is not only about calculation. A payment, he argues, is different from exchange (2007: 129). Bill Maurer (Maurer 2002), Karen Ho (Ho 2012), and most recently, Janet Roitman argue that analyses of the instruments and professional worlds of financial institutions and practices must be studied ethnographically, not black-boxed as abstractions rendered powerful in their opaqueness and supposed complexity (Roitman 2014). For some, critique itself can pose a problem, a blind spot for understanding how institutions and techniques are used, understood, and reflexively produced by bankers, technocrats, legal analysts and policy-makers. This has led some anthropologists to align themselves quite closely with expert interlocutors in order to capture shared modalities of analysis and practice (Holmes 2014). Others have critically engaged the habitus of financial professionals from within the system to expose the shortsighted strategies of walls-street beliefs and practices, and to argue for a different morality of long-term financial sustainability. My approach is to apply the micro-political pragmatic approach to monetary relations of credit/debt and value to the macro-logics through which the euro is more commonly analyzed and narrated.

The introduction of the euro in Germany and other member states was not simply a change in the designator of the currency. Nor was it merely that different banknotes and coins filled wallets and ATM machines, though as I will show, these material signs were important. Rather, the euro constituted a new set of relations around money. As a new material form it represents and also constitutes the promises and obligations that bind citizens within a particular ‘monetary’ territory and regime.

For many economists, money is simply a tool, a thing. For this reason it is often stated that money is a veil, masking underlying economic fundamentals (North 2007). As work across the social sciences has underscored, however, money is a social relation, a social construction. That is, money can only serve as a meaningful medium of market exchange through the collective actions and beliefs of people who use it. It is also a regulatory and disciplining form of governing social and political life.

Arguments about both currency unions make use of, and depend upon an opposition between the political and the economic. Often, this takes the form of playing one off the other to highlight either where error lies, or that some intent beyond the economic is at work. For instance, it may be claimed that a decision was a “political” necessity or grand accomplishment, but an “economic” disaster. More recently in what is sometimes called the euro crisis, it is argued that only political will is holding the incomplete or faulty “economic” architecture of the monetary union together. Thus, the political is often foregrounded to show why the economics either fail or are ignored. Conversely, it is often also argued that what makes good economic sense cannot find political acceptance or legitimacy. Thus, in my research I have tracked how these oppositions are deployed and to what ends rather than trying to dissolve these distinctions. Yet it is also clear that many arguments depend upon and leave unquestioned on what the distinctions of these categories depend, how precisely the boundaries are drawn. The deeper I seemed to probe, the more likely the distinctions dissolved and blurred in what seemed to be confusing contradictions.

The 1990 currency union and the introduction of the euro are encompassing projects, which shape and impinge upon multiple domains of daily life. From consumer and banking practices to the crossing of borders, and ultimately faith and trust in new monetary entanglements of obligation, the introduction of the euro reaches into people’s lives in ways that exceed the changing of interest rates or ‘regulating’ the money supply (or inflation targeting).

## **Fieldwork**

I was often told that monetary policy is diffuse. It is something quite distant and far removed from micro-practices on the ground that could be traced back to or through it. My concern, however, is not to connect the dots in such a way that the ontological status of these connections could be definitively known or empirically located. Rather, I wanted to consider how and to what effects dialogue about these seemingly diffuse scales and the claims made about their stability-maintaining properties became an integral part of legitimating the euro.

People frequently commented that my status as neither West nor East German, as someone with an outside perspective, was appropriate to this study. In this way I wasn't bound to a point of view merely by belonging to one or another. Ironically, this was even confirmed by a close friend in Frankfurt who caught a ride with an East German pastor, who was also a statistician. My friend recounted some the things I had shared with her about my project. The pastor confirmed these observations and was quite surprised that my friend was knowledgeable about this issues and felt comfortable discussing them. (July 1. 2008)

In my interviews with research participants in Leipzig and other former eastern cities I visited, I was interested to learn about the post-unification experiences with changing forms of monetary relations of credit, debt, savings and investments. How did these experiences contrast with the technical and pragmatic experiences with money in the GDR? Details about the more mundane and boring aspects of money in the GDR have received little ethnographic attention. Other than to describe the special status of the West German mark and its various uses, socialist money is dismissed with the statement that money was not important in the GDR. Barter networks, connections, and access to western money and commodities were more important. Thus it is hard to imagine the modalities of payment, banking, and cash management in the GDR. Filling this gap is the historian Jonathan Zatlin's careful analysis of monetary policy and ideology in the GDR (Zatlin 2007b). Drawing on a wide range of materials, from state documents to citizen petitions, the beliefs, practices, and contradictions surrounding the proper role of money



in the GDR come into view. Understandings of wealth and resource allocation are analyzed. However, a limitation of Zatin's approach is the use of western classical economic theory as the measure by which both internal and external contradictions of GDR money can be unpacked. Thus, it is harder to see the way in which socialist currency was part of the everyday and occupied its own logics and meanings just as the social meanings of money have been analyzed in western market contexts.

"We have lived both systems." This expresses a notion that the East German subject can critically evaluate from within both systems, whereas as West Germans have not needed to question what they take for granted. While not all my respondents would claim their GDR past as a basis for the critical analysis of the present, there is nonetheless a sense that the west became what it is by virtue of this externalized 'other' system.

Most of my close friends and respondents in Frankfurt and Leipzig with whom I spent significant time were extremely conscious of their spending. Many had very limited incomes, or had to be cost-conscious because of financial obligations to children, or to family members. I did observe how those respondents who spent a majority of their youth or adulthood in the GDR relished the opportunity to invite friends to a modest dinner or coffee. In some homes I noticed that personal care items such as shampoo bottles and shower gels were carefully arranged as if on display. Daphne Berdahl described this practice from GDR times, when the containers of western products would be displayed as status markers. I was surprised to see that this practice continued. No longer a sign of status but perhaps a sign of care for ones' home, and by extension, for one's guests.

The majority of my respondents viewed the German form of market economy to be different from that espoused and lived in the US. Moreover, American practices of indebtedness and speculation were seen with skepticism and disbelief. The former were sharply contrasted with German monetary values and practices, in both structural and ideational terms. For instance, defaulting on and surrendering a home with an underwater mortgage to avoid payment would not be possible in Germany as one is liable for the debt regardless of residence in the home. Moreover, most Germans consider themselves to be fairly conservative investors, if one has money to invest at all. Statistics show a high rate

of savings and a relatively low ratio of investments in the stock market, relative to US consumers.

It is often the goal to separate out and differentiate statements about different currencies, and to assess the reliability of memory about monetary values in the past. Memory of prices in the past is strongly influenced by present experiences and concerns. One may not remember precise amounts, but instead ratios of value in the past relative to the present. If wages barely rise and yet the costs of goods and services increase more quickly relative to earnings, temporal shifts in value may be felt and reflected upon. They can create a sense of anxiety about the future and suggest that one had it better in the past.

Scrutinizing context: Unpacking the value transformations of 1990 destabilized any presumption of this being a narrow technical matter. Instead it was layered down and weighted with history. First, I was asking respondents' to reflect upon an economic 'event' that occurred twenty years ago. As one interlocutor put it, it is the history of a history. What she meant by this is that what people remembered about this event would be multi-layered and informed by present concerns. It is thus not a 'correct' or accurate recovery of what people thought or did at the time. That said I do not approach it in terms that assume a correct answer can be given. Much of the debate is itself framed as if in retrospect, the answers are clear and what people say must be corrected to fit the consensus. What I want to show is that there is only a muted and ambivalent agreement about the ontology of value, its forms of conversion at the time, and the politics of revisiting it in the present.

In many respects one could think of the currency union as the medium through which a kind of internal refugee status was created, a displacement from which and through which a new normality needed to be constituted. I did not want to begin with the official narratives, but instead understand how it came to be, and what forms of subjectivity and knowing naturalize it yet also destabilize it.

My focus is decidedly unbalanced. This has something to do with the unbalanced nature of the economic processes I set out to understand and describe. My research in Frankfurt focused on the visitors' center of the Bundesbank as the site from which to

pursue my study. In Leipzig, it was focused around local events and concerns but with an eye on collecting personal histories and reflections of the economic changes since 1990. This means that my ethnography is neither balanced nor representative of either the full scope of communications' work at the Bundesbank, or in capturing all of the class and subject positions in west, east or unified Germany. What it does attempt to do, despite these limitations, is to particularize the abstract logics and meanings of currency union projects within a historically and politically layered process of coming to terms with the German past and a European future. The euro story provides the frame and context for revisiting the monetary project of 1990.

**Evaluation:** my approach to the interviews I conducted with respondents about knowledge and experience of money in the GDR, and the changes during and after 1990 was to view respondents as research participants and co-producers of knowledge. This was important to me given the way in which memories of, and statements about how things 'really were' in the GDR are subjected to relentless scrutiny in post-unification memory politics. While it is a matter of course to contrast what people say with alternative explanations and experiences, or to reflect upon what is displaced or left out, this mode of evaluation has, in my view, become a form of exclusion and dismissal in its own right. This means that the gap between past realities and present representations made by easterners are subjected to greater skepticism and critique than are similar forms of remembering of westerners. To give a sense of this logic: whereas in the latter one might be dealing with faulty memory, in the former it can be taken as a purposive re-figuring of a past that never was. If easterners talk about a past when everyone had work, and where the economy of shortage was at least colored by a sense of greater interpersonal cohesion and warmth, such characterizations are deeply contested by those who believe to know the true nature of things and emphasize negative and coercive aspects of life and work in the GDR. Those who contest and dismiss positive memories of the GDR as nostalgia or worse can be western academics, politicians, and educators. Just as often easterners who wish to emphasize the injustices of the GDR state will be most critical of such forms of remembering the past. The counter-argument given—that there is injustice and inequality in the western system, just differently distributed, has

efficacy even if it seems to do little to overcome the impasse of acceptable forms of comparison. Whereas affirming experiences of equality in the GDR is seen as whitewashing an illiberal past, in the post-unification context it is formally guaranteed, yet always on the horizon of indeterminacy for many. The form and content of critique about ‘what is’ and ‘what should be’ is subjected to different criteria of evaluation when describing life in the GDR, and life in post-unification Germany.

As the analyst, one is left in a double-bind: what is perhaps a productive mode of analyzing the ways in which experience mediates structures of inequality or asymmetry as in, for example, the resort to myth-making is itself a material practice the produces and elides salient realities. In the context of post-unification one is more likely to be caught in the cold war binary. The decision about what counts as a myth, then, is decidedly on the side of western democracy. This is also true of the modes of evaluating economy: whereas now economy is understood to be performative, in that the model does not describe but ‘makes’ the market, assessments of the planned economy proceed in terms of the binary of the ideal and the real; fact/fiction; illusion and reason.

It is clearly problematic to remain caught within binaries such as these. Many analysts work instead to show how it is used and made culturally and politically meaningful by different subjects. It is in this sense that I retain the distinction, to understand how and under what terms it is used to validate or dismiss knowledge claims. The authority to make claims and statements on the economic ‘realities’ of the GDR, post-unification development or EU integration is not equally distributed. That is, when easterners use it, or try to counter it, in order to show the politics of economy in the modalities of the currency union, valuation, or re-construction, their authority may always already be subject to skepticism. Easterners, by default, would be more likely to be selective about the past, whereas westerners might simply be ‘forgetful.’ Forgetfulness is political and intentional for eastern subjects; for everyone else, it is biological. It was often made to seem that one did not need talk to easterners to understand how things were since westerners ‘knew better.’ Showing interest in the technical side of money, even if most respondents did not ascribe it importance in the GDR, nonetheless opened up the

space to talk of 1990 and beyond the usual parameters ascribed to eastern memory work generally.

### **Lessons of 1990**

Even with its many problems, unification and reconstruction have been posed as one-time event and set of obligations not to be repeated. From the beginning it was presented as a privilege and limited to the case of East Germans alone. In this way, it would not set a future precedent for claims that might be made on Germany. At the same time, however, the story of East German privilege, relative to their lives in the GDR and to the struggles other formerly socialist subjects had to endure erases the important ways in which ‘reform’ uncannily repeated problems of the past, and depended upon an internalized other—the GDR as second totalitarian state.

What does it mean, pragmatically, to address material differences more broadly? Are these measures left to the timing of the market, or might more radical measures—as in 1990—be taken? What are the implications of such actions, economically but also for subjectivity? How do the logics of accounting necessarily pervade any pragmatic attempt to address inequalities in the present and over time? And how will different subjects narrate, rework, and authorize such attempts? Is difference merely reinstated and marked at the same time that the ultimate goal is for its disappearance? What is the meaning of solidarity in such projects and how is it enacted? Keith Hart argues that money is a memory bank. But I would like to argue that money also depends on a forgetting of its ‘politics.’

A currency union is thus an especially privileged site for excavating in the ruins and remainders of what later may emerge as a final and settled measure of value. A currency union acquires this apparently stable vision of value only by marking off its temporal agency as residing in a singular past moment. A conversion takes place, multiple equivalencies are worked out, and a “price” is settled. But the effects of currency unions, despite prescient predictions, are understood fully only in hindsight, their impact ongoing and long lasting even as they are rendered something “past.” A currency union is a synchronic act of translation—it takes a snapshot of an image of some economic real,

yet its causal effects reach back to the past while delimiting the future of economic possibility.

Public responses to and critiques of the euro in Germany highlight similar traces of currency unions and their undecideability. The shift to the euro was ostensibly a mere conversion of equivalent monetary values. Yet this conversion also exposed a gap to many Germans. The conflation of the euro with rising prices, in literal terms the refrain *euro-teuro* (a word-play on the German words for euro and expensive), signals how the gap between buying and selling is both exploited and fails to signify the proper temporality of the market.<sup>5</sup> Sellers used the gap to change prices of goods and services. Price increases were folded into and disguised by imprecise acts of reckoning. The old currency is maintained as a constant and meaningful measure of value in the present, even as its temporal “life” ended at the moment of “replacement.” Deutsch Mark prices are supposed to be fixed in a past moment, while the euro moves and flows with the contemporaneity of economic shifts in the present. Yet the gap between life with the Deutschmark and the economic present of the euro and its uncertain obligations indexes new failures of appearance in which the illusion of correspondence between the value of money and its ability to settle future obligations is called into question.

At the same time, the gaps exposed by public critiques of the euro cover over and efface the violent reordering of the East German economy during the 1990 currency union by locating this unruly trace within the political failures of socialism.<sup>6</sup> This is why the project of European economic integration stakes its claim on this dividing line

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<sup>5</sup> The refrain of *euro-teuro*, which began only months after the introduction of euro notes and bills in 2002 and continues into the present, comprises another significant site through which my research unpacks the meanings and effects of currency unions. Until the current euro debt crisis, the *euro-teuro* discourse was perceived by Bundesbank communications staff as the most intractable and frustrating misrecognition of the benefits of the euro and its claims to stability.

<sup>6</sup> See also Benjamin Robinson (2009). *The Skin of the System: On Germany's Socialist Modernity*. Stanford University Press, p. 31: “Capitalism, in principle as susceptible as socialism to the question of whether it is ‘the thing itself or its simulacrum,’ seems to be free of demon doubles. Never a ghost for itself, never suspected of being only a simulacrum of capitalism, really existing capitalism is now no longer haunted by a rival either. Spectral nonidentity turns out to have been a terminal problem only for real socialism, which was always its own scariest ghost. While the stake through socialism's undead heart sent it firmly to the grave, for capitalism it meant only that its gaze in the mirror revealed a fleshier and more robust self.”

between the political and the economic, displacing economic failure within the realm of the political. Currency unions, especially that of German unification, but also European monetary union, might therefore be thought of productively as signaling an arising of this split between the economic and the political upon which ideologies of monetary stability depend. For competing West and East German States, *economy* displaced *nation* in signifying the proper German identity after the Holocaust. In Germany, the economy has come to signify what politics no longer can. For Germans, economic stability is the salient utopia,<sup>7</sup> one that depends upon a stark separation of economics and politics, upon independent central banks, upon stable currency. But the ideology of political independence depends upon what is unsaid, what can't be said. Independence and transparency can't banish the politics of economy.

### **Plan of Chapters**

Chapter 2 is an ethnographic exploration of the communications work of the Bundesbank in Frankfurt and in Leipzig. The key field site is the visitor's center, *Geldmuseum*. Seminars, public talks, interactive tours and open-door events in both cities offered other venues through which I could also consider how eastern and western histories and concerns inflected this work. My focus here is the euro, but I also re-visit the Bundesbank's role in, and understandings of the 1990 currency union.

Chapter 3 proceeds in two parts. First, I explore the ways in which the euro single currency is both integral to, but also interrupts the stability claims in which its EU guardians seek to ground it. I show how the link between the euro and rising prices, as well as daily practices of reckoning back in time between euro and D-Mark require new forms of legitimizing the meanings of money in the EU. Second, I unpack grass-roots practices of direct democracy that engage with market and technocratic forms of expertise. Specifically I show how referenda on the sale of the public works in Leipzig and the 2008 Lisbon Treaty referendum generate intense forms of making the politics of the EU tangible. I highlight the specific forms of reasoning and practices of making sense of the EU that intersect with the lives and concerns of respondents in Leipzig and Dublin.

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<sup>7</sup> As Gustav Peebles notes, all monetary projects are inherently utopian. Ibid. Pp. 19-38.

In chapters 4, 5 and 6 I unpack key events and problem-spaces that inform how the end of the GDR, the 1990 currency union, and unification between West and East Germany has been remembered and represented. Specifically, I show the politics through which unification has been narrated as a particular *monetary event*. Chapter 4 contrasts the narrations of two experts directly involved in the technical practices surrounding the 1990 currency union. Through the parallel and contrasting views of a western economist from the Treuhand (Privatization Trust Agency) and an East German banker ‘in two systems’ the politics of the 1990 currency union come into view as site of critique reworked in the present. In Chapters 5 and 6 I unpack interviews and ethnographic moments to render visceral the way in which differently situated subjects narrate their experience of the currency union and its social, political and economic entanglements in the present. I read with and against different sources through which the problems of monetary and economic value might re-appear as contingent—a site of struggle and redefinition. I argue that the inclusion of East Germans into the currency regime of the Deutsch Mark displaced the link between currency and ‘state’ identity to other forms of boundary making and inscription such as financial transfers and competing measures of monetary value (Berdahl 1999; Cattelino 2008; Peebles 2011). Financial transfers between west and eastern German regions become the contested measure of marking the moral logics of payments, and the assessment of “real” economic value these entail. These are also salient sites of negotiation in the recent euro crisis.

In chapters 7 and 8 I connect the sites and problem-spaces of the dissertation, from reading across the binary of socialism and capitalism to the euro debt crisis that has drawn increasing attention since 2009, beginning with the sovereign bond debt problems of Greece. I show how debates in Germany about the meaning and obligations of financial measures to unify West and East German economies after 1990 share certain logics in common with current public uncertainties about European economic integration. To highlight these interconnections I draw parallels between German representations of Greece in the debt crisis and those of East German regions after 1990. Revisiting the German experience thus illuminates how a shared currency shifts the logics and symbolic media through which subjects make sense of complex monetary interconnections.



## Chapter 2:

### Re-membering stable money in the age of the euro

#### Introduction: Financial Literacies, material monies

I take the underground (U-Bahn) from Frankfurt Zoo, change at Hauptwache, and arrive at the stop *Dornbusch*. From here it is about a ten-minute walk to the *Geldmuseum der Deutschen Bundesbank*. This journey was brief in contrast to the three and a half hour train trip I also made at other times during my fieldwork from Leipzig to Frankfurt to reach the Geldmuseum in time for a special evening event or the opportunity to conduct an interview planned long in advance. Whether the journey was brief or long, I would anticipate each visit with a knot in my stomach, but also with a sense of curiosity about the potential new insights and encounters I grew ever more certain to have. (Holmes and Marcus 2005)

The Visitor's Center or *Geldmuseum* of the German Central Bank must be situated within the changing sovereignty of the Bundesbank, now part of the European System of Central Banks. Explaining the euro through the visitor's center was part of a changing landscape of monetary authority and credibility. Though its creators sometimes asserted the center was created independently of the euro, other staff members hinted at the ways in which it would anticipate the advent of the euro, and the questions that might arise on the part of the public. The *Geldmuseum* is a site of production as much as it is also consumed. This site is at the heart of battles about the role of monetary policy and the democratic possibilities of the public. Just as the mother creates a pedagogical environment for the child,<sup>8</sup> with life consequences, so, too, does this open space of the central bank create a different and necessary interface with its "publics."

The *Geldmuseum* materializes the tensions of money's (im)material body. The freedom of money is both confined and let loose in this space. That is, as both museum

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<sup>8</sup> Here I allude to the gendered reference of the central bank as female/Mother (*Mutter Zentralbank*), the State as male/Father (*Vater Staat*), in some German narrative colloquial traditions of personifying these institutions. This metaphor was also referenced in one interactive program at the center.

that showcases money's concrete presences, and interactive center that tries to capture money's fast-paced virtual presence and temporalities, the site opens itself up to the constantly moving but also inert qualities of money. The traditional or "primitive" forms of money lend themselves better to narrative possibilities and concrete engagements than does the abstract and technical relationships explained in the monetary policy and theory part of the center. This construction shapes how both guides and visitors use and experience the site. Money's objects capture the imagination, whether past or present. The museum side is not limited to the pastness of money but points to modern paper currency and coin as an important artifact of money's modern form. Money's hardness and concreteness is still fragile and is subject to conceptions of value that lie within and outside its' body. For instance, the Hyperinflation is the most pronounced story of crisis presented in the *Geldmuseum*, with a leaning wall, emergency money (*Notgeld*), and documentary footage materializing in no uncertain terms the fragility of paper money's efficacy as medium of exchange, unit of account, and store of value. Whether money has an inherent value, or maintains an accepted value through the institutions that guarantee its legitimacy, money speaks for itself, but its speech is always limited and contingent.

This site is fraught with the politics of money even if it poses that politics outside its walls. Money is moving in the background, but often a silent actor. How does one make it show itself? The German word for monetary policy is "*Geldpolitik*" (money politics). The name includes what it also attempts to exclude. It is a technical politics, but the "political" is decided elsewhere. This space has the mandate of making central bank practices more transparent; at the same time, however, there is little freedom for staff members to define what that transparency is or to shape the politics of representation in that space. The informal conversation of ethnography is thus not tangential but indeed enabling of transparency—and in so doing uncovers the central tension of managing financial space in the present.

I came to view it as a public space that far exceeds its appearance as a 'museum' or more aptly, a visitor's center, as it is termed by many inside the Bundesbank. With the advent of the European Central Bank, located not so far away at a far flashier location in the city center, observers and commentators often say that this once dominant institution

is diminished in importance and influence. Bundesbank specialists with whom I worked expressed a reflective anxiety about this changed status. In many respects, however, this sensibility spurred concerted attention to translating the core values and concerns of the institution to the new euro currency. Durable meanings of stable money and central bank independence re-signified the euro as ‘just as stable as the D-Mark.’ This was so even if many felt the euro-project to be a political endeavor in tension with the monetary epistemologies long cultivated at the Bank.

This chapter details and unpacks the communications work of the Bundesbank in building legitimacy for the euro and awareness of monetary more broadly. I show how the mundane and the arcane aspects of what central banks do forms a site of tension and interconnection with a diverse ‘public.’ My analysis is grounded in the questions and concerns of my project, which in many respects was aligned with those of my ‘expert’ interlocutors, but in others, was informed by an ‘outside’ perspective of critical query about the impact of monetary ideas and policies that exceed narratives about it. It is based on research over a period of several years (2006-1009), which included interviews and participant observation of daily activities in the public space of the center as well as official presentations and events.

In the analysis below, I will highlight key themes and concerns that formed a thread across the time and space of my work here. For reasons of space and clarity, I will focus on the perspectives of communications specialists in how they understand and delineate the aims of producing a culture of monetary stability. In the following chapter, I will include more detailed examples and ethnographic vignettes of visitor interactions and dialogues. What I wish to highlight here is how the introduction of the euro facilitated new forms of communication that sought to re-inscribe the authority and legitimacy of the national central bank as the guarantor and executor of the euro project. In that role, the German history of monetary crises and stability serves as a crucial frame for highlighting difference and uniformity with national political and European-level aims of the euro. The materiality of banknotes and the technical aspects of managing the money infrastructure are an integral part of these efforts. They are also a form of managing histories: some remembered strategically, and others forgotten.

By approaching this work at the intersection between ‘experts’ (institutional insiders) and the ‘public’ (broadly conceived), my subject-position as researcher was a liminal one. This is because I felt my own role to be further away from the ‘expert colleague’ position adopted by other anthropologists of financial institutions. I did not come to the project with prior training in the field of economics or monetary policy. But as someone with a theater and communications background, and as a social scientist, I felt my work to be para-ethnographic (Holmes 2014; Holmes 2006). At the same time, because of my distance to this expertise and because I was closer to the subject-position of the visitor (the public), my interlocutors at the bank often viewed me as such.

In my approach to understanding the role of expertise and professional practice I have been inspired and informed by the work of anthropologists ‘studying up’ and ‘sideways.’ In her research with Wall Street investment bankers on insider professional understandings and practices of shareholder value, Karen Ho (Ho 2009) analyzed the contradictory forms through which these assumptions have been mapped on to the ‘real economy’ in expectations of corporate performance or the presumed profitability of down-sizing the work-force. By working within the institutional setting professionally and ethnographically, she was able to show the centrality of institutional financial cultural practices and habitus to producing what are presumed to be ‘abstract global forces’ outside culture. In parallel, the work of anthropologists Annelise Riles (Riles 2006), Hiro Miyazaki (Miyazaki 2013), Caitlin Zaloom (Zaloom 2003), and Bill Maurer (Maurer 2005) have shown in different registers the ways in which numbers, financial techniques, and payment systems ‘do work’ beyond the calculative and technical claims made about them. Interpretive, affective and epistemological concerns are inseparable from these presumed ‘objective’ abstract forms that make up the material financial landscape of modern economies. Dominic Boyer (Boyer 2008) has insightfully written about the emotional stakes of transgressing disciplinary boundaries in the study of experts noting an uncanny doubling of one’s own analytical endeavor (2008: 41). There is familiarity and discomfort at imposing on another ‘disciplinary’ jurisdiction and feeling compelled to absorb it into one’s own. In my research this has been a constant and persistent worry and potential. Moreover, he suggests that one treat experts not simply as

rational, but as ‘human-subjects’ with fantasies, desires, and anxieties. Anthropologists, such as Hiro Miyazaki (also mentioned by Boyer) confront the limit or end point of one’s epistemic models (41) or the anxious recognition of the limits of technocratic knowledge (Riles 2006) and the interpretive emotion surrounding numbers and yield curves (Zaloom 2009).

I have struggled mightily with speaking to these dimensions of my own field research given the many limits placed on me by my respondents at the Bundesbank. The performance of rational neutrality is sacrosanct, even if communications work does leave room for humor and creative explanations. Ultimately, though, and underlying all of this was desire and doubt, conviction and uncertainty, about the very project I was aiming to understand—the euro—and the entangled histories of money, post-war recovery, unification, and the shifting landscape of European monetary integration. In this light, it is possible to highlight those fragile sites and moments upon which the performance of certainty and transparency depend. Money is such a site of exploration and an object that gathers together hopes, disappointments and necessary illusions. If I shift between the pragmatic and performative registers in which I came to know this work and became a subject of it—with all of its anxious and desiring undercurrents—it is one that I show to highlight how money is also a subject of self-splitting. That is, dwelling on money and monetary topics long enough, it is as if one becomes an object to oneself. Money mirrors those sites of tension and hope that keep the system suspended, and which can just as easily fall apart.

I show some of the fault-lines produced and covered over by the political and economic strands of a European stability culture. From the point of view of the particular histories in Germany of the Bundesbank and the desire for stable money, it is possible to see how monetary stability is distinguished from but dissolves into the politics of unifying monetary projects. The technical work of separating currency from politics is both comforting and spectral. The ‘science’ of money is a form of keeping the past at bay. Monetary obligations inhere in projects that promise stable financial futures. Precisely because of money’s potential for unity and difference, the ideology of monetary stability depends upon the careful management of and accounting for the past.

## Designing Monetary Pedagogies

The stability culture of the Bundesbank has been praised and critiqued. It is legitimized in part on the German history of financial crises, most centrally the 1920's Hyperinflation. Some have questioned whether or not the general public ascribes to this, with one author arguing that unemployment is perceived to be of more import. Given that the Bundesbank (and now the ECB) view their mandate as ensuring price stability rather than directing monetary policy at employment and other economic factors, this is an important point.

Spectacular histories of monetary disorder and financial crises are inextricably tied to the horrors and traumas of German history. New identities took shape in the 'economic' form left open to be filled with new meaning attached to post-war economic success symbolized by the D-Mark. It would be difficult to exaggerate the importance of the 1923 Hyperinflation as the dominant ideology of this institution. Indeed, in the opening words by then Bundesbank President Axel Weber to the 100 page visitors' guide, it is noted that the nominal value of the highest denomination bill in Germany was an astounding 'one hundred billion' (2005). This time of hyperinflation, it is underscored, was "felt on the body" and testifies to the devastating effects of monetary devaluation.

As one of the Geldmuseum designers, Dr. E. expressed this:

E: The 1923 Hyperinflation wiped out the middle class such as lawyers. With the inflation they were completely impoverished. And then deflation and the world depression led to the Nazis, the destruction of society. Economic crises have imprinted themselves on us and we are shaped by these experiences of monetary devaluation. But this understanding does not fall from the heavens and will not last forever. We must continually work to maintain this understanding. How should I say it, for our clients—the public—we must win their interest. This is our task, and we will do our best—but they must participate. Politics must support this aim. You, Frau Dalinghaus, must also get involved.

A central theme throughout the center-exhibits and accompanying narratives is that of the multiple functions of money—as unit of account, medium of exchange and payment, and store of value. The monetary disorders of German and indeed global

history conveyed in the center show the social impact of what occurs when money loses any of these critical features. These ‘functions’ might be thought to express something of the daily experience of money. Some features stand out while others are un-reflected. If individual experiences of financial crises are highly varied and lacking coherence it is often because moments of uncertainty highlight one aspect in particular. For others it may be felt as a complete unraveling of what only yesterday seemed certain and taken for granted. As one of my interlocutors expressed it: ‘people have money in their hands almost every day, but they don’t know what it is, what stands behind it, or how it connects to other economic processes.’ German history is felt to offer the concrete lessons of what may otherwise be taken for granted.

A further distinguishing feature of the monetary philosophy that explains the importance of the central bank and in particular, the Bundesbank’s foundational approach to monetary policy is the motto: only scarce money is good money. This has traditionally been the task of modern money management through which central banks legitimize their existence. In an era of paper fiat money, scientific management of the money circulating in the economy relative to goods is crucial for preventing inflation or deflation, and protecting the value of money from political manipulation (such as governments financing unsustainable deficits). The latter practices are part of the histories already mentioned. Democracy is preserved, it is thought, in that money is made separate from political agendas with short-term goals and unrealistic promises. The work of the central bank, so it is seen by insiders, has a longer horizon and assumes the effectiveness of its policies will always be ‘delayed.’ Stable money and stable prices are a public good for which the Bundesbank claims credit through the success story of the D-Mark. Now it is the task to achieve the same with the euro.

As much as the institution shares the commitment to the new European monetary order, it poses immense conceptual and pragmatic challenges for communicating the work of monetary policy given the ‘experimental’ and unprecedented scale of linking 17 economies to one currency. As one colleague explained this:

“There are often great misgivings about the new member states who are joining. They are worlds apart. It is hard to explain that each of these countries will have one voice (one vote) at the European Central Bank governing council board as Germany. There is a lot of skepticism that the votes of states with small economies will bear the same weight as Germany, with its strong economy. It is hard to imagine that we will not be at a disadvantage even if Germany’s exports have profited since the introduction of the euro. ‘One vote’ is a hard concept for people to comprehend about the organization of the European system of national central banks.

I would argue that the labor of explaining and grounding the continued legitimacy of the Bundesbank in these terms has been a crucial means of storing up credibility for moments of crisis such as those that now raise questions about the future of the euro.

The euro, as a currency and monetary instrument, is viewed in economic theory as largely valueless or virtual (that is, the euro is money just like the dollar is money). The efficacy of the euro must therefore also be concretized as a particular quality of belonging and interconnection within the euro-zone. Thus, the quality of euro coins and bills plays a prominent role in public relations work. Explaining the security features of bank notes and coins and illustrating the difference between legal and counterfeit exemplars is important in larger efforts to win legitimacy for the euro among the public. Where many analyses emphasize money’s efficacy as empty form, my fieldwork demonstrates how the particularity of money (of currency) is part of this efficacy. While particularity is not always and everywhere central, I argue that in Germany, money’s physical being as currency—as coins and bills—is inseparable from money’s efficacy as monetary instrument more generally. Though far distant in time, the hyperinflation of the 1930’s has left visceral traces, even if individuals did not experience this time personally. As institutional memory, money’s concrete form matters in spite of dominant understandings that monetary policy is primarily concerned with quantity and velocity, the relationship of money supply and price.

I learned there was great public interest in understanding the monetary ideas behind the euro and the work of central banks. Interest was not limited to specialists or students; a broad spectrum of visitors, including local residents who returned regularly, comprised a very diverse audience. Interactive media, exhibits, guided tours, and the



publically accessible library formed a crucial venue for visitors to conceptualize some of the key theories and practices of monetary policy that have informed the German experience of money, and the euro specifically. Workshops and lectures provided student and professional groups a detailed introduction to the techniques and infrastructures of central banking. In particular, by following the work of communication specialists (*Betreuer/in*) working directly with these diverse audiences, I grasped the challenges and significance of creating an open public space within the central bank for encountering the euro. Through interviews and observations I was continually amazed at the ways in which visitors identified different points of departure for building understandings of the euro project and forming questions about it.

I was also interested in the nature of the concerns people expressed about the euro, and how institutions like the Bundesbank addressed these. For instance, I observed how public critiques of the euro often took the form of the well-known complaint about rising prices associated with the introduction of the euro, or '*euro teuro*' (a word-play combining euro with the German expression for 'expensive'). As an anthropologist, I considered the cultural and economic factors that informed this experience of the euro in its early days as a circulating currency. The fact that the public had different ways of *reading* the euro could also be understood as part of a longer process of *making and re-making* the currency as part of the everyday in Europe. But it also exemplified the kind of opening up of the knowledge practices that inform the monetary policy governing the euro. While a statistical answer invoking the harmonized price index did not satisfy everyone, it nonetheless suggested how the key mandate of the central bank, ensuring price stability, connected to consumption practices across member states. Over time, institutional responses showed flexibility by giving greater space to the 'felt inflation' of individual consumers, showing how experiences that fall outside an index also contribute to broader developments and are taken seriously.

Importantly, however, the communications work with the public must also be placed within the context of institutional mandates and the special history of the Bundesbank, known for its independence and *Sachlichkeit* (empirical reporting). Public requests for commentary on the latest developments of the US-financial crisis

(dominating news at the time of my research) were sometimes in tension with the goal of providing an accessible and timely, yet analytically sound explanation of rapid changes in the markets. Thus, interactions with the public carefully bridged the gap between the real time of journalistic reporting and the institutional time of analysis. Moreover, this can be understood as an important source of authority through which trust is maintained, a point not lost on many visitors.

**Conceptualizations:** Prof. L, a specialist of economics and history, was the driving force behind the idea, conceptualization and development of the visitors' center project. His former doctoral advisee, Dr. E., worked collaboratively on conceptualization and design. Many other actors and entities, public and private, in and outside the bank, were involved in bringing the center into being. According to Prof. L., the project developed gradually. It was the collective work of many in the bank, but it could also be met with resistance and indifference within the bank. He recalls how then president of the Bundesbank, Hans Tietmeyer, grumbled and complained behind the scenes, often creating obstacles rather than providing support. But at the official opening Tietmeyer along with others professed unambiguous praise and took credit for making the center possible.

The impetus for developing and expanding new forms of communication between central banks and the public is part of a larger institutional shift beginning in the early 90's that corresponded to new techniques of monetary policy (Holmes 2014; Holmes 2006). In conjunction with, but also displacing measures that target money supply and the setting of interest rates, the practice of inflation targeting was adopted. As Douglas Holmes has described it, inflation targeting aims to enlist the public in the effort to shape expectations over the medium term with regard to inflation, price movements, and saving/investment planning. By evaluating and making transparent the measures that capture but also exceed what can be known about market developments occurring in real time, central banks employ what Holmes calls "an economy of words." These are public statements that evaluate and perform as much as they interpret numbers and project how the effectivity of monetary policy can be understood to work with a temporal delay. Thus,

central banks respond to and co-constitute market actors' expectations. Because such expectations shape how central banks design monetary policy, emphasis on transparency and a ground-level, ethnographic' approach to how actors are reading and making the market is crucial, according to Holmes.

But in the context of the European single currency, there is another critical dimension of this communication that seeks to re-work the past in terms of the present and future. In Germany, and in Europe broadly, monetary policy depends as much upon the durability and credibility of the single currency as it does on virtual economic indicators. New forms of thinking the relationship between money and the state depend upon the trust in a system of central banks that guarantees one currency and one monetary policy for multiple (and different) economies within the euro zone.

From the point of view of monetary experts, the ordinary 'foot folk,' the general public' was traditionally seen as both uninterested and far-removed from the matters of monetary governance. Though the collective actions of market participants have never been irrelevant to policy makers, their conscious participation in and awareness of monetary policy has only recently become the focus of expert concerns and visions. The effectivity of monetary policy depends more and more, it is thought, on the public's understanding and acceptance of central bank decisions.

In an unpublished speech given to central bankers in Riga, Prof. L. defines three main target groups that central bank communications work aims to address: policy-making institutions, financial markets and – everyone else, i.e. the general public”<sup>9</sup> Many avenues, including monthly reports, communiqués, and a web-site presence are available to the first two groups. The former groups require information necessary for setting wage policies or intervening in financial markets. In contrast, the visitors' center is designed to reach the broad public as its primary audience. Though limited in scope due to its accessibility (who can visit), it can reach a part of the public that is less likely to make use of the other tools available, or to find them necessary for their private household planning. As Prof. L. also explains, the kind of information most important for a general audience concerns the conditions for stable prices in the near future.

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<sup>9</sup> Prof. Dr. Dieter Lindenlaub, 2005, speech for the central bank in Riga

The public should be convinced of the correctness and plausibility of policy decisions. This is especially important when price developments do not correspond to central bank projections and when interest rates must be set or measures taken that do not address and may even worsen other economic factors such as employment. The public must be persuaded to understand why particular sacrifices are necessary for policy measures to take hold. Moreover, and most importantly, the central bank is independent. Political institutions and other financial institutions and actors also make decisions that affect economic processes such as unemployment or external shocks due to rising oil prices. The Central bank must show direct intervention in broader economic imbalances that fall outside its mandate or ability to act. Monetary policy can work towards price stability, but it is not the only influence on price developments, exchange rates or inflationary pressures. With the introduction of the euro, therefore, and the public linkage of the new currency with rising prices precisely this kind of labor was required. While for the broad public the euro currency could easily become the lightning rod of critique, the communications work of the bank aimed at showing other interconnections to explain the relationship between prices and market forces.

Public expectations about rising prices or currency instability shape labor market negotiations for wage increases or resistance to other structural reforms seen as essential to maintaining competitiveness. In the German context, coordination between monetary policy, government and unions has traditionally worked toward building acceptance for painful reforms for broad economic goals. The independence of central banks requires a concomitant “duty of accountability to the public. It is the price of independence, but is also its guarantor”. This is essential to authorizing its special status in relation to the state.

Monetary policy is something grasped in the long term. Its impact is rarely felt immediately. Retrospectively and at a distance, the cause-and-effect relationships may be discerned but are never certain. For this reason a pedagogy of monetary policy would provide a frame of imagination to view economic developments at a distance, and as part of an interconnected ‘whole’. To facilitate a mode of evaluation, therefore, that might patiently reserve judgment in the present for a future contingent is part of the work of producing different horizons of expectation. Success of a particular monetary policy can

only be viewed with a proper orientation. Communications work, especially the form available concretely and viscerally at the visitors' center, can suggest such an orientation.

“...monetary aggregates, credit volume, exchange rates, growth, international interest rate differentials, import prices or wages, it is simply not enough. These data do not allow an opinion to be formed if the observer cannot structure them. Numbers are not self-explanatory. The observer needs a theoretical spotlight or framework of reference to be able to interpret the data. The central bank must provide this framework of reference by announcing its monetary policy strategy. This strategy tells the observer to what extent the stated variables are indicators of future price developments and therefore suitable for the orientation of monetary policy measures, and whether the aspired goal can be expected to be reached on the basis of the measures taken (especially interest rate decisions)” (2005).

Fiscal, wage, tax policy all can influence and impinge upon the stated goals of monetary management. Prof. L. argues that one aspect neglected in the scholarly literature (at that time) which is central, and I would add, illuminates a particularly German stance toward money as a ‘public good’ is the importance of monetary/price stability measured over a longer period of time (medium term). Policies aimed at ensuring that prices remain stable may in the short term have problematic effects (or seen to be ineffective in a present moment of asymmetry). Thus, according to the philosophy of price stability as it has been grounded in Germany’s own experiences of monetary disorder, the work of monetary policy is social insofar as it secures long-term growth and prevents inflationary as well as deflationary pressures.

“Deflation...leads to a wait-and-see attitude and thus curbs consumption, output and investment, while inflation obscures the signals which prices normally give market participants in their search for those employment and production possibilities offering the highest yield; it curtails investment and employment, destroys assets and the capital market and harms, above all, average citizens who are inexperienced in financial matters and cannot react to the inflation situation in good time” (2006)

Transparency and effective communication about Central Bank policies secure the basis for the continued existence and independence of the central bank. It has an

“information advantage” that should be made accessible to the public. But this advantage is not one to be used in providing investment advice or financial consulting services. There is thus a clear distinction between the form of communication appropriate to a central bank, in contradistinction to that provided by commercial banks and other financial institutions. The work of the central bank is distinct and separate not only from the ‘state but also the financial market place. This distinction is carefully emphasized in presentations at the bank even if it is also clear that that the setting of interest rates and interbank lending and reserves facilitates and influences financial stability and the commercial activities of commercial banks (the latter notably for the good or the harm of public interests).

The public may wish for investment strategies or other financial advice. Hypothetical questions, such as about how to prepare for inflation and which assets such as gold or other investment vehicles are ‘safe bets’ should not be encouraged, and indeed are carefully resisted and deflected in interactions with visitors and the public. For staff-members interacting most closely with individuals and visitor groups, responding to questions like these is an art form as much as a hedge against misunderstandings. Any statement staff members make might be wrongly perceived as an official opinion of the Bundesbank. The message most strongly communicated about inflation or deflation, for example, is that monetary policy should work to ensure that changes in monetary value are not distributed unfairly across society, or imposed upon future generations. Given that currency reforms to address such monetary disorder in the German experience did indeed produce ‘winners’ and ‘losers,’ ensuring that such phenomenon are prevented in the first place is presented as a form of ensuring social equity. If monetary policy is effective, in other words, people will not be in a position of anticipating catastrophe (and therefore benefitting from privileged inside information).

In moments of crisis, though, the central bank may very well make decisions without first notifying the public. Past history, as well as recent events in Cyprus in 2013, where a bank bail-in and capital controls effectively imposed losses across the social body and immobilized money and people, suggests how moments of exception, in which

information is kept from the public, challenges the sincere aims of central bank transparency.

The ECB has a two-tiered strategy (monetary indicators and inflation targeting). The appropriateness of monetary policy measures in addressing economic problems is subject to contestation. Given that central banks have a legal statute that guarantees its independence, but are not democratically legitimated, i.e. board members cannot be voted out of office, it is therefore crucial to win stability and trust. Credibility is based just as much on an explanation of alternative options as it is on persuading about the measures taken.

Presentation of fundamental issues, especially those such as the importance of stable money (and what happens when this is not the case) informs what the center privileges in its presentation. Historical examples serve an important empirical and historical purpose in showing how monetary policy has been used (and misused in the past), how social conflicts have produced and been shaped by monetary instability or particular policy decisions. Prof. L. explains that history should inform the thematic and theoretical presentation rather than as chronology. These “spotlights” can inform and illuminate the monetary policy of the present. Current affairs should be presented in such a way that visitors can form their own opinions. How do factors like unit labor costs or GDP interact with monetary policy decisions such as the raising of interest rates, for example?

Different views and explanations should be allowed. It should not be perceived as an ideological endeavor to “deceive the public.” Numismatic collections are important and act as a draw on visitors’ interests and attentions. But coins and paper money do not speak for themselves. For Prof. L. it is important to convey a sense of what stands behind forms of money and monetary tokens. Conveying the monetary and economic decisions that shaped and informed their use, circulation and governance can show something essential about the historical and economic processes and events in which they were embedded and made possible. For instance, the silver or gold content of coins would be decreased to change or manipulate the value of the currency, just as the emergency money of the Hyperinflation illustrates how official money lost its essential functions and

therefore required a substitute. “The correlations, which make consideration of the monetary tokens relevant to monetary policy, are not self-revealing; rather, the links to monetary policy, which make the illustrative nature of the monetary tokens clear, always have to be established first” (2006).

Updating exhibits to address current and fast changing developments is a cost-intensive and practical challenge. Moreover, visitors have a limited ability to absorb and process difficult and abstract content that characterizes monetary theory, history, and policy. Thus interactive media, compact and illustrative as well as entertaining forms of explanation serve an important role in making ideas accessible. National Central banks are charged with communicating with the public about the European system of central banks, its policies, and about the single currency. Specific national histories can make this new project tangible and generate support for the project.

Dr. E. once expressed the ideal theoretical concerns described above in professional, affect-rich terms to me as follows, crucially intersecting with the shift in stance described by Douglas Holmes in how central banks conceive new communicative forms. But in contrast to a uniformly communicable form suggested by Holmes, my interlocutors suggest how historical legacies shape and are transformed by broader developments that acquire a special visibility in the physical and conceptual space of visitors’ centers specifically:

We were one of the most important banks in the world. We used to set the interest rates, hold people at a distance. There was a colossal change not just because of the founding of the ECB and the monetary union, but also because times have changed. Just to describe, I have been here in the bank (*im Haus*)—my father worked for 40 years at the Bundesbank, I grew up here. I worked here already when I was a student (*Schüler*). In the 70’s when the Bundesbank gave an estimate, a press notice, the indebtedness of the public budgets will rise 1.5 points, the next day it was printed in the Wall Street Journal, the Bundesbank says...Then the 80’s came and there was a shift toward a more academic approach. These societal changes, from the academic approach to democratization have made society more democratic, as I see it, and less authoritative. Today you have to legitimize, explain, and give justification for your models. You have to show which model you applied in making projections. This includes the presentation of the material in the museum. We have to explain better what we do and toward what end. It must be



scientific, but we don't have truths or wisdom. We have theories. Each concept has a theoretical basis. For example, the English economic theories have a harder time here. We are more inclined to German and French ideas. We imagine that is theories here are in competition and it is up to the visitor to decide which one sounds most plausible and well supported. We take a logical positivist approach. Theories can be falsified. But we believe there a many theories, each with their own intellectual merit. I can show you models and theories, and you can decide. I can't claim that I know how to maintain the stability of money...we don't make promises. This is what falls away completely from modern political discourse. Politicians make promises. We don't. This informs our stance, our presentation.

My research at the Geldmuseum, as well as interviews with staff and visitors, confirmed that people from all walks of life, of different ages, educational and social backgrounds visit the Geldmuseum and interact multiple levels and intensities with the material being presented. Throughout my research I observed and learned that this approach to presenting the concepts and histories of money management, as open-ended theoretical and cultural questions, did make an impact on visitors to the center.

### **Para-ethnographic 'critical' encounters**

One hot summer afternoon, early on in my fieldwork, I was surprised to hear the security guard instructing visitors that the visitor's center would be closing early that day. There were not many visitors that day anyway and I had been using the quiet time to work my way through several of the interactive media programs. There was a calm sense of urgency about the closing and I was puzzled as to why. I looked for M at the Betreuerin's table in the corner of the gift shop above, where the consultants had their small workspace. From there one could look out across several tables and through a window into the center below. But on my way up I saw her descending the stairs from the library. On this upper level and above were the restricted floors and office spaces of communications staff and the offices of the press, library and research staff. Why is the center closing, I asked. University students have occupied a stretch of the nearby highway (*Autobahn*), she told me. They are protesting the introduction of student fees, she continued. For security reasons it is better to close. Why would that be a problem

here, I wondered out loud, intrigued. Well you know, it could turn into an anti-capitalism demonstration and students might have the idea to come here, she noted calmly but wryly. Oh, is that really a concern, I probed a little further. She shrugged, not very concerned. But the decision had come from above.

I didn't hold things up any longer and collected my things from the locker room below. As I did I couldn't help feeling somewhat surprised that the Bundesbank would be a target of protest in this instance. Perhaps it had something to do with the history of student protests in the city, famously in 1968. Or perhaps it spoke to the prominence of the Bundesbank in this city and its critical intersection between private banks on the one hand, the 'state' on the other. It would prove for me to be an instructive metaphor for thinking about the nature of communication with the public in this space. It was characterized by the normality and centrality of the money landscape of daily life. Central Banks are a kind of necessary and yet impenetrable edifice that makes monetary stability a goal that is understood to serve society as a whole. At the same time, such an institution and its mandate is still fragile—dependent on public trust and aware that trust can be rescinded. It must therefore be earned. To be credible it must be open to critique, and yet it must be carefully managed through a careful, transparent communicative form. This is how I would come to understand the monetary pedagogy of which I would become a part and which I would push against with my own open-ended inquiries and analytical ends.

Paradox, differing opinions, messy narratives are allowed here. But they must also be controlled. They must conform to the mandate of the institution, even as they continually escape those more narrow meanings. This space is open to the public, but fearful of the public at the same time. In a meeting about my research, key respondents were intent on underscoring the necessity of institutional unity. The pedagogical mission must be embedded in a uniform and consistent voice. I responded by making what amounted to be an incorrect analogy, stating that it was something like a good choir. No, I was corrected. A choir is composed of many and different voices. Here we are talking about a singular and uniform voice. The same voice, thus no sopranos, tenors or basses as my analogy implied. Multiple voices reduced to one.

In many respects I was not very different from any other member of the public. I sometimes asked questions that could not be given an official or even an informal answer. I wanted to be convinced about soundness of the single currency project as a means to understand how it should work, what would bring, how it would animate and become naturalized in daily life. I was entangled in the communicative work of the bank, just as my interlocutors were in my research project. The labor of communicative potential was a shared concern and horizon of possibility, even if for somewhat different reasons. Specialists with whom I worked might better be understood as communicators and teachers rather than technocrats. Yet their pedagogy engaged and elucidated technocratic knowledge practices and models with which they, too, had limited and differentiated experiences of application. These are the institutional representatives on the front lines; they must carefully navigate and create an environment in which communicative work performs authority yet conveys essential knowledge about the central bank's mission and tasks. Given that the central bank is not a democratically elected body, but which has specific obligations to maintaining the public good through prices stability, many of my interlocutors emphasized the importance of this form of building and maintaining legitimacy.

Specialists were thus on the front lines of building credibility and alert to the possibilities and limits of what could or should be communicated about the work and mission of the Bundesbank—now part of a larger system of central banks responsible for one currency (and policy) for 17 different national economies. Communication should make evaluation possible. But it should also persuade and naturalize. I, on the other hand, was eager to hear about those openings where the euro had not quite settled in, where and how it might still be the subject of critical reflection. Much like the communications specialists who so generously supported and put up with my interventions, and interruptions, I navigated the possibilities of thinking with and against the naturalization of money.

The *Betreuerinnen*, translated loosely, 'caregivers,' are in many respects the 'heart' of the communications work in the physical space of the exhibition. I use the feminine form of the German word caregiver to indicate the gendered aspect of this work.

Though male employees could hold these positions, only women have served in the role (to date). As Frau K explained, when the center was conceptualized there were no plans for accompanying staff. ‘They assumed it would run by itself,’ she told me somewhat wryly. Of course, it did not take long to recognize the error of that assumption. Even still, and despite the significance of their intimate contact with the public, their work tends to be underappreciated. I understood this not only from their self-descriptions, but also from my observations during fieldwork. To give the most vivid example, at the museum evening presentation celebrating the ten-year anniversary of the center which detailed the history, work, and future plans, the consultants were not even mentioned!

*Betreuerinnen* give guided tours, lead workshops and facilitate group activities, and stand at the ready to answer questions of visitors. When they are not otherwise occupied, they read the daily press packets to stay apprised of new and changing developments in the economy and financial markets. These packets are prepared in the press department of the bank. They include in particular articles that refer to policy decisions or assessments of Bundesbank and ECB policies and projections. The consultants have some form of professional or academic background in macro-economic and monetary topics. Several have worked in other divisions of the bank. Because the position is flexible and part-time, it allows consultants to combine professional and parenting responsibilities. Precisely because many of the consultants are mothers and have an interest in educational activities for children, the communications work expanded ‘informally’ to include age-appropriate offerings. Young children were never included as a ‘target audience.’ One former *Betreuerinnen*, no longer at the bank at the time of my research, developed the tour and narrative for these presentations, which continues to be used, adapted, and expanded for special occasions.

Of central importance is the distinction between the central bank and commercial banks. For instance, some visitors confuse the Deutsche Bundesbank with the largest German investment bank, Deutsche Bank. Though the central bank may not be democratically elected, it is a public institution. Independent from the government, it nonetheless has obligations to the state (its ‘profits’ flow into the state coffers) and most importantly to the people. As Frau V., one of the *Betreuerinnen* expressed this:

“We are not here in the interests of private banks. Critical questions can be asked here. We are not a corporate bank but a public institution charged with price stability. We also have to make clear that we are part of the euro system of central banks. We are not working in our own interest, but for the public good. With such a young currency union in a globalized world, it is necessary to emphasize this collective monetary and economic policy. It is not like the Federal Reserve, which has private banks behind it. It is difficult to make European monetary policy concrete for the broad public. It is not very tangible.”

For me one of the most important insights, though perhaps not surprising, is the effort involved in engaging directly with the visitors and called upon constantly to respond to questions that quite often straddle the fine line between what can be stated ‘officially’ and the openings for building rapport and facilitating a deeper dialogue with visitors. This form of labor falls outside what is formally privileged as communications work. Describing a particularly meaningful interchange with a visitor, who expressed great surprise and gratitude at the dedicated attention visitors received, Frau V. responded to my query about how the work at center is viewed by other bank staff, she noted that one-on-one conversations with visitors are generally not accorded the same importance as formal presentations. ‘There is a kind of ambivalence to the work we do here on the exhibit floor.’ The subject matters that we touch upon and explain can only be comprehended slowly and they are difficult to actualize. It requires a high degree of effort and can sometimes be exhausting. But this form of work is also an identity question- we want to remain visible. That is very important.

Only through my extended ethnography with the Betreuerinnen in the exhibit space and informal conversations did I learn to appreciate how, in this context specifically, such informal conversations represented a professional risk given the guarded and careful management of ‘institutional’ statements. One of my interlocutors explained how a journalist once published an article in which a comment about a former Bundesbank ‘scandal’ was attributed to her presentation for a guided tour. Though she had never made the comment, she was asked to account for it by her supervisors. I present this example here to underscore that what may seem like unremarkable

challenges elsewhere acquire a heightened sensitivity in this context. For it is a space where trust in fiat money is built and as easily undermined through the incitement of discursive statements about what ‘stands behind it.’

This tension would be heightened as the US financial crisis spiraled out to reach the financial sector and international industries and corporations in Germany. In Frankfurt, known as the city of banks, many local residents sought out the Bundesbank in hopes of acquiring a new angle on developments that affected investments and workplaces. The Bundesbank visitor’s center and events were in high demand. Herr S., one of the senior staff members in the communications section, felt that the communications work had also changed during the crisis. “We are at a disadvantage because we have to hold back in our responses to the public. We don’t want to paint further crisis scenarios.” He explained how a journalist had recently visited and why there was no information or discussion of the financial crisis in the visitor’s center.

Repeating what I had often heard from my other interlocutors in the bank, he argued that such a topic is extremely complex and it has to be carefully researched and processed. “We are still in the middle of things. The crisis began last year and it is still unfolding. All we can do is explain. But of course, we don’t reach the person on the street. (Then) Bundesbank President Weber gives interviews to the Bildzeitung (a German tabloid) to achieve a broader effect. Here one can clearly see the careful management of who can speak to the press, and on what terms.

However, visitors brought their own stories and explanations of the crisis. One particularly eloquent respondent, an elderly gentleman who reflected on the financial crisis, told me the story of a tree in Africa that, once it becomes too tall begins to find a way to grow sideways. Trees do not grow to the sky, he said. They reach a limit and either collapse, or find a different way to keep going in the example of this rare tree. The moral of the story holds both a warning and a promise. The current system is not sustainable according to the idea that growth is unlimited and exponential. The promise (and hope) is that there are other (more sustainable) ways to take up longstanding concerns about human necessity.

## **Materiality of money**

The money museum uses space to show money's material as well as virtual instantiations. Guided tours typically remain in the more traditional space of the museum, where the narrative is embedded in a particular history of money. The theoretical stance is what one might call evolutionary across vast temporal-spatial contexts, while highlighting national (and European) dimensions important for the contemporary moment. Moving from the contrast of the cow and the binary code, primitive forms of money are highlighted, from Africa, to the island of Yap, to Ancient Lydia and Rome.

Hiding in plain sight, as it were, is an apparent contradiction about central bank pedagogy. Monetary policy in theory takes little note of currency's material form. Important are quantity and velocity of book money, and the stability of prices. But here, monetary policy seems less concerned about economic measures (therapy), than it is about physical coins and bills. Indeed, an enormous effort, financial investment, and complex bureaucracy are expended by central banks in the management of hard cash. Counterfeiting is the iconic problem space of this management effort. The quality of bills and coins also matters. Thus the quality and concreteness still matter to modern (Western) money even if monetary policy makers and theorists alike prefer to emphasize money's immateriality. Money's inertness maintains an uneasy coincidence with the capital of circulation.

Though it is certainly true that the story begins with the notion of money growing out of barter, it begins not with the narrative of the coincidence of wants, but rather with commodity money. The cow serves multiple narrative purposes that connect it to the past and the present. If a cow was a form of money in the past, so, it still serves as such in some parts of the world today. It is part of life worlds, even if it can also be understood as a store of value and medium of exchange. But the cow also juxtaposes a different insight, especially in explanations for children. This is the concept that money, in order for it to circulate widely and to be useful for multiple and more frequent exchanges, must be partible. It is difficult, it is said with some humor, to divide the same cow into smaller

parts more than once, thus something more permanent is needed. Another important concept is that money must be scarce to retain 'value'.

In the *Tresor*, a round vaulted structure (that is sealed and secured each night), some of the most precious and valuable exemplars of the Bundesbank's numismatic collection are displayed. Here visitors see gold bars, a very rare "Brutus coin," as well as coins that illustrate a long numismatic history of German lands and the world beyond. A copper plate from Sweden is used to tell the story of the beginning of credit money. An ancient Chinese note is the first paper money, and includes a warning to any would-be counterfeiters that such actions will be punished with death. Finally, a collection of small denomination bills from every country is displayed in pull out glass panes, so that both sides of each bill can be viewed in detail. A favorite story is told to children's groups about the bill from the Cook Islands.

The tour then moves toward the back wall of this side of the museum. A 'buried treasure' is displayed: coins that had been buried in a clay jar and discovered many years later. This find illustrates a common practice throughout the ages: 'hoarding' or burying one's valuables for safekeeping or to hide from others. The find is also interesting because of the range of different coins found together and gives a sense of the vast geographic range in which these coins were circulating at that time. The tour then moves back in the direction of the cow, but shifts to the left to take in the displays that explain the security features of euro notes and coins.

An entire wall is devoted to explaining how a 500-euro note is produced (though of course not in such detail that this would do counterfeiters any good. The display includes a metal printing plate, as well as an entire sheet of 500-euro notes. Across from this display are three separate stations where one can test the authenticity of one's own euro notes (though the visitor is warned, only half in jest, that should the note prove to be a counterfeit, it must be surrendered on the spot). On the other side of these stations are exhibits that show examples of both authentic and counterfeit coins. In a space all to itself, in a corner right below the museum shop, is a large cabinet of drawers that visitors can pull out. These contain examples of bills and coins beginning with the early years of Germany's history as a nation, include a collection of GDR currency as well, the different



series of the Deutsch Mark, and finally, examples of euro notes, and coins from all euro-member states. *Sondermünzen* (commemorative coins) are also displayed.

Visitors are then given a brief overview of the remaining, interactive part of the center. Highlights are the stability game, and the simulated monetary policy game, where one can choose the role of central Bank president, chancellor, or union Leader. Visitors are left to explore this part of the center on their own.

So far I have given only the barest sketch of these tours, the interactive exhibits, and the ways in which visitors use and engage with the materiality of this space. I will expand the ethnographic description and significance of these daily activities and encounters in the following chapter. For now, however, I will suggest the important legitimizing registers of money's material form in the 'politics of building trust.'

In the pedagogical public relations of the Bundesbank, (and the European Central Bank), then, a central component of explaining or bringing monetary policy to the public is through a focus on paper money's reliability, the recognition of its authenticity, and the delimiting of counterfeits. Yet according to central bankers, and even staff members involved in designing and communicating monetary policy through public relations activities, the security features of bills and coins have nothing (or little) to do with what counts as monetary policy, or with the actual practice of maintaining a currency's value. Indeed, the complex of price and monetary value are important, even if it is recognized that bills and coins serve as glorified calling cards.

Bills are especially subject to wear and tear and must be periodically replaced to ensure that the security features are testable and visible to shopkeepers, consumers, and bankers alike. Shredded euro banknotes are a favorite pedagogical artifact used at Bundesbank public relations events. These are old, torn, worn, or otherwise damaged bills taken out of circulation and destroyed (shredded). As Bundesbank staff often joke, shredded euros are literally their waste, Bundesbank trash. They get turned into raffle games where visitors can guess the exact amount of euros, sofas or chairs that visitors can use, and packed into small bags that can be taken home and kept, or used for confetti. Every third person, it seems, asks if it is possible to reconstruct a complete euro note from the shreds. However, at events in Leipzig and Dresden in the former East, a quite

unusual question gets asked, one of those unruly traces. Half ironically, half in jest not a few visitors wonder aloud if these are the shredded documents of the *Gauckbehörde*, or to translate, the Federal agency in Germany charged with managing the STASI (East German Secret Police) files. Before surrendering to demonstrators, STASI agents attempted to shred as many files as possible. Even today, those shredded documents are painstakingly pieced back together. Jokes such as these can also be thought of reinscribing the political into monetary affairs, even as they mark different histories and problem spaces.

Significantly, I found that these different histories shaped the way in which my respondents in Leipzig and Frankfurt expressed the so-called D-Mark nostalgia. In my experience, it was primarily West German respondents who spoke longingly and at some length about the loss of the D-Mark. In Leipzig I would often be told that others say or feel this loss second-hand. While West German respondents often assumed that people in the east would experience the far greater sense of regret over the replacement of the D-Mark given the events of 1990, it was by far westerners who demonstrated this sense of loss most viscerally. At an event in Leipzig I attended during the memorial week of the peaceful revolution, I explained to a woman sitting beside me about my research on the euro. I assumed at first that she was from Leipzig but after hearing her wax poetically about the D-Mark I began to think that she must be from the west, which indeed turned out to be the case. I do not wish to make grand claims about this difference, as a survey or poll might aim to do. But I experienced it often enough that it highlighted the shared yet different histories in small, yet meaningful ways.

At the visitors' center in Frankfurt, however, doubts and skepticism about the euro were a staple topic of conversation in my interviews with visitors, just as insisting that the euro 'is not responsible' for this or that phenomenon was the persistent narrative of Bundesbank specialists and staff. Frau V told me in one of our formal interview sessions:

“I think it will take a generation for the German public to adjust to the new system, to the euro. Money is multi-faceted. Money has always been beset with problems. That lies in the nature of humans, I think. What is money? Why does it make a difference? The most important aspect of money is that it must be scarce

to embody value. It is an abstract value of today, but also a claim on the euro system. Many visitors don't realize that currency is no longer backed by gold, but by the monetary policy that makes it trustworthy. Monetary policy is very abstract. What does the inflation rate mean? It is difficult to understand. But it is 'behind' the money people hold in their hands. People often do not stop to consider, what does the money I use look like? People have not really identified with the euro. In my presentations, I try to break down and overcome prejudices against the euro, to encourage people to become conscious of their currency and to win acceptance for the importance of monetary policy. In particular when I lead the guided tours for children and their parents, you can see that there is acceptance, that hearts are opened, and that there will be a foundation for the future."

### **Subjectivities of encountering economic knowledge**

What institution could be further removed from public influence than a central bank? A central concern of my research has been to think about the intersection between experts and the public, between what is perceived as highly technical and inaccessible knowledge and a layperson's ability to speak about—and speak with—the agents of this expertise. By *agent* I mean multiple kinds of actors—persons, documents, as well as the materiality of coins and bills and what these represent. In important ways, my field sites, especially the Geldmuseum in Frankfurt am Main, have lent themselves well to this line of investigation as the introduction of the single currency and the public relations work of the Bundesbank have played a role in producing new kinds of interactions with the public. At the same time, other aspects surrounding the politics of monetary policy are made less visible. The Bundesbank necessarily frames the presentation of monetary policy, the role of the Bundesbank and central banks in ensuring financial stability, and the logics of the single currency, the euro, in empirical, scientific terms. This is also the level at which the institution approaches the public—in factual rather than emotional or popular terms. However, this creates a tension from the perspective of the Bank between what different target audiences are able to understand and the form of institutional transparency to be conveyed. The Bundesbank has many avenues of communicating with the public with far-reaching effects. But it is the visitors' center that solidifies most, even

if in an admittedly more circumscribed but essential form, the pedagogical visibility and authority of the institution in the new European context.

It is important to note that this is not a setting in which priority can necessarily be placed on the best ways of representing monetary policy or the full range of pedagogical tools and models that could be useful. The visitor's center is not a museum in this sense. At the same time, it is also not a propaganda instrument in a narrow sense (though some visitors see it this way). Because of the Bundesbank's emphasis on its role as an independent institution with a strict mandate to remain 'outside' political decision-making or the demands and influence of the government, yet making decisions that have political consequences, public relations staff must work within very narrow guidelines in reaching out to different sections of the public. From an inside perspective, the aim is to cultivate a sense of *Bildung* where people will, ultimately, make up their own minds about the ideas and practices underlying the work of the central bank.

Professionals in the banking and financial industry, students of economics, or interested citizens are able to negotiate the pedagogical strategies of the institution differently than families with children who also come to visit the center on a regular basis. Presentations and workshops are designed to be age-specific, and concretize knowledge about money as historical and theoretical, from the early forms of money to concepts such as the quantity theory of money (that, is, that money must be scarce in order to maintain its value), or the importance of trust, as modern money has no intrinsic value.

Contrary to what many might think—that the simplified approach to monetary policy isn't simple enough—the strategy of providing visitors with an abundance of material so that it is possible for visitors to weigh different kinds of evidence for themselves makes this site more accessible.

A prevalent response by many to monetary and economic topics is 'fear.' In response to my initial queries, many visitors expressed hesitation or unease in describing their experience at the visitor's center. Apologies or defensive statements such as 'I don't know anything about economics' would preface many responses. Some felt they might be "tested" on memory and knowledge retention. A number of older female respondents

noted how they had been nervous about their visit. They expressed anxiety. Despite living locally, they had not come in the past because they feared they wouldn't be able to understand anything. While these responses are perhaps hardly surprising, even uninteresting, they are crucial in understanding how many “non-experts” interact with the overwhelming complexity of monetary policy and theory encountered at the center.

Staff members continually expressed a frustration not with numbers, but with language: with the limitations of expressing the theoretical and practical interconnections between, money, monetary policy, and economics as a whole. This inverts the intelligibility of numbers and language so incisively discussed by Maurer, in that numbers and charts may do more than narrative in explaining money. In Germany, economics is generally separated into two categories: *Betriebswirtschaft* (business/micro) and *Volkswirtschaft* (macro economics, *of the people*). The latter term carries the sense of people's economy or *national* economy, but a particular macro perspective is also implied through the term, *bird's eye view* (*Vogelperspektive*).

Dr. E's stance toward presenting the inaccessible content of monetary policy is closely linked with a strategy of undercutting his own claims to expertise. For him, communication should occur at 'eye-level' (*auf Augenhöhe*). A successful presentation depends upon the ability to conceptualize this expertise as exciting and interesting, but not inherently so because of his long-time professional engagement.

E: “I mean, of course I am an expert, but I am an expert in all kinds of ‘ridiculousness.’ A little modesty does us all good. To take this stance and say that...not elevate yourself over others, but tell a story that is relevant for this or that person. There is a dialogue. The audience, say school kids, should not feel that it is just performed (then it is anxiety-inducing). If they feel there is a dialogue then they sense they are taken seriously”

But for Frau B, one of the *Betreuerinnen*, the consumer mentality of many people blocks the capacity for engaging with monetary and financial expertise. She highlights the central tension underlying the notion of transparency: information is made available, but not necessarily in a form that is easily processed. Moreover, there is an expectation that complex topics be delivered in ‘sound-byte’ form, pre-packaged for immediate

consumption. Presenting the euro single currency or any monetary matter exceeds that possibility. Frau B. noted that many Germans only began to pay attention to the euro once it became clear that the change to coins and bills was only weeks and days away. Whether at the introduction of the euro or at moments of financial crisis, public critiques and expectations grow as experts are called upon to explain processes and projects felt to be long underway. In response to my queries about the interrelationship between the focus on material details of money and the policies and crises Frau B seamlessly folds the problem of information asymmetry into the manner in which the materiality of money is a starting point rather than an endpoint in taking responsibility for self-education:

Frau B: “People also have to take responsibility to become informed. There was a lot of information and discussion leading up to the introduction of the euro. But there is a consumer attitude that it should be made intelligible for them. It requires thinking with, not just receiving information. We speak to many different levels of understanding and background. Explaining the security features of bank notes is a way of exciting interest. It is like an appetizer for the main course—to explore on one’s own, and in the depth that seems appropriate. It is possible to understand that the money you hold in your hand is also just a transitional form. It is a tiny part of a longer history with money. Parallels can be used to understand the logic to money forms. The cow, for instance, is a traditional form of activity and connection to exchange. It mirrors culture, history, and mentality—more than just a means of payment. It is a mirror.”

The central focus of understanding money in this space, then, and through this site, are the specific ways in which currency is part of and makes larger economic interconnections possible. A central bank guards over, but also influences broader economic processes that impinge on a currency’s stability and value through the setting of interest rates. Unlike the US Federal System, the European Central Bank formally treats economic concerns beyond price stability as a secondary obligation, and has no legal mandate to craft policy that will influence unemployment or other economic fundamentals. Indeed, independence is emphasized precisely because the financial crises of the past are viewed to be the direct result of state manipulation of money and monetary institutions to fund wars and deficit spending. Money or currency is thus not only important as a functional object of exchange but as facilitating the stability of aggregate

economic processes and therefore, working in the interest of the greater public good. The euro is a project that references, reconfigures, but tries to remain outside the social.

While current central bank practice emphasizes inflation targeting, the Bundesbank has traditionally favored careful management of the money supply. It is the latter that is emphasized in the visitors' center as the quantity theory of money—a foundational concept for explaining and reflecting the agency of money as both a quantity and a quality.

There are many differing opinions about the quantity theory of money that centrally informs theories of monetary policy and German histories of monetary reforms. Jean Bodin (1530-1596) is credited with the theory, later to be expanded upon and modified by economists Irving Fisher and Milton Friedman. The theory holds that the supply and velocity of money can be measured and managed in the real economy. As Milton Friedman would argue, inflation is a monetary phenomenon. In Germany, the history of the 1923 Hyperinflation offers vivid evidence of this idea. But some question the applicability of this theory given the many forms of money that proliferate in the modern economy. For instance, central banks are not the only institutions that issue money in the economy. Credit and other monetary media or book money created by private banks, for example, may fall outside such measures and be difficult to track. But in light of the German experiences of financial crises in the 1920's and 30's, this theory (known as monetarism) has acquired a foundational validity. It is seen as an imperfect yet sound means of observing the relative quantity of money believed to be circulating in the economy.

In ideal form, the theory argues that the money stock and the number of goods produced in the economy should be balanced (in equilibrium). Monetary policy may intervene, but there is a 'temporal lag.' Thus, it may seem that there is a discrepancy in this 'balance' (as illustrated by the price stability module in the Geldmuseum). If the quantity of money relative to goods rises rapidly, and exponentially then there is a risk of inflation. On the other hand, if there is too little money relative to goods then there arises what is known as deflation. Deflation is feared as much, if not more so, than inflation

because it is felt that central banks can do little to intervene when interest rates reach zero.

In more recent thought about monetary policy, inflation is measured not on the basis of money but on price levels in the economy. A sharp increase in one set of goods is not seen as inflationary. Rather, it is when a general increase in all prices occurs that price increases are seen as indicators of inflation. Whether measuring the supply and velocity of money, or measuring price increases using the consumer price index, the understanding of central bankers is that policy instruments can be used to intervene in the market to ensure price stability and the measurement and storage capacity of money held in bank accounts and in one's wallets. Preventing inflation or deflation is viewed as a public good. This is so because inflation or deflation is viewed as a form of unfairly redistributing wealth and risk across society.

The relationship between the euro and the different, yet 'converging' economies that share it is precisely what is most at stake in unpacking and authorizing the relations 'behind' the euro. The euro area in theory should comprise what is known as an 'optimal currency area.' This means that regions sharing a currency will be relatively equal in economic output and capacity so that a one-size fits all monetary policy will not produce asymmetric shocks in times of downturn. Other criteria of membership referring to GDP and State deficits are supposed to ensure the necessary discipline to maintain the system in which monetary sovereignty is 'pooled' whereas fiscal and economic policies of individual member nations remains separate. Anxiety about the disciplinary and economic cultural 'traditions' of the member states is given expression in the 'no-bailout' clause of the Maastricht treaty whereby nation-states remain liable for their national budgets and debts. At the time of my research, this rule was deemed to be unbreakable. Precisely how such different national economies will manage with a uniform monetary policy is what makes the euro a radical and unprecedented experiment. Nation-States no longer have the option to devalue an independent currency to deal with internal or externally induced 'shocks. Everything depends, so it is thought, on member states complying with the rules. Thus, experts must be more attentive to facilitating public



understanding of and acceptance for the crucial role that central banks now play in securing the stable value of prices (and therefore the strength of the currency).

Differences lie at the intersection of expert and public understandings of the euro. How are these differences managed through the single currency, what disruptions occur, what pressures and responsibilities entailed? While money signifies belonging and stability in concrete ways, the *euro-complex*, the bundle of relationships, technologies and practices that bring together national contexts into a single (*one size fits all*) signified exceed the conceptual and linguistic repertoires individuals may have traditionally drawn upon in making monetary and macro-economic developments intelligible.

Thus, it is not only monetary policy that should be made intelligible, but how it is concretized through its relationality with other economic measures and practices including, but not limited to the redistribution of wealth and debt through taxation, subsidies, EU funds, and so on. Monetary policy is the subject of macroeconomics, not an uncontested field in economics. Of the subjects included in that field, it is considered to be the most difficult and abstract. The debates between Hayek and Keynes, as well as monetarists and supply-side economics are well known. Heterodox economists argue that all economics is really 'micro' and question the epistemological claims that underpin macroeconomics and its econometric premises.

As Dr. E. explained it to me, in the reigning monetary theory, "Money doesn't even exist. The conceptual task is to proceed as if money is not even there. But money binds everyone together, as Simmel has argued. It is an exhilarating phenomenon, but yet we still don't understand it." In many conversations and interviews, but less so in public presentations, institutional narratives about money and monetary policy were differentiated from political ambitions on the one hand and from the new forms and techniques that characterize the European Central Bank:

E: The politicians have all had money in their hands, but the monetary union, I don't believe they understood what they were voting for. I believe that many who said, yes, we are doing it. They didn't even know what they were agreeing to. They explain that it creates freedom, but what does that mean? You want freedom, security, but promises are made without thinking through. In my

opinion, [and in experience of the Bundesbank], the quantity theory of money is unbeaten in addressing Inflation. But we hardly use money supply policy any more. Now we do inflation targeting.

In both senses these are not departures from or critical demands to change the new architecture. Rather they underscore the subtle forms of preserving a distinct approach and set of priorities in communicating notions of monetary stability to the public.

### **New currency, new legitimacy**

Frau Fritz worked on the enormously successful campaign launched by the Bundesbank before the introduction of the euro, with the goal of persuading the public to bring any D-Marks under pillows or in piggy banks to the bank ahead of the euro changeover. Known as the ‘sleepy coin campaign’ (*Schlafmünze Kampagne*), the aims were technical and legitimating at once. The Bundesbank wanted to ensure that banks and other relevant financial institutions would not find themselves overwhelmed in the first days and weeks of the euro changeover. By urging people to bring their money to the bank early, a potential bottleneck could thus be avoided. The Bank was also concerned with retrieving as many floating and hoarded D-Marks as possible for the purposes of carefully gauging the money supply and issuing the proper quantity of euro-notes and coins. Other campaigns designed to achieve similar results were inaugurated in Eastern Europe and paid for by the Bundesbank, illustrating the significance of the D-Mark beyond Germany’s borders and cash as the object of monetary management. The motto for the latter campaign was: ‘the euro is coming, the D-Mark is going, but the value remains’ (Bundesbank Magazin 4/2001: 5). Within Germany, it was proclaimed that the euro and the D-Mark would be ‘interchangeable,’ the former would be as stable as the latter. The sentiment was the same: the monetary form might change (a new currency), but its ‘value’ will remain. Frau Franz explained the challenge of these efforts given that people did not (at the time of the campaign) and still do not really have feelings for the euro. If Germans had been allowed to vote, they would have rejected the euro.

“We must explain our continued importance to the public. Before, the Bundesbank made monetary policy. Now, we have only one vote on the ECB board just like other member nations. It is hard for many people to accept that Germany with its large economy has the same influence as a small country like Greece or Luxembourg. It is therefore necessary that we continue to explain our role and assure the public that we are working toward the same goals. But we no longer can be perceived as deciding for Germany alone.”

Beyond technical considerations, the campaign served another essential purpose: building public acceptance for the new euro currency. The German public had up until then registered deep skepticism toward the euro, as evidenced in national and EU level polls. Bundesbank employees knew just as well from their own professional contacts, acquaintances, even family members how deeply reluctant Germans were to give up the D-Mark. It was thus a legitimate concern whether or not the public would be willing to bring their money to the bank. Would they hold on to their D-Marks as a form of resistance, for example? In this context, the design of a compelling campaign to raise public awareness and motivation to aid in facilitating the technical aspects of the changeover was crucial. It demonstrates, too, the cultural significance of cash in Germany. The physical/material body of money underwrites otherwise virtual (and technical) forms of money that dominate the financial imaginary.

The campaign exceeded all expectations, with the Bundesbank winning a prominent advertising silver “Oscar” in 2002 known as the “Effie” awarded in 13 European states and internationally (Bundesbankmagazin 5/2002: 14). Eleven billion ‘Schlafmünzen’ made their way to the bank, a logistical master achievement and a sign of public acceptance at once. By enlisting the public in returning their D-Marks to the bank in exchange for virtual euros (and the starter packs given out before the formal introduction of cash in January 2002, a more intimate relationship with the new currency could be employed. It was a kind of rite of passage, leaving behind the old but awaiting the new and irreversible monetary relations the euro would instantiate.

In 2006 and beyond, acceptance of the euro was and remained fragile while also being naturalized as a medium for marking shifting understandings of prosperity and loss. It is in this sense that Frau Fritz encapsulated in 2006. She was not speaking an official

statement for the Bundesbank but instead allowing me to see the public sentiment as it arrived in her work on a project lying at the junction of old and new monetary regimes. Her reflections then were also prescient of the current issues that now inform the present euro crisis and the experiences of these shifts within Germany.

Markets are not the same. There are different cultures, mentalities. This is why monetary policy in the Eurozone is so difficult. From building homes to taking out loans—in Italy more money is spent on food than in Germany, for example—so there are differences. The ECB must make monetary policy for this space made up of very different economic cultures. Of course, the US states are also very different, but here in Europe there is no unified fiscal policy.

Frau Franz put it in the terms of ‘cultural mentalities,’ but it was not meant in a pejorative sense. A central concern expressed by many was how monetary policy could be appropriate for what are thought of as vastly different economic spaces and financial cultures. Over the years that I would follow the communications work at the center, this became a frequent point of query, critique and confusion expressed in Q&A sessions of group presentations and museum evenings that featured current events. Indicators such as the consumer price index and the cultural and scientific interpretations it facilitated referenced these underlying anxieties.

Indeed, as I learned over the course of my participation in group presentations, differences in consumer preferences, savings practices and market activity were built into explanations of the ‘harmonized basket of goods,’ the European-level equivalent of the consumer price index. One of the most important indicators for analyzing and expressing relative price movements suggesting an inflationary trend, the consumer basket of goods could generate complaint and diffuse it. Presenters illustrated ‘cultural differences’ in neutral terms that emphasized the European ethos of ‘unity in difference’ (though never expressed in those terms).

How might European monetary policy for multiple nations that share the euro be concretized given that the center explains how monetary policy works at the national level? This leads Dr. E to describe in 2009 a kind of ‘pre-history’ of Bundesbank relations with the ECB. He explained that plans had been made to coordinate with the

ECB, not only in regard to the work of the center-- it was felt that this would be a museum of the Deutsche Bundesbank—but in terms of how communications work should be coordinated, and to what ends. As I have been suggesting throughout, there are small faultiness beneath the surface of an ostensible uniform mode of communication. Moreover, a desire for uniformity is expressed and continually undermined by the specific attachments to a ‘German’ mode of securing public support.

As one colleague explained it to me,

In the past we did not have to communicate as actively to the broad public. We were the ones who were ‘asked.’ Now we have to actively work to build understanding and acceptance. With the European Central Bank and the euro here, the question is raised more and more, ‘why do we still need the Bundesbank?’ Such a form of questioning in the past would have been breaking a taboo. Now we are not as important as we once were. We are no longer the one’s deciding monetary policy for Europe. The euro is not just for Germany.

Many I talked with felt that the Bundesbank had given up power, but that this was also an opening up of the work of the central bank, even a form of democratization. I should repeat here that this narrative was not conveyed to the public in any explicit terms. But in my informal conversations and interactions, as well as interviews, the sentiment of changing legitimacy and purpose was directly linked to the convictions informing new forms of communication with the public. By emphasizing the contribution of the Bundesbank to a more broadly shared or ‘pooling’ of decision-making powers within the European system of central banks, building trust for the euro was at once a project of re-inscribing a form of communicative legitimacy at once also separate from the euro.

In many instances, communications work was even distinguished from the ‘economic education’ extended to schools and professional institutions. In the latter case, this work was understood in terms of *Bildung*, a deepening of a substantive understanding of the euro system, what central banks do, and the role of monetary policy in relation to other sectors such as finance and commercial banking. Communication, in contrast, was understood as a form of approaching the public. Here, form is a mode of creating transparency. It may depend less on the ability of the broad public to understand the

content. Rather, it builds a form of trust that the relevant content is sound and disinterested from political agendas or market whims.

Politics has multiple aims, it was continually emphasized to me. This is why the independence of the central bank is argued to be enormously important to maintaining not only stability but also transparency of purpose that is separate from other economic factors upon which it has an impact—especially employment. The distinction between the Federal Reserve and the Bundesbank (and now European Central Bank) here is important because in contrast to the former which uses monetary policy to address unemployment, the European Central Bank’s mandate is price stability alone.

But according to Dr. E. the Bundesbank made a dramatic mistake after the signing of the Maastricht treaty by relinquishing the sense that now, as he puts it, “we have nothing more to do, we no longer have a mission (*Aufgabe*).” Decisions were now being made by the ECB, but the actual work is being done at the Bundesbank (and other national central banks). But in saying this he refers to the long-held critique, and indeed the reason why it was believed in France and elsewhere that the hegemony of the Bundesbank needed to be tamed through monetary union:

Yes, we did the same work before, but only with Germany in mind, so the critique is valid that we were navel gazing without concern for other European countries. The work has gotten more complicated, that is the situation. Now we do it in Europe. We are working as before only now it is more difficult, more complex and new tasks have been added.

Dr. E. felt strongly that the mistake—what was neglected—was the task of coordinating the way in which the European Central Bank and the national central banks should define and approach a ‘European’ public. According to the Maastricht treaty each country explains relevant decisions and policies in their own national context. But who is the public? With whom is the European Central Bank speaking? Language differences are felt to be the most significant barrier, and in this sense language is understood in this context as culture. Dr. E underscores what I described above: the desire to ‘speak with

one voice.’ Rather than coordinating communications work between the European Central Bank and national central banks, for Dr. E there is instead a cacophony.

If there is no European public (*Öffentlichkeit*), then why not build one, he asks rhetorically. But that is something that political leaders do not want, he argues. Though there is a continual profession about the need to push the European idea forward, there is instead a disconnect between national concerns and decisions being made in Brussels. Euro skepticism only grows, rather than being addressed. In terms of the European Central Bank, Dr. E sees the lack of coordination around core, foundational concepts that should be transported across the different cultural spaces in Europe lacking.

More significantly, however, concerns about fiscal discipline get to the heart of the matter. How would this currency work, detached from a shared budgetary and fiscal policy that prevent any one member state from generating ‘imbalance’ in the system? What measures would be necessary in the ‘real economy’ to ensure stability?

FF: We have a free market, what does that mean? Structural reforms are necessary to make this arrangement work. Germany is on a good path here. Corporations are making record profits because nominal wages have ceased to rise. Indeed, they are going down. So we are competitive. The economists are happy, but not the people. There is a leveling of wages downwards. People and businesses can now move, with some exceptions, in the euro zone. People are anxious here about low-cost competition. But in the UK this is viewed positively. In Germany, the view of this is quite negative. People fear wage dumping. Many of these fears are then associated with Europe. It is clear, very clear that the developments will be downward. This can be clearly seen in Germany already. Unless, that is, record profits continue. But workers benefit little in that case. There will be a leveling downward.

Such sentiments—expectations, anticipations—are precisely the targets of central bank communications work. New ways of thinking about currency ‘beyond’ the nation-state and its institutions were necessary. If in Germany laborers could be made to feel that wage sacrifices would eventually contribute to social stability within a national space, the new currency and altered role of the Bundesbank required a new form of assuaging inflationary fears and re-inscribing new forms of thought and discipline across national economic ‘cultural boundaries.’ How would the stability of monetary value *and* the

continued existence of the currency be guaranteed? In this sense, the antagonism between political and monetary goals that form a crucial aspect of the Bundesbank's authority and accountability required new forms of communication, with which the 'old' content would nonetheless coincide. Frau Franz suggests how this new form finds expression in performing the familiar rituals and repertoires through which central bank independence is authorized and earned:

People now have not really experienced a hyperinflation. They should know the importance of stable money. It is important to cultivate consciousness in the public. This is especially because our role has changed. We have lost some of our importance. It has to be said. We often have the impression that we must justify our existence—why we still exist. That is why it is so important to communicate our message and mandates, what we aim to achieve. The role of communication is growing here. We have to take a more active role, also in distinction from politics. The Bundesbank has a high reputation here. When the government wanted us to sell the gold reserves... there is pressure and we have to continue to legitimize our independence from political pressure. We no longer have a special role. We are the Central Bank for Germany. But the ECB must understandably increase its profile.

Dr. E. in an interview in 2009 expressed this mandate and task in even more explicit terms:

E: We work all day for the collective wellbeing (*Gemeinwohl*). But we are not visible. We work for the banks and are instrumental to the banking system. But then it becomes difficult to explain that we don't save the banks, but try to prevent problems from reaching the real economy. Our primary concern is for the individual *Bürger*, for the individual citizen and the real economy. But people do not see or understand what we do. That is an information gap that we must overcome. In Germany we have a stability culture, and if we want that to continue, then we need the support of the public. An independent central bank can only survive—you have seen the conflicts presented in the museum—if we can depend upon the support of the public. People have to be willing to go to the streets on behalf of their central bank, for their currency. I am putting it in dramatic terms. And this is something the lawmakers have recognized...the central bank is the only institution where the state is deprived of power.

As *Betreuerin* Frau V. noted about responses to the euro and to global financial imbalances,



“This special presentation I prepared, ‘The way to the euro,’ it simply did not resonate with the visitors. They weren’t interested. It is really a colossally difficult subject. The [2008] federal elections are coming up, but no one talks about the huge deficits that have arisen as a result of the financial crisis. There is a kind of collective silence in this country about the financial imbalances. In the center we are speaking consciously about monetary policy themes to try to reduce the fear, it is our task to help. But which theory does one trust? There is a lot of anxiety that yet another currency reform will be needed, a re-set because of the financial crisis. People fear they will have to begin again at zero.”

However, there are always gaps in this ‘form of appearance.’ For the purposes of my study one such gap concerns the monetary transformation of the former GDR in 1990. I will fill in some crucial details of the Bundesbank’s ambivalent role in this ‘history’ below. For my purposes here, however, the important link made between German and European projects stands out in Frau Franz’s response to my question. If German unification joined two very different ‘economic spaces’ to a shared currency (and monetary policy), then to what extent did Germans see in European developments related challenges for ‘integration’?

**U:** Do people connect German unification with the developments of European Union, or is it perceived as primarily a matter of national politics?

**F.F:** With the fall of the wall there was already a sense of the difficulties to come. Before the move towards European integration was not felt to be so crass. The West was sealed off [from the economic divergence in the east]. After unification the East German, also the eastern markets collapsed. There was no longer a market for East German products. Everything there was crumbling and we saw how uncompetitive the industry was—the state was bankrupt. The difference in East German productivity relative to the west persists, even after 16 years. This is why it must still be propped up with massive amounts of money from the west. This is a special circumstance for Germany [compared to other EU member states]. In any case, it will continue, perhaps indefinitely [*ewig*]. How long will transfer payments, the solidarity tax be needed? Many ask if the situation will go on eternally with the eastern *Länder* ‘on the drip’ (*am Tropf*). Structurally weaker countries in the east are now also joining the EU. The fear in Germany is that we will only have something to lose. Poland’s economy is also struggling and then you have countries like France. Germany is the biggest net-payer to the EU. The enormity of what hangs on this endeavor. While the politicians negotiate and there are always difficulties. The Central Bank can only work toward guaranteeing price stability. Many members of the public would wish that we

could speak more directly to the political aspects of the euro. They expect us to represent German interests. But our mandate is price stability. It is not our role to alleviate fears—that is the role of politics.

### **Ambivalent histories: the 1990 Currency Union**

Is the focus on money's materiality a method of suspension, of reminding subjects how much they depend upon maintaining the architecture? The political and the economic are inverted such that political subjects are called upon to reanimate money's inert body on a daily basis, even as politics is posed as inert and interruptive of money's necessary circulation. Perhaps East Germans' misrecognition of money's (politics') shreds makes this gap visible once again. It might remain an anecdote were it not for the marked absence of the economic story of German Unification in public relations work on the one hand, and its remarked, yet unremarkable status in representations at the Bundesbank *Geldmuseum* (visitor's center).

Before I reflect upon the ways in which the monetary and economic aspects of unification were commented upon in Frankfurt, I turn to my very first interview with Bundesbank specialists in Leipzig, in 2006.

### **Perspectives from the East**

**Leipzig, July 16, 2006:** It is a warm summer day as I walk the short distance from the tram to the Bundesbank regional headquarters in Leipzig. In the distance the gigantic Monument of the Battle of the Nations (*Völkerschlachtdenkmal*) looms large on the horizon, commemorating the 1813 Battle of Leipzig in which Napoleon was defeated by Prussian and coalition armies. The monument was completed in 1913 and had been a notable site of controversy in the GDR because of its symbolic use in Nazi spectacles and as a barricade before the final surrender of the city to American forces in 1945. I walk past the National Library on the left and the former convention-ground complex further ahead on the right. This is where Leipzig, always an important trade city historically including the period of German division, held one of its many famous trade conventions.

While the city center hosted the book convention, here the GDR's agricultural and industrial developments were showcased and frequented by socialist trading partners as well as West German businesses. Though not as accessible as East Berlin, Leipzig also held the status of an 'open city' in the GDR, at least during convention times.

When I was given directions, I was told that the large and newly built headquarters was just past a large supermarket chain. In contrast to West German cities with countless small and independently owned groceries bakeries, butchers, and convenience stores (many by Turkish or Italian immigrants), in the East large chains predominated. These are almost exclusively Western companies that moved in rapidly in 1990, already before the currency union on July 1, 1990. A short box-like building was the only structure separating the supermarket from the impressive headquarters of the Bundesbank. The small building was no longer occupied, but it still bore a sign indicating its former use: 'The Treuhand Informs.' This had been a public information center of the large Holding that decided the fate of the vast majority of East German industry after October 1990. Officially, the Treuhand had completed its mission at break-neck speed, closing its doors in 1994. It lived on as a re-named federal authority with still-unsettled claims dispersed across other government divisions to this day. In 2006 I did not fully appreciate the irony of the juxtaposition of the Bundesbank headquarters and the old neglected 'Treuhand' information center. No one ever commented on why it was still there, though I sometimes wondered.

Even as the renovated cityscapes of historic buildings, roads, walkways, and the main train station that also doubles as a two-level shopping mall suggested all was well in Leipzig, other structures reminded of different histories, of unresolved histories. "Appearances deceive" as it is so often said, which in a German wordplay can connote a double meaning of "Schein" as appearance or note (bank note). The indeterminacy of monetary value in the whole problem complex of German division and unification re-stages in literal terms the unity and opposition of the commodity in Marx's analysis of value form. The currency union of 1990 is a particular inheritance of Marx who somehow managed to tap in to a 'German' propensity to animate the body of money as an endless source of cultural and political commentary.

But in 2006 I had very different concerns in mind. This was my very first meeting with Bundesbank specialists in the East, and with East Germans who worked in the Bundesbank. The meeting was arranged by my main contact-person at the central office in Frankfurt am Main. It would be difficult to arrange such a meeting on my own, without the necessary inside networks. In 2006 I was conducting a period of pre-dissertation research. I had already spent one month working in the visitor's center (*Geldmuseum*) in Frankfurt. In my work with the Bundesbank thus far I had already learned that many subjects were off limits. I had to navigate topics (and questions) carefully because they could always be perceived as eliciting personal opinions or information about internal procedures in the bank. As an institution, the Bundesbank had always been notorious for its carefully guarded appearance and statements to the public. Thus the institutional culture required a sensitive and careful negotiation of commitments to transparency on the one hand, and disinterested official mandates on the other. But for this meeting I was given permission to interview the two assistants to the president of the Regional headquarters. Both had first-hand experience of the events in 1989/90 and could offer the perspective of professionals now working in the central bank. Frau Müller coordinated public communications work for the regional bank president, while Herr Werner did research at the president's request, also co-writing speeches and official reports. After the usual formalities of giving up my passport at the security portal, Frau Müller came down to meet me and we met Herr Werner in the conference room for the interview. Over coffee I explained my project and why I wanted to learn more about the 1990 currency union as a context for the euro.

At the time I was surprised and relieved that both colleagues felt at liberty to share their personal experiences and insights about that time in what would be an unusually informal interview. In my later fieldwork with these colleagues, such informal conversations were very limited. Both at the time, and in retrospect, the joint conversation, which I was also fortunate enough to record, turned out to be an exceptional ethnographic moment in my research with the Bundesbank.

Herr Werner often referred to the “Wende” as a break or caesura. The introduction of the D-Mark was a “deep and disruptive break.” In response to my question about the significance of the D-Mark in these protests, he replied:

H. W: In the beginning it was about a better GDR, or more democracy, freedom of opinion, and yes, to overcome the supremacy of this one single Party. I was also against the Stasi—this oppressive apparatus ...and the mendacity of the party line. That is how it began, actually. That changed within a few months in the direction of German unity and ‘we want the D-Mark.’

Frau Müller noted that the shift in motivation and direction only occurred with the opening of the border. She remembers that then the discussion turned relatively quickly to the D-Mark. Frau Müller and Herr Werner’s interchange recalls the emotion of the debate in the west, and the pressure it is widely felt that East Germans placed on the temporality of the process:

FM: It is discussed to this day, should one have introduced the D-Mark so quickly, or not. But after the fact one can discuss endlessly, but at that time everything went very fast, and many say it was good so, that it went so fast, even if from an economic perspective it is viewed differently. But the pressure of the general public was there, then one acted relatively quickly.

HW: And then there were bitter discussions about the correct rate of exchange between the GDR-Mark and the D-Mark, although it had already been decided. That was an eventful time...this is how I remember it.

FM: Yes, because everything happened within a very short time. In November the opening of the border, and in less than half a year later there the introduction of the new currency. And then there was the merging (*Zusammenlegung*) of both states. First there was the uniform (*einheitlich*) currency, and then, was the [political union].

HW: Directly at that time of upheaval (*Umbruchszeit*) very few people took notice of all that with the Staatsbank, and the Bundesbank and how that all came together—It wasn’t important to the ordinary person (*normalen Menschen*) how all this happened. They wanted the D-Mark.

At the time of this interview I was only beginning to learn about the tense disagreements between the Bundesbank and Kohl’s government. What interested me was the way in which the technical and policy dimensions of these decisions were acknowledged but not

centrally a part of the theoretical repertoire of explaining the logics of monetary unions. Moreover, unlike other episodes of currency reform and the project of European monetary union, public demands in the east for the D-Mark speak to an agency otherwise downplayed in these other histories. But the concerns of then Bundesbank president, Pöhl in 1990, also suggest that the link between the bank and its mandate to remain independent from political influence to protect the interests of the greater public good is reinforced and undermined in this story. Even though the empirical details of this case could underscore claims underlying the sound workings of a monetary union, the 1990 case generated an ambivalent response. I first outline briefly the nature of this disagreement, and then I will re-visit narratives in Frankfurt about these decisions.

### **Bundesbank histories**

The public disagreement between former Bundesbank president Pöhl and Chancellor Kohl over this most crucial policy decision is legendary. Kohl announced the offer of the D-Mark to the East German public without first informing Pöhl. As commentators have oft noted in their retrospective analyses, Pöhl was deeply humiliated by this breach of the Bank's expertise and mandate. Jonathan Zatlín has even suggested that the move by Kohl was a violation of the Bundesbank law written into the German *Grundgesetz* (Basic Law). Pöhl nonetheless declared his loyalty to the government given the unprecedented historical task (Grosser), but he would later resign over this (though some cite other reasons). In the days following the announcement and the treaty negotiations between the FRG and GDR, there would be both further cooperation and disagreement over the rate of conversion and the technical details of the currency union.

On the other hand, Hans Tietmeyer—a Bundesbank insider and board member—would lead the monetary negotiations, stepping down from his official duties at the bank to mitigate the conflict of interest. Tietmeyer would follow Pöhl as Bundesbank President and participate extensively and critically in setting up the architecture for the European Monetary Union, signed into law in the 1992 Maastricht treaty. Though it is true that political elites had the final decision and the Bundesbank had different priorities, key

concessions were made to Germany and the Bank by adopting key tenets of the Bundesbank's monetary techniques, independent status, and the location of the European Central Bank in Frankfurt.

Differentiated analyses from within and outside the bank suggest further problems of the technical translations that directly impacted the monetary holdings of ordinary East German savers, as well as the industrial future of eastern regions which ended in a 'collapse' not seen since the Great depression (as many authors emphasize). Pöhl would later make reference to this 'disaster' at crucial meeting of European leaders to discuss the European monetary union, for which the 'missteps' of German unification were felt to set a foreboding precedent.

But as Frau Müller and Herr Werner explained, for many East Germans this was a time of euphoria:

Frau Müller: I experienced it at the Sparkasse. I sat at the [bank] counter. On the first of July [the day of the currency union] I paid out fresh money, it was quite an experience. But back then I already said to myself, it is not an experience I want to live a second time.

U: what about the introduction of the euro?

Frau Müller: (nods) that was of a different kind and manner. It was no comparison.

U: I see, so that was a very different experience?

Frau Müller: Yes, the euphoria that dominated then in 1990 was not present at the euro introduction. The feeling was more (among the people) that of a necessary evil. Everyone did it [accepted it] because it was supposed to come, and it must come. But back then [in 1990] there was so much euphoria in the background. Because this currency [the D-Mark] stood for so much, for so much that one could not have gotten at the time [nicht bekommen hatte]. The concept, West-money [Westgeld]— here in the east, it was holy. If you possessed *West-geld* you could pay for things in the *Intershop*. You could pay someone for a service that you desperately needed. There was emotion attached to the money. That was not the case for the euro. Emotionally, it was a very different story.

Herr Werner: you could get things for West money not available in the GDR, such as auto parts. You could exchange money on the black market. It was 1:6 or 5 at the time, at a high cost. It was not allowed. Not official. So it did have a certain value, people did have a market sensibility about things, for the value of this money. That is why the discussion about the conversion rate back then was so bitter. How will the wages be converted, savings? The Bundesbank had, I believe, a different perspective, their wished-for idea, than what came about. (Drifts off)

Frau Müller: There are many essays about that...

U: About the rate of conversion?

Frau Müller: About the topic of what all could have been done differently, what would have been more optimal, and so on, yes...

U: Were people less willing to accept the euro given this experience? Have you encountered differences here?

Frau Müller: This is of course a very personal view, but yes, I think so, that the acceptance was not as great, a: because one had recently gone through one currency change not long ago—then one had the beloved D-Mark, and now one was getting a new currency, where the advantages were not so apparent. I am speaking of older people especially, who don't know as much. It was uninteresting to them that they would not need to change money in other countries, They could not take advantage of this. They only saw that they now had to adjust to a new currency, and get used to new coins and bills, that I have to convert again. The advantages were too far away, that's how many older people thought. And still think that way today, logically. The benefit of having a common currency that allows you to move about across other countries is not something older people, who tend to move about in a small locality, would be less apparent to them. And they say they have already gone through the third and fourth currency change (*Währungsstellung*).

Herr Werner: People adjusted to the D-Mark very quickly. They wanted to. It was never questioned. No one wanted the GDR-mark back. That's why the euro was viewed skeptically. One felt good with the D-Mark, trust was there, and one was viewed positively all over the world if one had D-Marks. It was the anchor currency in Europe. The euro-the European central bank it was new, people did not know much about it and were not interested. So there was skepticism, and in the worst case, rejection (*Abneigung*). There was even a [political] party against the euro. Then, there were economic professors against the euro. Now it is not so serious.

However, the concerns of Pöhl and other experts about the 1990 currency union proved prescient. As Frau Müller and Herr Werner were careful to point out, East German regions suffered as a result of the monetary reordering that made the euphoria of 1990 a bitter pill to swallow:

Frau Müller: In a very short time, the form of society (*Gesellschaftsform*), money, everything changed. And there are, one reads often enough that there are people who were not able to cope [*sich nicht damit fertig wurden*]

U: Why is that the case, in your opinion?

Frau Müller: Many reasons. Of course it depends on the person and their perspective [*Einstellung*], but an advantage of the GDR was...one was in a sense provided for [*versorgt*]. You did not know fear of unemployment. There wasn't



any unemployment. You had a wage and food on the table [*Lohn und Brot*]. You worked, received money for your work, and you did not have to worry [*kummern*] about much. Switching jobs like we have today, it was not like that. People were tied to their place of employment for a long time, where they were trained [*gelernt hat*]. And with the *Wende*, so much changed. Many enterprises were given up, not taken over, shut down [*sind aufgegeben worden, nicht übernommen, geschlossen*]. And then these people no longer had an income. And then they learned the disadvantages of this new form of society. They did not fall into a hole because they were caught (*auffängt*) by the social safety system. But I think it is very different when one wants to work and can, but then cannot perform their work [*ausüben*] because they do not have work. One feels disadvantaged. There are many people then that have a problem.

Herr Werner:: And the social system was different. In the GDR, anyone who had problems, the state automatically took care of them [*gekümmert*]. They were attended to [*betreut*]. It was a really comprehensive aid [*eine richtige umfassende Fürsorge*]. Whoever needs something today then has to go and apply for it [*selber hingehen*]. I need this...

Frau Müller: people were not used to that here, to deciding for themselves and to go of their own accord and have to ask for things [*selbst auch hinzugehen*]. Many things were simply ordered. Automatism [*Vieles war geregelet. Automatismus*]. Now you have to take care of things yourself [*selber drum kümmern*]. And whoever was not used to that, who couldn't learn it, could not cope [*nicht zu recht gekommen*] then would have a problem.

U: then you notice even more...

Frau Müller: that one has been pushed aside [*abgeschoben*]

U: perhaps it was embarrassing for people

Frau Müller: The employment bureau [*Arbeitsamt*] was also new

Herr Werner: that's why the banking was only a small part in a life, where everything changed. This was one part this whole aspect of money, meaning [*Geldwesen, Bedeutung*]. Not everyone managed [*Nicht alle sind damit klar gekommen*].

## **Back in Frankfurt**

I had many conversations with my interlocutors inside the bank about how they had experienced German Unification. I was interested in their assessment of the monetary and economic effects of decisions made in 1990. It was almost always framed as a political matter, outside the logics that might normally apply to sound monetary decision-making.

As one Betreuerin put it: It was a political affair. There were many wrong assumptions about how much it would cost and what would be involved. I was in my early 20's at the time. I would never have believed that an end to division would have come. I embrace what occurred despite all of the problems. The form of structuring the recovery—it is still discussed. It was politically motivated. Wages rose too quickly. It was clear to me then that there would be problems given the different levels of productivity. But at the time I felt that the path to re-unification was absolutely right. I still think it is fantastic. I especially think it is good that it came from the East.

Frau V., told me about one visitor to the center who, upon seeing the display about 1990, argued that the wall should be put back. Others actually missed the old GDR currency, regretting the social envy that increased after unification, with its 'winners and losers'. For Frau V. what stands out centrally in East Germans' arguments is that they, too, worked, and were working productively (*produktiv tätig*). There has thus been a lot of resentment because many West Germans don't acknowledge this. They view that work negatively. What they don't see, according to Frau V., is that East Germans have had to struggle more. And there are also language barriers, she noted. "There are some dialects, like the Sachsen dialect,' that people here [in Frankfurt/the west] do not like to hear. The Sachsen dialect immediately stamps you as an Ossi.' There has been twenty years of reporting about the rebuilding in the east, even that many projects have been successful. But it is hard not to ask, she says, "Will the solidarity tax be necessary forever?" She feels that one should continue to build tolerance for the support. "For instance, the tax money made it possible to preserve architectural cultural heritage there that otherwise would have been lost. But there is still high unemployment in the east. In the GDR people always had work. With the massive unemployment due to the collapse of the industry, people felt that they no longer counted. They lost recognition. But for my children, there is only one Germany. So there is hope that perspectives will change."

Herr S, who directly experienced these events from the standpoint of someone working in the Bundesbank at the time, spoke to the politics of the exchange rate:

S: “With the fall of the wall, there was an enormous euphoria. In the East everyone wanted to have the D-Mark. There was a refrain, ‘If the D-Mark does not come to us, then we will leave and come to you.’ But the economic connection [Anschluß] did not come the way people hoped. The economy in the east collapsed when the D-Mark was introduced because the economy there was uncompetitive. There was only an artificial exchange rate. The black market rate was 1:4. And this is why we have to transfer enormous sums to the east. Pöhl had warned because of the exchange rate. There is a significant qualitative difference between the Trabant and the Volkswagen Golf. If the exchange rate had been 1:4 instead of 1:1, then the Trabant might have had a chance. Kohl promised blooming landscapes. And this is what has resulted. It is a long and arduous process. But in the Ruhr area, where the industry switched from coal to steel, that process also lasted 20/30 years.”

U: Do you think there are lessons from the German experience for understanding the monetary integration process between member states in the EU? For example, what does it show about the importance of the convergence process?

S: Yes, the German experience shows these difficulties. One could definitely learn from this how important it is to find the correct exchange rate. This is why countries have to participate in the exchange rate mechanism 2 for several years before adopting the euro. Back then [in 1990], everything happened over night, despite such differences. Now, if Greece becomes insolvent, then Germany will have to help. So you see how important the stability pact was. There has to be more pressure placed on countries to maintain fiscal and budgetary discipline. We will have to move closer together, but we are on a good way. Crisis makes it a necessity. The crisis has exposed many things and shown that the foundations have not been solid. More must be done. The central bank is fulfilling its mandate. It is up to Berlin to step in with financial and economic policies that can address these problems.

In a 2009 interview with one of the *Geldmuseum* designers, Dr. E, I wondered if the currency union of 1990 might someday receive more prominent attention as a meaningful site through which monetary policy might be addressed. I used the example of convergence, so important to member nations joining the euro, but clearly absent between West and East Germany in 1990. In discussing this topic I could not help but notice Dr. E. unsettled demeanor. All of the other topics, even those points of difference with the political establishment or even the European Central Bank were addressed with a playful yet professional demeanor. On this matter alone, it was different.

U: I am also researching German Unity. Could such a topic be expanded? It seems there are lessons for the European integration. Do you see it that way?  
E: I would not design an exhibit about European integration or even German history. The GDR is not my topic. In the planned economy money played no role. It was not even money because there were no commodities. It was simply a demand claim. This whole topic is completely uninteresting to me.  
U: But there were many discussions about the exchange rate in 1990, and the Bundesbank was critical of the method chosen for integrating the two economies. It seems to offer some insights about the convergence criteria for countries adopting the euro, for example?  
E: The East German Mark was a false currency. Okay, yes there was an exchange rate in relation to hard currency (*Devisen*). But this is not an important topic.  
U: I was thinking more in terms of the last twenty years of unification, since it is important to how many East Germans experienced this process.  
E: That is not a reason—I admire Dr. L [See above]. That he did not include topics in the exhibit that have no long-term meaning. Of course there are many interesting stories, but that is not our way of presenting material. We focus on foundational concepts with a long-term meaning. We have not even addressed the topic of financial market stability. In conceptualizing new material we ask why, for whom—what is truly essential, what is indispensable. When I find an old screw, you know, I ask ‘do I really need to hold on to this,’ do I need it for a later time? It is better thrown away, to concentrate on more important matters.

Dr. E. understandably wanted to express what I already understood quite well: that there are institutional limits and political considerations behind all of the concepts and ‘histories’ that explain money in the center. However, the post-war history and identity of the institution is decisively West Germany. The circumstances that shaped the Bundesbank’s crucial and ongoing role of unifying both Germany’s in monetary and economic terms is a source of technical pride and achievement in addressing an unprecedented pace of transformation and historic responsibility. But the introduction of the D-Mark was in many respects a profound source of instability whose implications (economic and symbolic) reach into the present. It unsettles and upsets the stable money story even as its ‘sublime’ material remains unscathed.

Before I brought up the question of 1990, Dr. E had described in extraordinary, even transcendental terms,

I always give this as an example to journalists. I find it fascinating that in the US civil war, or the First World War, people go to the front. They are in the trenches and know they have no chance of survival. And yet they do it. The state says, go

out to the front, you put yourself in harm's way to be slaughtered, slaughtered by the thousands, and they do it. But when the same state says, here, accept an inflationary currency, no state can manage to convince people of this. No state can convince its population to willingly accept an inflationary currency. That is not possible. It manages to persuade on all imaginable things having to do with life and death, but not when it comes to a worthless currency. I find it fascinating.

This is my observation. And the question is why. And is the one domain where the state has been willing to relinquish power, and makes the central bank independent. Really we have little power beyond setting interest rates, we can't do much. What does it do? In the case of conflict the bank needs the public, and the public must be concerned with preserving monetary value. So what can we do to achieve this? As I said, we have a stability culture in Germany, and we have had disastrous historical experiences with the loss of monetary value. So the stability of monetary value is not up for question, it stabilizes society.

The temporal relevance of the 1990 currency union must be locked away, erased, forgotten. Contemporary problems of economic stability are folded into synchronic notions of financial stability, in which moments of crisis maintain, but do not end economic suspension. Monetary policy takes effect within an economic landscape that is understood as a body (virtual money as the blood of circulation), and as architecture (an infrastructure of banks and credit flows that monetary policy targets). The illusion of suspension depends upon closing the gap between currency as inert body and currency as active life force. The irony is that at a moment of currency union, fiat money's inert presence can call attention to the illusion, to money's failure to fill the gap between the political and the economic. The violent yet arbitrary nature of suspension becomes visible. The material remainders left behind disappear within new justifications of economic stability. This is why I often felt my role to be that of an ethnographic archaeologist, who tracks stubbornly and persistently what others say is unimportant, what lies beyond words, what can't be recaptured.

### Chapter 3:

#### ‘Distant Europe, tangible euro?: making sense of interconnections in the EU’

##### Part I.

##### The euro, ‘our money’

Why has a single or shared currency been so important to the project of European integration? In what respects has it been important that the euro is not simply tacitly accepted but enthusiastically embraced by Europe’s citizens? If in many member-states—most notably Germany—the broad public was not asked to vote on this elite project, how has trust in this binding relationship been legitimized? And in what respects does the euro become a tangible site of contestation? And if Europe has seemed both distant and largely unintelligible to many, how has the euro enabled a closing of the gap, or possibly a perpetual reminder of that distance?

What would it mean to have a voice about the euro in Germany? How are the categories of the political and the economic deployed and to what ends? What imaginative spaces exist for encountering and weighing expertise on the part of the broad public? At precisely the time when communicative practices of ‘transparency’ and materializing the euro project through language, how might the materiality of objects—such as prices, physical currency, treaty texts and public infrastructure become unwieldy sites for pushing in, back and on the political and economic visions of elites? How do existing discourses on the market and financial obligation fold in and delimit such possibilities?

This chapter aims to show the shifting rhetorical ground of the euro as a political, cultural and economic process. I argue that attending to the blurred boundaries in which the euro is ascribed political, economic and historical meanings can show the labor of making the euro inevitable, and the slippages through which this labor may or may not be effective. Surveys track relative approval and disapproval of the euro as coordinates for taking the pulse of feeling about the EU, with low approval ratings sounding off alarm. I am interested, however, in the specific forms this skepticism takes, how it is enacted, and the ways in which the rhetorical field is mediated by practices of conceptually

distinguishing what the euro 'is' at different moments, and in response to shifting economic contexts.

The euro in its physical form, as cash and coins, as 'transparent prices' and as a medium of exchange that crosses and makes obsolete the national border controls of the past, is understood to be indispensable and crowning feature of the European project. The EU might appear to many citizens as distant and bureaucratic. The euro, in contrast, would be carried in one's pocket and make Europe part of the daily. It was assumed that this tangible force would paradoxically work as something taken for granted: it is just money. These competing aims may seem to be compatible and self-evident for stable national currencies everywhere. But how would this work in an arrangement where national/territorial states share the same currency but not the same language or cultural dispositions toward money, or structurally the same fiscal or social policy mechanisms through which resources are typically redistributed across a 'national' state entity?

National currencies have been legitimized by elites through appealing to national stories and essential qualities. The euro is made legible and narrated through the lens of technical management by the central bank. If national currencies come to be taken for granted precisely because they are a potent symbol of collective identity, the euro ironically shifts into the realm of skepticism because it must remain a 'thing' an empty form discourages identities in one instance and claims them in another.

The irony is that money is sometimes understood as a form of voting. As we also know, multiple moneys and alternative currencies can supplement, contest or exert pressure on official monetary media. Moreover, private banks create money, but the form in which it is convertible and can be stored is subject to the monopoly of central banks.

Yet as citizens we are not typically asked to vote on what shall be legal tender. But in Europe some were asked to vote on precisely this issue while others could not (Peebles 2011). More importantly, what should count as money in Europe is about what and who should back it, what forms of collateral will safeguard its value (Riles 2011), and how trans-border money will rework fiscal, social and political relations of financial obligation and monetary 'memory.'

## **Euro-Teuro**

The “value” of the euro has been the object of ongoing debate and redefinition in Germany. For many West Germans, the ‘hard’ Deutschmark embodied post-war prosperity, stability, and national identity while for many East Germans it represented the abundance and promise of the “golden West.” Though from a technical standpoint, the changeover to the euro was remarkably smooth, to the particular credit of the public relations work of the Deutsche Bundesbank, early experiences with the euro produced a whole repertoire of practices and significations through which the “value” of the euro could be measured, debated, contested, and affirmed. While experts from politicians to economists and bankers promised that the euro would be as stable as the DM, many Germans have instead tended to link the euro to growing economic inequality and instability in Germany. More than a symbolic slippage of meaning, the “(t)euro” (a word play with the words, euro and expensive) critique highlights tensions surrounding the practical “repertoires” (Guyer 2004) through which Germans experienced the euro and the expert “re-stagings” of its economic, political, and cultural value(s) (Maurer 2006). Despite favorable exchange rates and positive economic indicators, many Germans nevertheless experienced the euro as a loss of monetary value.

The lament of Germans’ reluctance to give up the D-Mark for the euro is repeatedly invoked within and outside Germany. By invoking this narrative, a number of rhetorical strategies are at work. What purposes does this serve? Sometimes, it calls attention to a real and symbolic sacrifice of economic power and the salient substitute for national identity. In tandem, the story of East German calls for the D-Mark in 1989 underscores this affective sacrificial logic further. While it can be seen as a euro-induced melancholia, it also signals the unwilling, yet passively supportive acceptance of the substitute as part of the project of materializing a “European Germany.” It can therefore serve as a sign that Germany is not acting in its own interests, but for the greater good of Europe.

In this light, public critiques that the German public did not have a vote or a say appear petty and nationalistic. In so far as experts and members of the public alike raised



concerns about the obligations and long-term constraints this might pose in terms of economic stability and solidarity, skepticism could be reframed as anti-European and at its most extreme, right-wing extremist. This serves to neutralize or divert attention from the ‘anti-democratic’ forms through which the euro and many other elements of the EU have come into being (Peebles 2011). For this reason, as we have seen in the previous chapter, the Bundesbank and its staff charged with building trust in the project are ever aware that had their been a national vote, the German populace would have in all likelihood voted no. Given the precedence of other member states who did hold referenda, or who have received opt-out clauses from adopting the euro, the all-encompassing almost theological necessity of the euro can always be questioned (and alternative ‘fates’ made visible.<sup>10</sup> Therefore, these reasons alone (and there are others) have required, I argue, an ongoing and adaptive labor to naturalize the inevitability of the euro.

Frau Enke: “The decision to introduce the euro was not made by the central banks, it was a political decision. We are just the executors. This is what we work towards in our economic education.

U: I thought that the euro was not just a political, but also an economic project?

Frau Enke: Of course these can’t be so easily distinguished. The political can also be economic.

U: Do you find that German history is reflected in the euro? Do you think that eventually Germans will think of the euro as they did the D-Mark?

Frau Enke: I think that the history of the D-Mark is different from that of the euro. The allies introduced the D-Mark three years after the end of the war. That is also where German history divided. A currency reform was needed. This was the only way. It was necessary to have a stable currency. That it was so successful depended upon many favorable conditions. Perhaps because we started at the very bottom, that contributed to the experience of its success. The euro was a political decision, with an economic background. There are advantages, like overcoming regionalism in Europe, which simply didn’t fit into the global landscape. So the currency is one part. Now, the euro is as strong as the D-Mark. But when it was introduced, it arrived at a time of recession. There was a chain of unfortunate circumstances—it lost value at first against the dollar. But those circumstances had nothing to do with the euro...in 2002 the euro was made into a scapegoat. Now in 2006 blaming the euro has died down.

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<sup>10</sup> In Sweden and Denmark the public voted against the introduction of the euro. Great Britain and Denmark have opt-out clauses and are not obligated to adopt the euro. Sweden does not have an opt-out clause, but it does not currently fulfill the formal criteria for adoption.

U: Doesn't the success of the euro depend on a new sense of collectivity? If the European Central Bank is responsible for multiple countries that share the euro, how do you build a new sense of collectivity beyond the nation? What if things suddenly go badly?

Frau Enke: The national level was also difficult. The central bank can't be voted out of office. So in many ways things have not changed that much. Brussels is just further away. But Germans are benefiting, especially as tourists. There is no longer a need to change currencies while traveling.

In an interview I conducted with the assistant to the then vice president of the ECB in 2008, Herr Klein attributed the felt-distance to the EU as ironically the effects of its success. That is, insofar as the euro could be absorbed into the daily and taken-for-granted practices of consumer activity people became forgetful of its political construction:

U: "Why is it so difficult to communicate the European idea? How could one change that?"

Herr Klein (ECB): There are different aspects. There is the attachment to the D-Mark, which for so many here was connected to their careers, the economic miracle. In the East it was a fetish—the currency one always wanted. Today one consumes Europe. People don't remember anymore what it was like before, to exchange money at every border. With open borders, there is a consumer stance to Europe. It is nothing special anymore. The enthusiasm and vision has been lost. But money and the central bank—this is one of the most important symbols of collectivity, one that you carry in your wallet or pocket. From the point of view of the European Central Bank it is understood that each country has its own experience with money. We are very concerned about that. Here in Germany there is a stability consensus. It has sunk into the blood, you might say. A stable currency should hold value, and that value should not be put at risk. It is a public good, legitimated by the public. The Bundesbank offers a model. The Germans don't want politicians to gamble with their money. They want solid money. This is a conviction that the European Central Bank is working to communicate across Europe. So that it sinks in. But it does not happen overnight."

Yet, the restriction on public referenda on EU measures like the euro has often intensified German frustrations not only with the euro, but also with the European project itself. Early on during my research at the Bundesbank, one employee told me privately

that had the German public been allowed to hold a referendum on the euro, most would never have willingly given up the Deutschmark. Public critiques of the Euro invariably bring up the salient point that the German public “was never asked” whether they agreed to the Euro, in sharp contrast to other Member states, most notably Sweden and Denmark, where citizens were given the chance to vote.

Herr Vogt, who in 2006 had been working in communications at the Bundesbank for ten years, emphasized a more local and grounded approach to direct engagement with the public in Frankfurt. He emphasized a highly reflexive “learning by doing” both before and after the introduction to the euro. There was a strong belief, too, that this work was reaching its intended audience, that visitors responded well, and that the evolving form and content grew out of the expectations and wishes of visitors. At this point in my research, he was concerned with representing the relative freedom of program creation. He explained:

V: But all of this has developed out of the expectations and wishes of visitors. So there was not someone, such as the division director who said, so now we will offer this and that presentation, with these themes, and this is what we want to communicate, and the sequence of activities should be organized as follows. Instead, it is quite the contrary. We always had a feel for the thematic and we have often changed it. Now of course it is more European, euro system, European Union. In the past it was the Bundesbank. It was a dominant central bank, and people simply wanted to know, what does this Bundesbank do, yes? And now it is much more wide ranging. These are some of our new themes: euro cash and coins; some people want to know about the D-Mark, but people are more interested in that now than in the past. People were not as interested in the cash, security features in the past.

U: That all became more important with the euro

V: yes. And there are topics such as central banks, private banks, and European union, but with the focus on monetary policy. But that has something to do with the new curricula, because now monetary policy is a focal point, something students are now required to learn about. Often monetary policy is directly referenced in the curriculum. That is advantageous for us, of course. We are in demand as a result.

## **The labors and travails of Euro-Teuro**

One important way in which this labor was made manifest was in what has come to be known as the euro-teuro phenomenon. The introduction of the euro has been widely linked to a rise in prices in Germany. Many experts and euro-proponents argued that this was a ‘felt’ or ‘perceived’ phenomenon and countered with statistics and official studies to disprove this reality claim. When the critique persisted, further studies searched for the ‘causes’ contributing to this ‘perception among the public at large. These studies determined that service providers and retail businesses did take advantage of the changeover to manipulate and disguise price increases. Such tactics could serve the double purpose of making a profit while at the same time appearing to offer discounts and win over new customers at the time of the changeover. However, while these studies locate actual price rises attributable to the euro to its window of introduction, the German public persisted in highlighting the durability of such practices, even if proof was difficult.

While it would be possible to analyze the euro-teuro argument in terms of the misrecognition of market processes, I extend my analysis to demonstrate how the political and economic meanings of the euro are mutually constitutive. Mainstream arguments about the euro take the form of a dichotomy between the real and myth, and between perception and fact. I want to think through the efficacy of this binary in shifting around or neutralizing possible critique on the one hand, and on the other, how the labor of naturalization might have efficacy, but not quite. In so doing I read against the grain of approaches that assert the euro’s inevitability or the tangential relevance of these repertoires to the governance of the euro. I argue that even where what seems to be at stake are exclusively consumer complaints mapped on to the euro, they require a response just as much because of the euro’s political claims. I highlight the discursive practices through which the euro is figured as a substantive force or in Marx’s terms, its fetishization as the agent of social change. At the same time, I adopt a pragmatic stance as has been advocated in recent work in the anthropology of money to consider how

shifting transactions of complaint, belief, and skepticism are expressed through the euro, and in relation to different forms of expertise.

Much to the dismay of euro planners and supporters, the advent of *Euro-Teuro* appeared soon after the euro-notes and bills began to circulate. In an article in the *Leipziger Volkszeitung*, dated 02/26/2002, a cartoon illustrates an older man and woman who peer, dismayed, into their shopping basket. The man says, “everything is more expensive, except for the basket,” to which the wife replies: “but the basket is the one thing we did not want to buy!” Another cartoon from the same newspaper (also 2002) shows a set of numbers with the symbol of the DM marked out and the Euro symbol etched in its place, even though the conversion should be (approximately) 2 to 1. This conviction of the 1 to 1 relationship between the euro and the Deutsch Mark has continued, and was still held by many Germans, over nine years later until it became subsumed by larger concerns in the euro crisis. Despite that fact that the relationship between the Deutschmark and prices for consumer goods and services would have undoubtedly also changed with inflationary pressures, a representative survey in March 2008 showed that every third German would still choose to return to the Deutsch Mark. The euro, rather than the stable signifier it was intended to be by its planners, becomes instead a referent for multiple and contradictory significations as people perceive it and experience it in practice.

There are, of course, many factors that have fed into public skepticism and complaint about the euro. Most important among these are the stagnant wages in Germany as well as increasing unemployment. Moreover, reforms to the social safety net, known as Hartz IV, have intensified the numbers of working poor and fed into low-wage jobs and work schemes that have increased productivity and profits for firms at the expense of workers’ ability to secure full sustainable employment and save for the future. In the former east, where unemployment has remained twice as high, the price increases ascribed to the euro have intensified feelings of material insecurity already created by the 1990 currency and economic union.

In 2008, I asked Herr Peters, a historian and project manager at an archive in Leipzig, about his experience of the introduction of the euro. He contrasted it with the

1990 introduction of the D-Mark in the east: “It was not as crass as the D-Mark conversion. I do not need much for me alone. But with a child, you do think more about it. In 1990, we did not have much of a comparison. But with the euro, we felt more like the rug had been pulled from under us [*über den Tisch gezogen*]. People got more upset. The higher prices had the effect that from then on I only went shopping in larger supermarkets. The baker or the butcher was too expensive. Which is not good for the baker or the butcher, of course.”

Herr Kaiser, who worked in the department of cash management at the Bundesbank central office in Leipzig, described unemployment there in 2006. He felt that the structural employment in the region made it easier to win people over to the left and to the right. People could be convinced that foreigners were taking people’s jobs. I wondered what impact this might have on attitudes about the euro? “No, Leipzig is like anywhere else. There is the ‘Teuro,’ which the politicians deny. We (the Bundesbank) do too. But there are dislocations,” he admitted. “Just today I had my car in the repair shop. During D-Mark times it would have cost 100 DM. Today it cost me the equivalent of 170 D-mark. On the other hand at TV used to cost 1,500 D-Mark and now you can buy one for 700 euros.” He argued that it is necessary to consider the basket of goods, where relative values of goods can be shown to balance out the increase and decrease of commodity prices overall. It is now more expensive to eat out, but other things are cheaper. Part of the problem is that people reflect upon and plan with the prices of essential goods on a daily basis. When the prices of these increase then it is more noticeable. People might use the formula to calculate the D-mark prices for the commodities they bought regularly. On the other hand, people internalized euro prices and so they could compare between stores. So the change to the euro has been good for competition, he felt.

Many respondents differentiated the euro from the idea of Europe. Here is one example:

“The euro is a Teuro. For me it is a Teuro. There should have been rules put in place to prevent merchants from raising their prices. A moratorium on price rises for a specified time could have been put in place by the government. Other countries did something similar, but Germany left it open, unregulated. Of course,

some people are not good at calculating the rate of exchange, so that contributed to the feeling that the euro made prices rise. But many things did become more expensive, especially groceries—things you buy on a daily basis. The euro is a stable currency, but it is still a Teuro. The European idea is well intended. But many things are decided better at the national level.” (Interview August 28, 2008 Herr Klein)

### **Statistics of trust**

Attributing rising prices to the euro has been a widespread experience in most member states that adopted the Euro, including newer member states, like Slovenia, which introduced the euro long after the original member states. In no country has this been more contentious than in Germany. Notably, Germany has been the one country to coin a nationally specific term for the phenomena of (perceived or real) rise in prices after the introducing the euro, with other countries adopting the German term. At the time of my fieldwork, many respondents continued to engage in mental conversions between the euro and the Deutschmark to reflect upon and complain about the “true” cost of even the most mundane items such as butter and milk, cherries bought at a fruit stand and the cost of a cappuccino. For those who ceased comparing such smaller items, the temptation to convert reappears when contemplating the purchase of larger items such as automobiles and kitchen appliances.

Experts (from statisticians to economists) measure this in quite different terms. One key measure for tracking price stability is the consumer price index. Also known as the consumer basket of goods, this economic measure provides a statistical picture of goods and services a typical household consumes and the relative costs, on a monthly basis. EU officials use the relative stability of this ‘index’ (more specifically, the ‘harmonized basket of goods for the Euro area) over time as an important measure of the stability of the euro, and to argue that prices are stable. While the basket of goods does not claim to represent any one specific household, many Germans across class and income lines have often remained unconvinced by this measure, arguing that the basket inaccurately reflects what it really costs to make ends meet. In a parody of the often cited example of computers becoming more affordable as indicative of positive gains for

consumers, individuals in the media and on the street—even one visitor to the Bundesbank tent in 2006, would remark in ironic tones, “that while the price for electronics may have decreased, food and services have doubled, and “you can’t eat computers!” Perhaps somewhat paradoxically, in my interviews and conversations with some experts (though not all), this now “cultural practice” of converting and comparing between euro and Deutschmark is one upon which they also draw even if in the same breath they challenge this feeling with their professional knowledge.

A new ratio of comparison therefore took hold between the euro and the D-Mark. It drew upon but blurred the precise rate of exchange in calculative and temporal terms. Euro-teuro could be understood as an evaluative ratio of broader social processes, for which the tangible euro could serve as medium of market and political critique. It could be called up as necessary, or come to consciousness unexpectedly when making particular kinds of purchases. For many Germans the rising cost of living and the nominal price increases in euros initiated this new ratio of comparison in which the cost of a good today would be compared (wrongly so, according to the specialists) with the cost of the item during D-Mark times. What people neglected to consider, it was argued, is that the D-Mark prices would have continued to rise and fluctuate. By comparing the euro price to the D-Mark price, one was essentially comparing a static price (fixed in a now frozen past) and the shifting price (fluctuating according to ‘supply and demand’ and related market phenomena).

Over the first several years of my ethnographic research at the Bundesbank I found that public relations staff received critiques like the ‘Teuro’ with great anxiety, and to the surprise of this outsider, took them far more seriously than one might expect. They, like many experts and commentators, worked to persuade and to educate people that official statistics demonstrated a very different picture of the euro’s contribution to price stability. Statistical analyses showed that prices had remained stable and that the euro had inaugurated a more stable price environment than had the D-Mark. However, many even well educated citizens were not convinced. Citing an oft-stated quip about the truth-value of statistics, many would say: ‘don’t trust any statistic that you haven’t falsified yourself.’



But for researchers and staff-members at the bank who had the purview of a constant stream of financial and market reports from major newspapers and institutes across Europe, as well as in-house research departments, public perception was a case for the psychologists. Perception and false expectations stand in the way of objective, numerical measures. No matter how much experts insisted that causal link between the euro and continually rising prices was all in “one’s head,” public critiques did not abate, though they ranged in intensity over time. However, the ‘felt-inflation’ would soon be folded into a new empirical study of this phenomenon. A study by Swiss statistician Hans Wolfgang Brachinger (Brachinger 2006) added empirical weight to the real economic effects of perceived inflation such that technical definitions of price stability had to be tempered with individuals’ economic experiences. Despite early dismissals of the perceived inflation as just that: perceived but not real, I observed that Bundesbank public relations work did incorporate an ongoing and shifting response to public skepticism which no amount of statistical evidence could overcome. Jumping ahead in time to show the durability of this critique, in a 2010 report, “Guter Euro-Böser Euro? (Good euro-bad euro?), which aired on German public television in the first year of the euro-crisis, beginning with the sovereign debt problems of Greece, Brachinger was featured prominently once again. Below is my transcription and translation of this segment, which conveys the stakes involved in providing credible explanations that can diffuse critiques of the euro. Such explanations also highlight the importance of externalizing agency to the market that is otherwise a reflection of class inequality and unequal production and consumption regimes.

The narrator poses the question, ‘Why do we think that with the euro everything has gotten more expensive’ which official statistics do not confirm? Brachinger explains that the frustration begins already while shopping. If the prices of goods that are bought often change, then the customer notices immediately and feels that everything costs more. Brachinger is shown in a Zürich grocery store and holds up a pot of yoghurt,

“The container of yogurt that I am holding is a well-defined quantity. You can remember it, my mother for example buys the same yogurt she knows exactly which yogurt she always buys and she wants to buy exactly the same yogurt—she

lays value in buying the same one (legt wert darauf). And when it gets more expensive she doesn't go somewhere else to find it, she sticks with her favorite store and is annoyed about the price. Price increases in things we buy often, for example groceries, we are very conscious of. And this is why we have the feeling everything is getting more expensive. Things that we buy less often such as computers, televisions often get cheaper, but we are seldom conscious of that. 'These goods are exactly representative of that class of goods that strongly shape in our inflation-consciousness. Goods that are bought often play a significantly more important role than goods that are bought less often. So in clear text, if the price of butter changes or the cost of gas I'm intensely conscious of that. But if the price of the model 5 BMW changes, I'm not conscious of that. Because I might not buy Model 5 BMW for another 10 years'

As in many other examples, small commodities bought every day are contrasted with big ticket-items bought once in a decade. The contrast of the BMW, as opposed to the computer or small electronics often used, highlights what I found to be the case throughout my research: that complaints about the euro crosscut class lines and incomes. It is just as likely that a wealthy member of the upper middle-class will complain about the euro as it is the case for a low-wage worker or unemployed person. Such reports, along with the communications work I observed at the Bundesbank, demonstrate and underscore the importance of legitimizing the euro on the basis of market phenomena while also externalizing effects such as fluctuating prices to the forces of supply and demand.

The research of Brachinger shows that perceived inflation influences consumer behavior, and thereby, the expectations that central banks believe contribute to inflationary pressures. The report explains that Brachinger has devised a mode of calculating this rate of 'perceived inflation.' He concludes that people's perceived inflation is three times as high as the rate indicated by the official statistics. Brachinger concludes his explanation by playing on a highly popular trope I heard often in the field: 'never trust a statistic you haven't falsified yourself,' which is an ironic means of illuminating the constructed nature of such measures:

“The problem with a statistic and a lie is contained therein that I can never say exactly whether a statistic is a lie. Why? Because the truth is not available. I can only recognize a statement to be false if I can compare it with the truth. I can do that with simple things, for instance how many people are here in the room. But with more complex things like inflation that is impossible. No person knows the true inflation.”

Brachinger’s thesis of felt inflation speaks to the limits of measuring inflation, but also provides a market explanation that attends to consumer psychology and pragmatic repertoires of calculating costs. It also diffuses the political nature of the euro and the monetary policy of the Central Bank

One respondent noted that the benefits of the euro are enjoyed by those, who can take advantage of the difference between its ‘external’ and ‘internal’ value. “Whenever you keep the exchange rate of a currency high, then those who take advantage of exchange rates feel they have more. But otherwise, the external value of the currency is not relevant to someone living on social welfare.”

He echoed the complaints of many about the euro and price increases (euro-teuro). “It is worst in restaurants and catering. So a bratwurst you buy on the street is 1:1, but in other sectors, prices haven’t changed much. Some prices are lower. But the costs of many services have nevertheless risen. Really prices there should have decreased. Why didn’t they go down?” Whereas some consumer advocates documented how merchants took advantage of the change, another explanation is that the currency was devalued before its introduction.

Donncha Marron points to the paradoxes of numerical objectivity that provide some interesting parallels to the problematic discussed here in his study of the development of credit scoring in the US as a means of predicting and mitigating risk (Marron 2007). Marron notes that financial institutions are under some legal obligation to provide consumers with some explanation of how their credit score was calculated, in particular when credit is denied. He argues, “the production of objectivity through the elimination of the question of the subject and its re-situation across disparate, independent variables creates a counter-problem, and source of dissent, in terms of the loss of a coherent sense of cause ... risk rests uneasily with how individuals experience

the world as subjects” (112) Drawing on Dawes (an economic psychologist), Marron writes, “there is always a need for a causal explanatory narrative to justify or explain relations between variables. Without such a narrative, a statistical relation will tend to be rejected or ignored, especially if there are intuitive explanations or it clashes with prevailing cultural beliefs” (112). Marron highlights the ways in which technical expertise bumps up against its own limits in moments where individuals attempt to locate the meanings of this knowledge within their own explanatory frameworks (Dominguez 1990; Neiburg 2006; Neiburg 2010).

Public discontent with the Euro—whether it is the object of, or vehicle for, critique of other issues—highlights the difficulties in maintaining singular explanations of cause and effect. However, some explanations matter more than others—and carry more explanatory power. Technical explanations carry more weight than the ways in which individuals experience and make sense of them. Thus arguments about the agency and effect of the Euro often work at cross-purposes: efforts to build trust for the euro depend upon the very emotions that expertise excludes from its conditions of possibility. I point to the fissures and cracks of stable explanations to move beyond an analysis that merely critiques statistics and economic abstraction, or that privileges a narrative of resistance to the euro and the power of money alone. Instead I want to capture what I interpret as, at its best, an ongoing dialogue about the meanings and commitments of Europeanization and the meanings of monetary value.

From the vantage point of the Bundesbank (or ECB) and other experts who are concerned with producing a coherent and “stable” vision of Europeanization, critiques of expert measures of economic stability tend to be perceived as undermining trust in the project of Europeanization and calling into question the necessity of taming the irrationalities of subjective economic experience with the logic of expertise (Holmes 2014). However, I want to suggest that debates about the appropriate measures of Europeanization should not be dismissed as ‘mis-readings’ of expertise but instead understood as suggestive of the fragilities and uncertainties of modern global financial networks. At the same time, these tensions and doubts are productive of different kinds of dialogue between experts and the public. These can and should extend beyond

technical definitions of price stability to include the multiple contexts in which both experts and the public situate their experiences of money and economic stability.

### **Putting a public face on the euro**

In July 2006 (coincidentally also the finale of the World Cup), I observed a three-day public event at which the Geldmuseum of the Bundesbank was also represented: the annual *Museumsuferfest* (Museum festival) held on the banks of the Main river, during which all of the local museums hand out information about their collections, offer free admittance, and sponsor various activities. At the Bundesbank tent, drawings were held for a special ten-euro World Cup commemorative coin. To be eligible for the drawing, visitors were asked to participate in the ‘*Is the euro a teuro quiz?*’ Participants studied a series of posters displaying various statistics and charts to illustrate facts such as how the euro measures up in different categories like interest rates and inflation in comparison to other economies, how prices have changed for particular goods over time, and the responsibilities of the European system of central banks. While acknowledging that prices for services had increased, particularly due to the pecuniary nature of (some) service providers, the quiz was designed to assure visitors that the euro had not been responsible for higher prices and was indeed living up to its promised benefits.

Though generally characterized by an atmosphere of humor and informality—especially, one might add, because as many commentators had noted, all economic concerns disappeared during the euphoria of the World Cup—there were also moments of tension as visitors and passersby brought their own interpretations to the question posed by this quiz. When one man heard about the drawing of the World Cup coin, he asked jokingly, ‘is it a Deutschmark commemorative coin?’ The staff member on duty shook her head to say no, sensing where this might be going. The man laughed somewhat skeptically and moved on without stopping to participate in the quiz. In another more charged incident, one woman who was asked if she wanted to take part in the quiz looked at the staff member with an angry glare, saying ‘the basket of goods!’ while making a gesture signifying ‘crazy,’ ‘I can’t eat a plane ticket or computer!!’ The staff member

thought a moment about how to respond and replied, ‘pesto sauce has gotten cheaper.’ The woman looked at her in apparent disbelief, retorting: ‘well, I don’t buy pesto. I don’t need that at all!’ The woman walked away as the staff member shook her head somewhat wearily. Sometime after this, the same staff member overheard a participant who is reading the sign to himself, asking, ‘Yes, how is the rate of inflation in Germany...’ to which the staff member also speaking to herself (and at me) and looking out towards the river, replies with passion and pumping both arms to make her point: ‘Good—thanks to us!!’

Not all experiences of the euro were conveyed in negative or critical terms, however. In interviews I conducted in 2006 with visitors to the Geldmuseum, many youth were especially positive about the euro, repeating the narratives of the ease with which one can now travel through other member states without changing money and the possibility of comparing euro prices in different euro countries. Many, however, noted that for their parents and grandparents, the euro often continued to be a source of frustration manifested in complaints such as the “Teuro” and rising prices, or the awkwardness in dealing with the various denominations of coins. In one focus group comprised of a teacher and eight students who were studying to work in a bank, four students expressed dissatisfaction with the euro while the other four students viewed this positively. Debating among themselves about the pros and cons of the euro, one student argued that the reluctance of the British to give up the pound, which was stronger than the euro, was understandable—to which another student responded: “but we also gave up a strong currency!” After more discussion, their teacher spontaneously asked her students to take a vote: who would like to return to the Deutschmark and who would like to keep the euro? Though the vote remained divided down the middle, what was interesting to note is that two of the students who had been complaining about the euro raised their hands in favor of the euro during the vote. Of course none of these students took this vote (or the return of the Deutschmark) as a serious possibility. In my reading of this, the students recognized that ultimately an assessment of the euro couldn’t be reduced to simple pro and con arguments (or they felt there was nothing they could do about it either way). However, when I recounted this event to one of the Bundesbank staff members,

she seemed alarmed saying, we can't allow you to ask students to vote on something like this! When I explained that the teacher had initiated this quite unexpectedly and that I of course would not pose the question in this manner, the concern dissipated—but only somewhat! However, I was reminded again of how these debates are a site of continuing tension even when they take the form of more or less playful dialogue.

In my conversations with youth from Eastern Europe whose families were living and working in Germany, concerns about the introduction of the euro in their home countries was often expressed because they feared that prices would rise as a result and be unmanageable for family members with such low incomes. One young man from Poland noted wryly, that 'if they have the euro they will all come here!' (That is, to Germany), something he clearly did not want. Though it is hard to say at the moment how representative these examples are of wider perceptions, they do illustrate the importance of understanding how different generational and national experiences inform understandings of the euro and how these understandings might be shaped in different ways in the context of one's family.

In August 2008, I participated in the festival once again. Unlike two years before, the rate of inflation in the euro zone was much higher, having reached 3,75%—far beyond the Central Bank target of close to 2%, which is the official measure of price stability. This year's quiz was entitled, *The Euro Ten Years On: What has it brought us?* One visitor responded to the title by saying, "What has the euro brought? Only disappointment." She began calculating what her salary had been in Deutsch Marks, and what it now was in euro. She said, my salary was cut in half, but the cost of living has doubled! Another visitor standing nearby approached a staff member and myself, demanding an explanation about article 115 in the as yet un-ratified Lisbon Treaty, which he understood as undermining the independence of the central bank. The staff member explained to him that this was not the case, but that his question would be researched and he would receive a call from the relevant division at the Bundesbank. As the staff member went to retrieve a form to make note of the question, the visitor explained to me that his son worked in the financial sector, as had he. He had written to the German

parliament and received no answer to his questions. He narrated with some passion a number of working theories and then expressed frustration with the euro, despite its current strength against the dollar. “The euro is a buttery-soft currency! It is not really stable. It is only strong because the dollar is so weak. Only Italy and Spain have really profited from the euro.” Soon after the visitor left, the staff member approached me sympathetically, saying, “You poor thing! This is a festival, not a place for discussion. We will call him back with an answer. It would be better to invite him in to my office for a discussion. This is simply not the place to argue!

In another case, a visitor who also worked in the financial sector asked another staff member, “Aren’t you still public servants (*Beamten*)? Why do we still need the Bundesbank—isn’t the European Central Bank managing things now?” The staff member spoke with me later saying, “I (we) get this question all the time. The visitor was laughing when asking the question, not even taking himself seriously.” Though the staff-member made light of the exchange, one could see a kind of “battle-weariness in his face. The provocation was two-fold: one, that Bundesbank employees have existential security unlike many other Germans these days, and, two, the work of the Bundesbank is merely an excuse for justifying such positions to begin with. Though encounters with the public are by no means always this intense, such questions reveal the ambiguities through which both experts and the public must navigate new definitions of economic responsibility within the EU.

### **Good old D-Mark**

And yet, the D-Mark continues to provide many Germans with a baseline from which to reflect on their lives in the past and to calculate the temporalities of market transformations. As in the examples above, efforts to show how faulty memory can be when reckoning with the past underscore how the euro competes with the affective ties that have traditionally reinforced attachment to national currency. Below I want to highlight two different instances of these forms of reckoning.



In the first, a consumer report illuminates well the emotional qualities people attach to the D-Mark and how these are intimately connected with recalling time prior to the euro. The aim of the report also illustrates the use of official measurements as a method of detaching this affection from the D-Mark while also inscribing a new regime of legitimacy for the euro. Though these forms of argument and evidence continually ‘fail’ to win over everyone, such efforts to set people right are about more than financial education. They are about deflecting the politics of the euro through its naturalization as a market medium. Whereas in the past the conflation of capital and currency could draw on national boundaries to enlist the public in support of the currency (Peebles 2004), the euro must redraw such boundaries through a logic of the market. Often taken for granted when using national currencies, the market reappears here as an open question as people scrutinize claims about the euro.

In the second example, I draw on an interview with an entrepreneur in Leipzig to show the reasoning through which reckoning with the euro is narrated. This example also shows well the temporality of currency within histories of change and transformation.

**Deceptive memories, strategic forgetting:** A consumer and economic informational program ran a short-piece on D-Mark nostalgia and its relation to the accuracy of memory about price and the value of money. I was able to view and record the program on June 17, 2008.<sup>11</sup>

The moderator, Jörg Becker, sets up the piece by invoking the mythic history of the D-Mark: “The D-Mark inaugurated the hour of the social market economy. For 6 years now the D-Mark has been enjoying its well-earned retirement. But more people than ever before people long for this bill and for the good life with which it appears to be connected. In German, this last part makes use of a play on the double meaning of banknote “Schein” and appearance (here, “scheinbar”). “It is now time to correct this appearance.” On this last note, Clara Schuman, who is featured on the last series of the 100 D-Mark note can be seen winking.

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<sup>11</sup> Transcription and translation mine

Reporters walk through the streets of an unspecified city, but clearly in the west based on the urban features and accented High German. They are gathering avid attention by handing out D-Marks as the entrée to their impromptu mobile survey. As they extend the various notes, people respond with laughter, tears, and sometimes even euphoric outcries. “Thank you, thank you,” one woman exclaims and places the bills inside her shirt, close to her heart. Another woman gestures strongly, bill in hand, saying “I would help with the printing if we could get these back!” Upon receiving the D-mark note in their hands, many women place it close to their breast, eyes closed with longing, as if embracing a long-lost friend.

The all-informative narrator asks, “Were the D-Mark times really so rosy? What is the truth, and what is simply a legend? In order to test this we are on the go with D-Mark notes.” The question the surveyors want the street participants and the viewers at home to contemplate: ‘At what time did a D-Mark have this purchasing power? Concretely: when was it possible to buy 5 liters of milk, 1 kilo meat, sugar, flour, bread, a pound of coffee, cheese butter and chocolate, eggs, vegetables, and fruit? Everything in this basket here for 50 D-Marks? When was that possible?’ “When was it possible to fill the grocery cart with items such as these for 50 marks?” Respondents can select from four dates: 2000, 1995, 1985, or 1965. Many respondents guess the 1990’s, and some the 80’s.

In further examples, people are asked about a specific denomination of note and its value. People can give examples of what they could purchase with a 5 D-Mark note, for instance. One man replies, for 5 Marks I could buy 6 beers in 1977. And with a 10 Mark note? I could buy a crate of beer. The facts are checked, with the Federal Office of statistics, which shows that such prices for beer were last seen in 1957, and not 1977 as the respondent had guessed.

Another man guesses it was possible to buy 4 loaves of bread, 30 rolls, and a crate of water for that amount. But we are told that was last possible in 1965. Yet another remembers that he could fill up the tank of his VW Bug with gas for a 20-mark note. But we learn that the last time this was possible was in 1966, before the oil crisis. And the 50-Mark note, which is ascribed a quality, the “adequate” one? Another man replies nodding

to his wife, ‘you could go out for a nice evening for dinner. It was sufficient.’ Or in the words of one, ‘that was the ‘obligatory’ note—you could buy pretty much anything essential you might need.’ And a woman leaving the store gestures, ‘before, with 50 Marks, you could buy a whole cart of groceries!’”

The 100 D-Mark note, “the note that can do it all”? A young man stops to think, ‘with 100 D-Mark, what could I afford with that? What could I do? Much more than fill the tank with gas, he laughs. And there was even enough to cover dinner.’ When asked this same question, a middle-aged man claims that he could buy two pairs of jeans, whereas now with 50 euros (for him approximately the equivalent of 100 Marks according to the 2002 conversion rate, ‘I only get one pair.’

The narrator chimes in here abruptly with a firm, correcting tone: “Wrong, the jeans have decreased in price since the introduction of the euro. The last time a brand name pair of jeans could be purchased for 50 marks was in 1967.”

And the shopping cart full of groceries for 50 D-Marks? Some guess in the 2000’s, before the introduction of the euro, while some estimate it being possible around 1985. In both cases, respondents get it wrong. “It is hard to believe” the narrator prefaces the correction. “Everyone we asked was off by decades. In fact, the year that you could purchase this cart of groceries was 1965.” We learn that indeed almost all the prices remembered correspond to this date. One consumer reflects, as if still processing the revelation: “This is just a normal shopping phenomenon. Memory deceives. It turns out that you don’t always have a feel for the prices.” But not everyone is willing to revise his opinion, we learn. ‘I don’t believe it. Nevertheless, the D-Mark was much better!’”

The report concludes, almost with a sigh of resignation. ‘The good old D-Mark. Her purchasing power is mercilessly overvalued. But with each price increase the Euro is ever more unpopular, and the love for the D-Mark greater.’”

As I noted above, the changeover to the euro provided an opening for merchants to take advantage of new ways of thinking about and converting prices and exchange rates in order to hide an increase in prices. Both experts and the public draw on this latter phenomenon to locate the agency behind rising prices away from membership in the euro and on to external market forces or instead in the corrupt behavior of particular market

actors and the public, or to connect the euro with specific economic effects in ways that question more directly the claims that can be made about the euro.

As the director of the visitors' center commented during one interview in 2006,

'The introduction of the euro occurred at the same time that Germany was undergoing a time of recession and new economic context. This had the disadvantage of leading to a common conflation of the euro with the effects of other economic trends such as a rise in energy costs and other pressures of globalization...It is necessary to communicate that these pressures have nothing to do with the euro...'

And yet, such attempts to de-link the euro from the market remind that money is far from the neutral medium of exchange that many economists and specialists claim.

### **Reckoning with the euro**

Herr Nord, an alternative energy entrepreneur in Leipzig, offers a vivid way to think about the cultural logics of calculating the efficacy of the euro. By reckoning the relative values of currencies, prices, and costs of living, it is possible to reflect upon the historicity of money. Reckoning with the euro shows the repertoires of intelligibility that have accompanied the euro as political/economic project. They also show how the euro is tangible in a way that the EU often is not, but not in the ways that the architects of the project might wish. At the same time, however, we can see that the idea of Europe does not necessarily coincide with the euro, just as the euro can be seen as a good idea, but materializing new inequalities and uncertainties about its sustainability.

Herr Nord emphasized in the third-person plural that. 'We can accept that we have a single currency, thereby emphasizing the changes that east Germans have experienced more recently in contrast with the difficult and limited conversions of currency in the GDR:

So of course we understand these many changes that came with different currencies. So that today the expectation of Europe, the measuring out of

Europe's profile in the world is a fantastic story. There is no alternative to it, I think. If you imagine the US currency area, if every state had its own currency, then it would not function. So this single currency, I think it is more or less uncontested. Naturally, of course there are strong critiques about the introduction itself. One is not just practically self-employed, or economically informed. You are also a consumer. The predominant association with the euro, in my personal opinion, is that with the introduction of the euro political establishment was in a position to make the inflationary approach/projections less visible. The nominal value of the euro was approximately half that of the D-Mark. We know that the exchange rate was 1,95 something. But with the high prices and low wages, it seemed as if the value of our money was cut in half. If prices had not gone up, then the euro would have remained without critical comment if it had really been the case. But of course first in the services sector, in my perception, the change to the euro led them to push up the prices and not abide by the 1:2. Instead merchants used this rate to position themselves better. But the prices stayed high and so our purchasing power was cut in half. Of course when you calculate back with the 1:2 rate it can be wrong, because you don't include the price increase over the last six years. So of course there have been price increases in certain sectors that would have accepted if they had been moderate. But now it is the case that when you remember back to the prices in the past, in principle you are paying more in euros than we paid with the D-Mark. So then if you take six years and calculate, there has been a rate of increase around 15-20%. And that is not available. If you look at inflation, we are at somewhere between 1-3% I don't know, so we have had different levels of inflation, where the rate has heated up such as energy, with the Iraq war, since then 2003, energy providers. You stand there and ask, how much did things cost and how much did I pay in the past, 20 divided by 6, that is about 3%. The rate of price increase, that is also what grows out of wages, that would have been okay, But politics did not control who raised what prices, didn't have the possibility to do it, or they just didn't think ahead. They assumed everyone would stick to the exchange rate. But then you see, whether it is Mr. Zum Winkel or whomever, the Germans are not honest. The small man can be as honest as he wants, but he doesn't control the price when he enters the store, or the price he pays for rent, he has to pay it. So he can be honest, work as hard as possible for his employer, give up surplus value, but for the worker there are no possibilities. So that he might calculate his wages through this factor 1,95.... It's not possible. So I think that this introduction of the euro, on the one hand it is a fantastic story, but on the other it has meant that in our daily lives, the ordinary citizen has been deceived. But it is not visible because the sum, the amount that is stated is smaller and very few people can weigh how much of an increase there would be with inflation, but it should not have doubled in six years.

And another matter is this question of adjustment or alignment with other countries. For example in Poland and Germany or France there is the one and the same good, whether it is an hour of work or a loaf of bread, or a pair of shoes, no one gave a single thought to how that could lead to problems. I know of cases

where bread is transported from Poland to Germany and sold at dumping prices. People from Poland come to work here and they can work here for 4 euros, then people in Leipzig can't afford to live.

The euro is to a great extent the scapegoat. Of course it is not the only one. We have our executive, the political, the politicians –they don't have a firm handle on things. I have a positive sentiment toward the euro, but then when you have these experiences in your personal life. For example, if I take the price of gas. At the moment the price for a liter of gas is euro 1,50, between 1,40 – 1,50. So if you calculate back to, if you extrapolate forward with your calculation, it costs us now, in East German money, calculating back, a liter of gas costs us 6 euro. I mean, from the D-Mark, from the DDR Mark practically in the D-Mark 1:2, and then into the euro yet again 1:2. That means that today what costs 1,50 was 3 euro, if you calculate back then we are at 6 marks. So in just this short time, from 1989 20 years have passed by I pay for a liter of gas in GDR money, if I calculate that far back, 6 marks. That means that somewhere, in 20 years that is several times 100 percent added on. And it is exactly like this with many other commodities. I could calculate this for services. During GDR times I could eat at a restaurant for 5 marks. That was enough for a Schnitzel and a beer, and maybe a dessert and there were--schnitzel is schnitzel I think, maybe a bit better today, the side dishes may be better. In the GDR you only had whatever vegetable was in season, now you can get any vegetable that can be transported cheaply. So, I paid 5 GDR marks for that. But if I go out to eat anywhere today and order a schnitzel or beer, I am already at 10 euros. 10 euros are around 20 west marks, and then calculated further back, that is 40 east marks. The ration is in principle dramatic if you calculate back, so and I don't allow that to hold me back, I ask what all has been going on during this time. And then people's wages have not grown at that same rate. So when I think of our people, what did they earn, 1, 200 or 1,400 a worker's salary in an office, and if I calculate, during GDR times they had 600 or 700 marks. But now they have costs that are 4 times as much. Of course other prices have risen moderately. And there have always been complaints about the price of food (groceries). But it is about 10 percent of income. Of course it has gotten cheaper.

Now with butter and milk, demand is so high, in the beginning, it was said that there was a high demand for milk in China and the production is insufficient. Of course, supply and demand rules the market. But if you know something more about this story, then it is the case that Chinese in general don't tolerate milk well. That means it is just an argument to justify to people why the price is rising. And the same thing happens today with rising food prices. We are told that it is due to the rising costs of oil. And then there are so many milk production facilities that sit idle, because the EU pays a premium for non-production. So we pay the farmers not to produce. In principle it is not a question, we have quotas, if there really were bottlenecks then we could raise the quotas. You can just put a few more cows in the stall, and the milk will be bought. It is simply that, the legend, a myth was invented so that people can be told, listen, certain commodities are in

high demand in the market, and so to sell something at this [lower] price is no longer possible in Germany. For many, many years at the Leipzig trade fair, sat with Americans. We grew up very socially in the GDR. There is so much hunger in the world, and you throw so much away. Why can't you put it in a ship and take it to Africa. They told me, we live in a market economy. If no one will pay for the ship to go from point a to b then the heap of grain will not be transported. The argument that people are starving to death there, that doesn't count in this (American) society. So lets translate that. Just because somewhere in Africa or wherever there is undersupply and people are starving, we use the argument that prices in Germany are rising.

## Conclusion

To return to my interview with Herr Klein at the ECB, whose career with the European Central Bank began with the birth of the euro (in 1999 as book money), as he narrated it, what I want to underscore here is the labor of legitimizing the euro and the fault-lines through which doubts find expression:

Currency is a public good, but it is also market mechanism. I am a champion of the free market. The central bank is an independent advisor. As a public institution it is responsible for the common welfare (*Gemeinwohl*). When I asked about the still unfolding financial crisis, Herr Klein attributed the origin of the crisis to the US. "At some point the music stops playing. Small banks have gone under, those that are not 'system relevant.' The Fed and the ECB have different mandates. The ECB is first and foremost responsible for price stability in the medium term. The crisis has been a day of reckoning. Americans are still not saving. Balance has to be restored. After irrational exuberance comes a nasty awakening. The difference between Great Britain and continental Europe is that in GB people have never experienced a big bang. They don't know what it is like for things to go downhill. There is a catching up process.

How the proportions of scale are accounted for in the ECB: the new countries that joined 2004 all 10 together have the same economic weight as Holland. Iceland, so what? Malta, Cyprus—these countries are barely visible statistically. The four biggest countries account for 80% of the economic performance in the EU. Of course it is more complex. This is on the basis of aggregated data. Slovakia is nominally ripe. But countries have different developmental stages. We have managed that well. If there is a solid domestic policy, you can live successfully in the currency union. How would we have managed in the current financial crisis if we had not been in the currency union? There would have been dislocations. The euro has been a protective shield. We did not have that stability before when exchange rates floated up and down between different European countries. He did not understand why Denmark

continued to remain outside the Eurozone. They have to adjust at an instant to interest rates set in Frankfurt. They take on the policy but do not have a voice in the decision-making process in the ECB boardroom. And the British want to keep the queen on their banknotes. There are also political reasons. Sweden is obliged to adopt the euro, but have not done so because they do not qualify for purely technical formal reasons.

These countries need to come to terms with themselves (*mit sich selbst ins reine kommen*). What do we want with Europe? A change of discourse is needed. This Eurosceptic discourse presents Europe as a zero sum game. When they decide what they want with Europe, then they can think about the euro. Is Britain in or out? Then we could have had a discussion. Europe is always a political construct, where countries are closely tied together. London is the greatest financial zone outside of the euro. It is absurd that the main activities happen outside the euro zone. It could be Frankfurt. More people work in finance in London than live in Frankfurt. The finance sector lives from knowledge and people. It is a conglomerate of knowledge and know-how. That is difficult to build up artificially. London is a financial center). Language and infrastructure in Great Britain gives it an advantage. The regulator is at arm's length and there is constant innovation.

Central bankers' primary responsibility is to ensure price stability—which is how they understand the value of currency to be created. They adopt a long-term vision arguing that sacrifices in the social domain must be made to ensure the stable value of the shared currency. While many members of the public may also prioritize the economic or exchange-rate value of the euro, many others look for results in the short-term: what implications does membership in the single currency have on public spending? Will they have to 'pay for the poorer member states? Debates about price stability can contest and/or affirm how the value of a stable currency is defined.

For example, experts are concerned with pointing out the difference between a currency union and a currency reform. A currency union implies that the value of the new currency as well as the currency being replaced is in a stable and equivalent relationship of value to each other. A currency reform, on the other hand, means that there is a real loss of value in converting from the old currency to a new currency. Thus, by experiencing the euro as a loss of economic or monetary value, claims made about the switch to the euro as maintaining stable value are called into question. On one level, a misreading or confusion about the differences between a currency reform and a currency



union may appear to be mere problems of definition, but I would argue that it also exposes the always incomplete project of taming the shifting nature of economic experience into the stable frameworks of monetary expertise. The *category mistake* speaks to the ways in which such transformations or conversions are experienced differently and in ways that belie the technical definitions used to categorize them.

However, in interactions between experts and lay audiences on the subject of the effects and aims of the Euro, experts disconnect economic *fact* from *experience* or psychology—generally considered a subordinate explanatory framework to that of technical expertise. Experience is written out of the technical definition. While monetary expertise and explanation is far from uniform—a classic example is the Keynes/Monetarist debate—I have found that uniform and stable explanations are of central importance to monetary experts when communicating policies to the public, especially in the European context.

Two related issues are at stake here: one is the more pedagogical problem of how to translate monetary expertise in ways that will make sense to non-experts; the other is the very political nature of this act in which technical definitions can themselves become unsettled in this process. Paradoxically, connecting technical definitions with other domains of experience and ways of knowing is what allows non-specialists to understand the meanings of these definitions, but it is also through making these connections that subjects may arrive at multiple and possibly alternative explanatory frameworks.

Overshadowed somewhat by the financial crisis beginning in 2008, the Euro-Teuro critique is always waiting in the wings, easily mobilized in moments of crisis. Most notably, the Greek debt crisis in the spring of 2010 resurrected renewed discussions of Euro-Teuro in the media. Because they see the public as a powerful agent in influencing economic sentiment, Bundesbank staff acknowledges that market and political actors, cultural beliefs, and economic pressures work alongside monetary policy. However, the work of reframing the euro as being outside such influences is simultaneously an essential component of building trust in the Euro. Only by reinscribing the Euro as a neutral instrument that mediates fiscal responsibility but stands

outside political and national interests can the (long-term) sustainability of diverse member-state economies be guaranteed.

## **Part II. Bringing the EU closer**

“Politics is nothing but the attempt to reactivate that potential, or virtual, of the past so that a divergence or differentiation from the present is possible. Bergson is one of the few theorists to affirm the continual dynamism, not of the present, but of the past, its endless capacity for reviving and regenerating itself in an unknown and unpredictable future” (Grosz 2004)

### **Introduction**

A refrain I often heard from my respondents is that during socialism you could not speak your mind for fear of being targeted by the state. Thus, speech could be a powerful act. Now, you can speak all you want. But it changes nothing.

Many scholars have written about the EU as an elite project formed largely without substantial input from national citizenry. A technocratic project of immense bureaucracy and coordination decades in the making, it has been framed as a necessary means to ensuring democracy and peace in Europe. From the standpoint of ordinary citizens as well as in the critique of scholars, it has been imposed and implemented with limited opportunities for direct democratic decision-making. Referenda or popular votes have been distributed unevenly across member-states in accordance with specific constitutional mandates that require such a vote by law. For instance, in Ireland any change to the constitutional powers of the nation requires the people’s vote whereas in Germany national referenda are prohibited by law, due to the legacy of Hitler’s rise to power in part with a popular vote. Thus, across Europe, the experiences of democratizing the EU have been widely divergent, even sometimes contradictory. Again, to take the case of Ireland, if the desired answer is not achieved, people have been asked to hold a second referendum to yield the appropriate result. This occurred not once, but twice: the treaty of Nice was rejected and then later ratified, and the 2008 no-vote on the ratification of the Lisbon Treaty was replaced by a yes-vote in 2009. Indeed, Ireland was the only

member nation to hold a referendum on the Lisbon treaty. Ireland was voting not only on its own behalf but also for the entire EU.

### **What are the connections?**

In order to understand the global interconnections of money and financial expertise, it becomes necessary to attend to the ways in which local meanings help to produce what seem to be neutral and universal abstract processes. As Alan Klima argues, what is needed are “translations between various positions and understandings of a shared global situation that is, in turn, shared quite differently” (Klima 2004: 463). The question of how to locate agency and causality underlies competing explanatory frameworks used by both experts and the public to think through the meanings and effects of European economic integration. The euro is mobilized in one instance as a response to globalization, and in the next as its agent.

For example, the Economist special report on the celebration of the 50<sup>th</sup> anniversary of the EU (March 17, 2007: 13), “Europe’s mid-life crisis,” argued that the “biggest problem is economic” (13). What is meant here is not the Euro per se but “slow growth and unemployment.” The article goes on to note, “Indeed, economic ills make voters suspicious not only of globalization generally but also of such EU projects as enlargement and the single market” (13). Here globalization appears as a parallel process with economic integration. Yet, global economic pressures are often used to argue for the need for national economic cooperation at the supranational level, via the single currency, which necessitates economic sacrifices (such structural reform and austerity measures). But the promise of prosperity is also deeply tied to efforts to win trust for the euro, just as a rise in income inequality is bound to undermine that trust. Is the euro (European monetary policy) merely a response to, or is it instead producing and intensifying globalization—if not within then certainly beyond the borders of Europe? The article goes on to argue that the EU “works without the constitution” (13), but one could reasonably ask how and why the EU is imaginable without a constitution, but not without the single currency?

Herr Peters responded to my question about the idea of Europe—whether it is a shield from globalization, or merely a part of it—by connecting it first to the narrative of peace: “The EU is certainly a part [of globalization]. But I don’t imagine that European countries will fall upon each other. I think they have learned from history. Europe is about the internal market, represents [darstellen] a closed economic place of location. I don’t see a horror scenario there. I think it is more likely that power blocks could form. But these are only fantastic imaginations [*nur fantasievorstellungen*]. But what about differences within the EU, I wondered? Herr Peters:

“It is nice that one can travel across Europe, pay with the same currency, it makes travel easy. But identity gets lost. I don’t think it is bad to have different currencies. It has something to do with being in a foreign place. For Germany it is a problem. There is still an invisible wall. I don’t like to say that West Germans are better Europeans than East Germans. But, the ease with which Europe is taken as a matter of course is more pronounced there. East Germany, it must first conduct itself [*betreiben*] as if it were part of Germany as a whole [*Gesamtdeutsch*]. There are still resentments between West and East Germans, such that others [in Europe]...they are much further away. European Unification did not come from the people but from decision makers [*Entscheidungsträger*]. A person must fit themselves in [*reinfügen*], find roles, and search...It will take some time still before one understands oneself as European.

### **What has the EU done for you lately?**

**Leipzig:** One afternoon I sat down with Erika and her then boyfriend, Jan, for an extended three-way dialogue about the interconnections and possibilities they believed the EU to materialize in their lives as young citizens of Germany and Europe. Jan is 28 and is self-employed as an insurance salesman. Erika, 22, is the young musician whose one-room apartment I had been subletting while she studied abroad in Finland. Her parents and sister had adopted me as part of the family during my stay. It was through their lives and stories that I learned not only about the GDR but acquired a grounded perspective about the joys and burdens of post-unification life in Leipzig. Erika’s parents were successful and creative in pulling together the different facets of their lives before and after ’89 into a stable framework in which their daughters learned to appreciate the value of thrift but also the importance of investing in education and artistic pursuits. Both

daughters were accomplished musicians and played expensive instruments. The instruments were financed by Erika's parents, neither of which had a background in music or substantial assets, and who therefore financed their daughters' musical pursuits through savings and credit. Erika had recently returned but had decided to live in her old room at home for a while to save money on rent, which I was paying by subletting. I was getting to know Erika better in person, even though I felt I already knew her a little, living in her place and among her books, furnishings, plates and dishes some manufactured in the now vanished GDR. During evenings when her parents invited me to dinner, or on cold fall day when I learned how to make *stolen* from Erika's mom, who was preparing several for Erika's care package to Finland, I got to know her even better through the lens of her parents' stories and reports.

Now that she was back, I experienced Erika to be a curious and reflective young woman. We talked about my research. Erika wondered what she could possibly contribute to a study about the euro and the EU but was interested in participating. At the time she had just begun to date Jan and she felt he might be better able to talk about the euro given his work in insurance. On a warm afternoon in June, we met at my (her) place. Erika brought a cake made by her mom for the occasion. We gathered around the table, well supplied with coffee and cake, to discuss the auspicious 'EU.'

Quite spontaneously and fortuitously the trajectory of our conversation touched upon multiple and highly relevant layers of my project, spanning from the euro and the intelligibility of market indicators, to different perceptions of the EU within Europe, to the ways in which experiences of socialism and deindustrialization informed the first local referendum in Leipzig.

Jam emphasizes what he feels to be the advantages of Europe. You can cross borders freely and apply for work across the EU. "I like that, free borders, free markets. That helps with the growing together." But he instantly notes a paradox, bringing up the example of Kosovo and the division of Serbs and Croats. "Why are they separating?": he laughed, shaking his head and gathering momentum for his main point: "They are separating and yet simultaneously they each want to join the EU. So they are separating, but then, they are coming *back together* in the EU." For Jan it seems ironic to first insist

on being separate states and yet at the same time apply to join the EU where according to the latter logic, the point is eventually to dissolve political boundaries.

When I asked both about how they felt Europe and European issues were experienced in Germany, Jan felt the problem was one of “wrong communication.” The EU is not communicated well, and in parallel, ‘Germans are a people who are overly critical,’ he felt. I heard this self-critique of Germany often, in part I believe, because Americans are believed to be more positive and this contrast often seemed to be salient for many respondents. However, it signals without stating so, the critique levied in particular against the complaining Ossi such that the critical stance can generate stigma as much it can also be shrugged off as being ‘typical German.’

In my dialogue with Jan and Erika it was immediately apparent that Jan dominated the conversation, while Erika tended to take on a more thoughtful and reserved stance. I noticed this very often when it came to discussions of the euro and the EU, not only here but in many other encounters, that these were highly gendered topics. That is, female respondents often felt hesitant about articulating their impressions in informal terms. But I also had gotten to know Erica well through the stories of her parents in particular, and by subletting here one-room apartment. We were sitting in her apartment, surrounded by her belongings, and yet she was suddenly a guest and also contributing to my research project. Because Erika had just spent the better part of a year in Finland, I wanted to know about her impressions of the EU from a different corner of this construct, and as a young person enjoying the frequently touted benefits of European cosmopolitanism. When I asked if she thought people felt differently about the EU in Finland, Erica was both recalling and connecting impressions as if for the first time.

ERIKA: Things are different there. Europe is communicated more openly, because they realize that they need the EU and that they have to be motivated because otherwise they will be irrelevant in the world, ‘no one will come to us.’ So in this way they are, of their own accord, a little more open.

JAN: they are dependent

ERIKA: I don’t know what you mean by dependent?

JAN: Young people want to leave the country

ERIKA: What struck me is that it is taken for granted that at some point every young person will spend time outside the country, to study, work, or in an internship. But it is clear to every young person that they will spend some time in a foreign country. Here in Germany that is not self-evident (a matter of course), except maybe for university students. But now I read in the paper that more should be done to encourage young people to spend time outside the country, more than the 1/3<sup>rd</sup> of students who currently do. Now they want to reach a goal of at least 50 percent at the least. But these are the exceptions. We [here in Germany] still have the perception that people come here.

Clinics in East Germany offer training, many people are now coming from Eastern Europe, trained here without cost, but then they leave to work in the west after having been trained here for free. They leave because they are paid better in the west. They all leave. This is the biggest problem we have right now. Because these positions are subsidized by the EU, these are free workplaces for the purposes of training, which is what the EU supports. But then people leave, because the conditions are worse here. So they travel on to work elsewhere. And at the same time, this is a loss for the clinics here.

Erika is making an important link not only to the ways in which mobility imagined and undertaken from differently positioned ‘national’ starting points within the EU, but also to different histories of immigration and development. What is more, she makes a crucial link to the manner in which East German regions are crosscut by processes of uneven development. That is, as many commentators have noted, and certainly confirmed by many of my respondents, East German cities have been passed over for development as western companies took advantage of lower wages in Poland and the Czech Republic, and from the opposite end, Eastern European workers take advantage of the EU subsidies to build skills in cities like Leipzig, but then move further west—much as many eastern youth, where incomes and future prospects for promotion are much higher. Notably, Erika sees the loss of skilled eastern European workers not in terms of jobs lost to German workers, but as a loss to workplaces in the area not only in terms of invested time and money in training people who leave, but also for the possibility of new forms of community building in the EU. Jan, however, sees a country like Finland as more dependent upon the EU, whereas Germany appears here as self-sufficient. Even though many Germans, and easterners in particular, have left to work in other parts of the EU

and Europe, the norm continues to be a better life somewhere else in Germany. However, in response to Erika's example at the clinics, Jan tacked on that such stories are not communicated to the public. An awareness of these issues is not possible because "the communication never reaches us."

JAN: but as far as the communication, that is never communicated here and never reaches us. I think it (the EU) is simply too far away. Sometimes you hear something about it in the news, that the EU has just decided something. You think, okay. People know that there are EU subsidies. That is closer to one's life if you are employed, where do I receive my money? Stoiber [a CSU conservative politician] we know he is doing something in the EU, and we are all happy that he is doing it there and not here (laughs) But as far as the communication goes, we have the flag with the EU emblem, we have common subsidized projects, we have exchange programs, and we know that agriculture is subsidized by the EU—but in agriculture this leads to waste of money [Geld verschleudern]. For example, money is paid in order to leave fields unplanted. Or meaningless projects are sponsored. This is the case in general, in my perception.

U: and Sachsen?

JAN: I believe that Sachsen is a front-runner in agriculture, there we are very productive, but in much of Germany a lot of money is wasted (wird viel Geld versenkt). Butter Mountains—does that ring a bell?

U: Butter Mountains?

JAN: That is when the EU buys up butter, and it is stored. It is just stored, not sold, in order to stabilize the price of butter.

U: But then why don't they [the EU] address the milk situation? Recently the new EU policy states that subsidies for milk production should end and that the prices should be set by the market and not by some officials.

JAN: Because that is not an EU story. That is a regional—no national—problem having to do with the wage policy (Lohnpolitik) in Germany. That's why the EU does not intervene. And that is not their place to do so. Member states are autonomous if I remember this correctly. So the EU is not allowed to intervene (eingreifen).

For Jan the EU is most visible in statements in the media that inform of the EU's latest decisions and in the dense and contradictory politics of subventions. The latter are understood as a tangible materialization of benefits but also waste exemplified through the analogy of the butter mountain. The EU promotes free markets and yet manipulates prices. Moreover, the EU political scene is the place for politicians who are otherwise no



longer needed or the source of embarrassment at home. When I brought up the example of recent protests at the time of my fieldwork about milk prices in the region being forced down by discount stores, and where producers had little choice but to sell their milk below their costs of production, the policies of the EU seemed contradictory. The relationship between EU, national and regional politics and policies is the subject of intense debate and a constant source of confusion. EU decisions thus seem arbitrary. The point at which EU and national agendas and powers overlap or are distinguished contributes to an effect of proximity and distance of the EU construct. I repeated what I had heard from my research with EU-educators at Europa Haus, that a majority of EU laws and policies are decided at the national level. Whereas people imagine that the EU is deciding things without the input of member states, as I understood it, the EU can't decide, it is the national parliaments that make decisions. This sparked a discussion between Jan and Erika about whether the EU can decide things without the involvement of EU member states, the weighting of decisions, and if the founding nations have more weight in the decision-making process. This became a key point of debate with Poland's accession to the EU given that weighted votes corresponded to the population—giving Poland potentially as much (or more) weight than Germany. Jan explained that in eastern Germany, antagonism towards Polish workers was prevalent:

JAN: “Here in the east, Poles have been devalued. People feel they are taking away our jobs, or we go shopping across the border. But Poland has a more stable economy than here, a better partner for the EU. But they are a developing country, less industry, more agriculture. They have lower inflation than we do, greater growth. I can only welcome the fact that Poland is joining (kommt dazu). The bigger the better, I believe. But still, communication with people about the EU, it is too bureaucratic. Takes too long to understand the effects of decisions. And the states are tied together too loosely. The EU decides something, but then it may not go into effect for five years. Then the EU doesn't interest people. I feel that the EU does not affect me (keine auswirkung)—the euro yes—but the EU, no.

When Jan says that Poland has a more stable economy than “here,” he is referring to eastern Germany. As in Erika's example about the clinics, the regions unfavorable

position in relation to West German and Poland are implied. I did not personally observe outright discrimination against foreigners in Leipzig and heard about such stereotyping via third parties (which parallels how respondents told me about cases of discrimination against East German workers). Jan's description of eastern resentment toward Poles mirrors experiences of many easterners in relation to westerners. Notably Jan, like the vast majority of my respondents, emphasizes his openness to and acceptance of other Europeans and ethnic minorities. This does not mean of course that people were free of stereotyping and resentments, or that their daily practices corresponded to their stated openness and inclusion of others. Based on those individuals who I got to know well, I would be inclined to support their self-presentations. For my purposes here, though, I want to point out that eastern Germans tend to be stereotyped in mainstream discourse as more prone to racism and anti-immigrant sentiments. This is all the more reason why in addressing these issues, Jan, as many others, was careful and sincere in demonstrating acceptance of non-Germans, and the basic ideology of inclusion propagated by the EU. Thus, contrary to what is often stated by political and academic elites, the felt-distance to the EU does not necessarily correlate with nationalist sentiments. Distance or proximity is constituted in part through different forms of media. For this reason, and as many EU planners presupposed, the euro currency would be the medium that could make the EU tangible. For Jan, it is the euro specifically that exerts some felt agency over his life. But this does not mean that the euro must or will materialize the particular relations or meanings the architects intend (as we have already seen). But unlike other forms of connection with the EU, the monetary, financial and social relationships that membership in the euro or EU entails are more difficult to piece together. EU institutions emphasize the benefits and accomplishments, with less attention to the obligations or unequal power relations the EU creates within and outside its 'borders.' That young people reflect upon these new arrangements even while stating they are difficult to understand, is a point that Erica underscores below:

ERIKA: From my perspective, it is too difficult to understand. To what extent EU decisions can be sensed in one's personal life. That is the thing that should be

explained. The first time that it became clearer to me was when I was at the movies, watching this film, 'We Feed the World' It was about food around the world, how is it distributed. Where do tomatoes come from?

U: from Holland (laughs)

JAN: no, only water comes from there...

ERIKA: we get the tomatoes from Africa and Spain because the EU subsidizes the cultivation there, but then in Africa, the farmers there can't sell their products because Africans by the cheaper products subsidized by the EU. Well great. I don't understand the logic of this. We could just produce for ourselves.

JAN: That's simple. The EU is a consortium (association; Zusammenschluss).

Many are not aware that things work here because internal to the EU there are no borders. But outside the EU, and many are not aware of this, there are borders, with customs, of course, with subsidies, the EU is working for itself, and not for Africa. So, then, from the EU's perspective, it is logical, if I can cultivate more cheaply internationally (im Ausland), if I pump money there than it is even cheaper (günstiger) if I can subsidize my own economy in that way. If the economy in Africa is destroyed (kaput geht) is from the point of view of the EU, from a purely technical standpoint, beside the point (egal)

U: But it is often not presented in those terms, because connections with Africa are emphasized

ERIKA: it doesn't matter what sector, whether the fishing industry, foodstuffs, time and again when you go into detail, the bottom line that always comes out: Africa is exploited (ausgebeutet). But it is cheaper.

JAN: it is just like when medicines, a load of t-shirts, when I drive them down there to Africa, and I distribute them there, then I destroy their local industry. And as I said, from the EU's perspective, that is uninteresting. From the point of view of the EU, that is good for us. I keep people down there small. They can never rise up and make stupid prices for me, or so. It is not humane and it is not moral but

ERIKA: but then on the other hand, we complain that there are massive flows of migrants from Morocco that we (the EU) can't absorb, who arrive in Spain because they have no work, ...so in viewing this film some of the interrelationships became clear for me, but otherwise I never get a clear idea of what interrelationships there are, that are important. So it is my opinion that the EU remains very far away.

The film that Erika refers to is by the well-known and respected Austrian documentary filmmaker, Erwin Wagenhofer, who critically traces food production in the EU. His aim in the film is to raise consciousness about the unequal global interconnections of factory production of food commodities and how EU subvention practices exploit and destroy local production in Europe and Africa.

U: I think this question of the interrelationships is very important. That is also what would make it more understandable, but I am also not convinced that these are the interrelationships to be understood. For example, with monetary policy it can seem very abstract. In order to understand it, it seems to me that you need to think about what interrelationships it materializes, how it can become intelligible. With the financial crisis we are learning more about the role of the central bank, that it must ensure that banks continue to lend to each other. There are disagreements—did Greenspan contribute to the crisis with deregulation? So the Central Bank's role is double-edged. It addresses but is also part of the problem. But in my research with the Bundesbank there is a concern with exposing the public to different positions. But other connections can always be made. Likewise, the EU is presented as the answer to, and not part of the problem of globalization...you are not necessarily encouraged to come to other conclusions. The EU should be made something near, something to be felt, but then other connections are discouraged. For instance the upcoming referendum in Ireland on the Lisbon Treaty [in German, the 'reform treaty']—In Germany officials, politicians and commentators all state that normal citizens can't decide, that they are not capable to understand. So Europe's citizens should be informed, but then they are not really viewed as capable of understanding and making a decision. It does seem like too much to ask people to evaluate the 270 pages of corrections to the treaty.

ERIKA: I do think it is important to have an overview of the EU, to understanding the structuring effects, how much internationalization, how we should structure our companies, what qualities come from where?

U: if you had the chance to vote, on the reform treaty, would you find that good? As Germans?

JAN: yes, it would be good. What is it called, plebiscitary elements? It is done too little, especially in Germany. Our political system here is such that citizens here are allowed to participate far too little in decision-making processes. That is where this sullenness (passivity; *Verdrossenheit*) comes from. That's why we are so uninterested in what is actually going on. We can't change things anyway, so why bother? Bundestag elections, it doesn't matter who I vote for. Either way it won't change anything. It certainly wouldn't be bad if we could decide as a people (*als Volk*), not through representatives, but where each person could vote. I would find that great.

In my dialogue with Jan and Erika I was anticipating my upcoming trip to Dublin, Ireland, to follow the upcoming referendum there. Popular appeals and activist organization petitions for a national-level referendum on EU issues in Germany could serve as a cogent form of critique about the EU's democratic deficit. In Leipzig and many

parts of Germany, local and regional level referenda were permissible and gaining in popularity. Yet not a few with whom I spoke viewed referenda with great distrust and skepticism given Germany's past. Moreover, extremist groups such as the NPD had been able to win seats in federal parliaments because they appealed to popular resentments and frustration with long-term unemployment and growing inequality. For many critics, national or EU-level referenda would be used by various groups vying for more influence, instead of engaging with the substantial matters subject to the vote. In a parliamentary democracy, representative voting should be adequate to the democratic process. However, complaints about low-voter turnout, especially in the east, reflected the deep sense of disconnection between those who decide what is best for the people and the people who have to live with whatever is decided. Especially with regard to the EU popular and scholarly critiques alike lament the lack of input and consultation of ordinary citizens on matters that directly affect their lives. In Leipzig I heard many times from my respondents that in the GDR that dissidence through public critique might get you imprisoned but would garner a response, even change. In capitalism, you can speak all you want, but it doesn't change anything. I was curious to understand whether Jan and Erica felt that people might be more engaged in the electoral process if they felt they had the chance to participate more directly in the electoral process, through more direct democracy. Jan immediately supports the idea, but Erika has doubts, returning again to the theme of the intelligibility of the EU:

JAN: it would be great if we could decide more directly. Then you would have to become informed, formulate an opinion (ein Kopf machen). What is it about? I wouldn't even be able to tell you what the EU had decided for me lately. But if I had the chance to vote or be involved, it would interest me more.

ERIKA: Before I went away, or even before we conversed now about this, I had never even thought, what does it mean for me to be in the EU?

JAN: It means money. I don't have to have money in order to

ERIKA: (interrupting) I had no clue. But I still don't know what it means for me.

U: Perhaps you had a sense, but had not articulated it?

ERIKA: I still don't know how the EU, how I should connect with it. What does it mean when the finance people come to an agreement, for me it is always a great puzzle. Because... I would need to have it explained to me in very, very simple terms. Of course, what were just discussing about representatives for the people.

If we had to vote, there is so much you have to be informed about. That would be asking too much of people. That is what representatives for the people are supposed to be there for.

U: Yes, that is an argument that is often made

JAN: But I don't think that we would be overburdened, people just think they are overburdened because so many decisions are taken away from us. They just decide for us and we don't give any thought to what we might actually want. All of the sudden then we are informed there is no longer unemployment money (*Arbeitslosengeld*), now there is *HartzIV*. Done! There is nothing we can do. It was decided. So for example, there was just this opportunity for a local-level referendum about the sale of the Leipzig public utilities. Everyone was getting informed. We had a voter turnout of 80 or 90%. Everyone went—no one wanted the city utilities to be sold. So then it becomes suddenly routine, yes. You think. I have to sit down and read what it is about so that I can have a voice (*überall mitreden kann*). Then somehow this routine begins to stick. It is a process. So I don't think this is problematic. People are forced to engage with the issues.

In this brief interchange, Jan and Erika express some of the central tensions at work in my project. In post-unification EU Germany, as elsewhere in Europe, people are working to make sense of how their local and national frames and practices are inserted into the EU construct. It is perhaps not so different from efforts to think through global-local entanglements. But in many respects the EU makes explicit the form of such interconnections as they come to be expressed by tangible and barely perceptible chains of obligation and possibility. Within a trans-local and trans-national configuration like the EU, there seems to be a greater dependence on experts who can explain in simple terms. Yet the EU has built up its legitimacy through its distant behind-the-scenes rearranging of the social, political and economic order of things. It is not as if citizens necessarily feel compelled to reflect upon or connect the dots. Part of my methodology in unpacking the pragmatic openings for making sense of distant, technical matters was to generate dialogue through my line of questioning as opposed to tracking moments “when it is already there” or being purposely enacted. But Jan also made the crucial connection to the Hartz labor reforms, which many in Leipzig protested by reviving the Monday demonstrations from 1989. As I will show in the following chapters, the history of protest and change from the streets is a tradition that is reworked yet exceeds efforts to relegate it

to the undoing of the GDR. It is revealing that Jan's characterization of it as a done deal shows the presence and absence of these protests.

Therefore it was especially fortuitous when quite spontaneously, Jan made the case for the importance of referenda as a form of engagement with expertise by bringing up the example of the first referendum held in Leipzig. Precisely this referendum had animated the first months of my fieldwork in Leipzig and had spurred my thinking about the role of direct democracy in creating a different field of engagement with expertise.

As we will see below, Jan reflects on this local referendum as both a case for and against the feasibility of allowing people to decide about technical, market matters. What is important for my purposes is the form of engagement he articulates—the notion that a burden might change to routine: by working through the issues at stake because one has a stake in the decision.

### **Understanding the market**

The referendum on the partial privatization of the city works had been the subject of citywide panel discussions, media coverage, and get out the vote campaigns. But many of the specific details were not debated publically until a week before the vote. The vote was to be held on Sunday, January 27<sup>th</sup>, 2008. The ballot was formulated in the following manner: 'Yes,' if you want the city works to remain in city hands, and 'NO' if the sale should proceed. Thus it was important that voters pay attention to the specific form of the question. The rules of this first ever referendum stated first that at least 25% of those voting needed to vote 'yes' and second, that these yes votes were required to outnumber the no-votes. Below, I will reverse the no/yes formulation identifying those against the sale as 'no-voters' and those for the sale as 'yes-voters.

To give a sense of the charged nature of the pending vote, the carnival procession in the city the week prior to the vote featured floats with explicit commentary on the sale. One float concretized the true intentions behind the mayor's plan, depicting him in a pinstriped suit perched to dominate the globe, depicted as a yellow ball marked with Leipzig's city districts (figure 1). The director of the city works is in black holding the

key to the gates. Another float is covered with an oversized picture of the mayor, a broom attached. Selling the public works, that easy? The broom referred to the claim that the sale would allow the city to clean house of its debt obligations (figure 2)



Figure 1. Carnival parade in Leipzig: ironic commentary on the sale of the public works. Photo by author (2008)





Figure 2. Carnival parade in Leipzig: ‘the mayor will clean house with the sale’  
Photo by author (2008)

The sale was publicized as a ‘share’ sale in the city works whereas the slogan of those against the sale framed it instead as a ‘sell-off the city of Leipzig.’ Leipzig’s mayor Burkhard Jung (SPD) was the chief proponent of the sale, or from his perspective, the strengthening of international investment partnerships through share holding in which the city would maintain a 50,1 % stake in ownership. In one panel discussion sponsored by the LVZ (Leipzig’s local newspaper) Jung framed it not as a sell-out of the city. Things were changing and the market was liberalizing. Leipzig needed a strong partner in these times of change. Without a strong partner, he repeatedly claimed, we can’t grow in the future or increase business in Leipzig. He used the metaphor of a ‘ship Leipzig’ stating that were simply getting a strong off-board motor to dock with Leipzig and allow the city a faster trip forward. Otherwise, he warned, we will only be able to limp slowly along. Whereas the mayor proclaimed the sale as a blessing for the city, opponents anticipated it would be a curse.

Those against the sale appealed to importance of communal ownership of basis resources like water, energy and education, which should not be unduly influenced by economic interests or the pursuit of profit. Moreover, the city works were already in surplus, bringing in 50 million euros into the city. A portion of the profits subsidized local transportation. These were funds that were sorely needed and would be missing after the sale.

A finance professor reported on sale of city works in cities like Essen (in the west). The results were mixed. Some works were bought back. But assessing the success through the movement of prices could be difficult and so to argue that it was ultimately good or bad could be hard to pin down.

Another city representative differentiated the sale from the city's budget deficit. According to him, the city was paying 45 million euros in interest alone on its debts. But this was a separate matter. Instead, the share sale was about securing Leipzig's future and thinking across the boundaries of the city limits. City works were increasingly networked and in competition across regions and nation-states. The rules were changing and Leipzig needed to form new partnerships to secure the viability of the city works for the future.

The representative from the Linke was asked why the faction was against the sale when in Dresden, the sale of the collective living community to a US company had allowed the city of Dresden to pay off the majority of its debt. The moderator underscored that the Left was fundamentally against all privatizations, to which the representative agreed. The Left was working toward the preservation of communal ownership. The sale of the communal housing could only settle the debt once. Then new obligations would arise in the future and more public property would come under scrutiny for sale. This could not be a solution to the deficits.

Another opponent to the sale argued that the 'outboard motor metaphor' was problematic. It could make a boat turn quickly but it also made it instable. Had people forgotten that the city works had been sold twice before? Privatization was not always bad but in this case the city had already experienced two shipwrecks. The mayor emphasized though that the sale would bring in 320-520 million and that some of this money would be invested in order to pay for schools, streets and city renewal. Half a

million from the sale would be invested for 8 years so that the city could ‘create value’ to pay for these projects. In objection to this, one organizer argued that more sustainable measures were needed than one-time sales. The left representative underscored this point by making a different metaphor, this time arguing that the city works were like a milk cow. When it is slaughtered you can make a few wonderful gulasch meals out of it, but then the milk is gone. The mayor argued back that the cow would not be slaughtered. It would have two owners and would be fed twice.”

The finance professor cautioned that the projected proceeds from the sale were not that impressive. Stock shares in energy were on the rise so more could be earned. Moreover, as the Green party opponent reminding of previous sales of the works clarified, the works had been bought back by taking on more debt, and these were now part of the city debt and growing interest payments. Others pointed to the fact that debt was at the heart of the matter and this was not only Leipzig’s problem. It was connected to politics at the national and EU-level. Shares of the French partner, Gas de Franz might also be sold on complicating the transparency of ownership. The mayor insisted that this process was in accordance with European law and utterly transparent. The contract for the sale had been posted to the Internet for any interested citizen to view, even if it was not legally possible to reveal the identity of the other bidders for the contract.

On the evening before the vote, the LVZ published brief statements of prominent Leipzig residents on their position for the vote on the front page of the weekend paper. Among those voting yes, the city works should be kept in 100% city ownership was the well-known former pastor of the Nicholas Church who had been instrumental in the Monday prayer evenings during the peaceful revolution. He argued that privatization usually resulted in the loss of more jobs and rising energy prices for consumers. Artists, writers, a local businesswoman and an economics professor were among the ‘yes’ supporters. Their arguments referenced the oft-cited metaphor of selling the family silverware, the conviction that the city works were a communal good, and that more sustainable methods of servicing the debt were needed. For the no-position, the works should be privatized were predominantly local entrepreneurs, city elites, and a political scientist. Their arguments emphasized the needed profits for debt servicing, that the

works would remain in partial ownership, and that the partnership would be better able to act. One businessman planned to vote yes, but that the process had not been transparent. The president of the chamber of craft production saw no alternative to the sale. An employee of a local museum questioned the communal logic of the yes proponents, saying that bread is also a necessity but we don't nationalize bakeries. This last point was an implicit critique of the GDR-planned economy thinking that may have informed those opposing the privatization. (LVZ. 26/27. January 2008, p. 17)

The day after the vote on the Leipzig public works I was eager to hear Anna's perspective. She responded with energy and enthusiasm, saying, 'I was very happy this Sunday. This was the first time in a long while that I had to stand in line for a long time. The polling station at the school was packed.'" She told me that this had been the first time she was fully aware of how many other facilities were included in the vote. She explained the specific language on the ballot: the vote was about whether or not these could be privatized in the next three years. There was a list of all the facilities. For Anna this seemed to underscore the importance of the vote, and her conviction to vote no on the sale. On her way to the polling station she had reflected on the election poster of the FDP, with the slogan: 'sell the public works—secure schools and child-care centers (Kitas) . [Sign: Stadtwerke verkaufen; Schulen sanieren].' "That really bothered me," Anna said in her reflective yet insistent tone. "The city is responsible for these institutions regardless of how they have to be financed. The poster implied that if the public works were not sold, then schools would no longer be funded." Some would eagerly connect her sentiment to the unreasonable expectation that the state should take care of things presumably lingering on from GDR time. Certainly the claim on the state to ensure basic rights and access to essential resources necessary to society has its socialist roots. However, similar sentiments were shared across Germany and so in the context of this vote, could be inscribed in a shared communal logic with the west. On the other hand, other kinds of reminders from the GDR erupted in her consciousness on that day.

Anna remembered that a GDR-era tablecloth covered the table from which she picked up her ballot. She told me she recognized it from 'long practice' in the GDR. Anna said she was suddenly cognizant of how run-down the place suddenly looked, as if

she were transported back to GDR times, though of course now the place was tidy and maintained well.

Her husband, now a retired engineer who used to be employed by the electricity plant, heard from current workers that they had voted against the sale. “And our vote had results!

And then to find out yesterday evening after the polls closed that the mayor’s office had already planned the income from the sale into the budget. They thought to themselves, ‘these ordinary folk will not manage it. They are not politicians or experienced persons, just simple-minded citizens. They will not manage enough no-votes. Well, they guess wrong. They probably were already planning the sale of other works, or were already in negotiation talks.’

On February 1<sup>st</sup>, the LVZ published letters from local residents airing the perspectives on and complaints about the sale. Those pleased with the outcome declared it a victory for democracy. The plans of city leaders behind closed doors, and without the consent of the people had been thwarted. One letter writer expressed respect for the citizens of Leipzig arguing that vote demonstrated people knew more about the economy than the city government gave people credit for. That reader drew on the metaphor of the slaughtered cow mentioned above. Those displeased with the vote nonetheless expressed support for the democratic initiative shown by residents. From missed chance to outrage over the inclusion of the projected sale in the state budget, the referendum was clearly a salient experience in a city where citizen protest had become synonymous with the Monday demonstrations of 89/90. But my neighbor, a self-employed alternative energy consultant living on state support for health reasons wrote in castigating those who had prevented the sale. He equated the decision with the socialist past. “Three steps back to socialism” he argued. Attributing the ineffective public communications work for the privatization to ‘Directors following the orders of the party’ he suggested that though people believed they were acting on behalf of the community, they were instead maintaining the power status quo. He made note of picture in the ZFL of Walter Ulbricht, with the caption, ‘that things work better without capitalists.’ For him the vote exemplified how many in Leipzig believed the same ((LVZ, 1. February 2008, 18). .

Later, in February, I was having coffee with Herr and Frau Schmidt, an elderly couple in the café across from the Thomas Church. The referendum was still on their minds and we talked about it. They had voted for the sale of the public works because they believed the sale would have offered more options for the city. According to them, few youth had participated in the referendum. They only observed older people at the voting polls. Frau Schmidt complained, “The youth did not add their voice.” But they were nonetheless surprised to learn that the money had already been planned into the budget. Regardless of their desired outcome for the vote, they felt this was wrong. It was reminiscent of GDR times. You voted but you already knew the outcome. Their main target of criticism was not the mayor’s party, the SPD, but “die Linke,” the newly formed hybrid of western and eastern socialist parties. They felt that the Linke was not capable of governing. “They understand nothing about economics!” The couple’s remarks evoked what had been written up in the paper. The LVZ reported that while every second eligible voter was between 60 and 69 years old, only every 4<sup>th</sup> voter was a young person of 21-24 (lvz. 1 Feb 2008: p. 18). Many of the yes votes did indeed correlated with Left voters. But the vote had been decisive, with 87,3% voting yes to continued public ownership and 12,7 voting for the sale (p. 18).

### **Switching positions?**

When I asked Jan whether he had voted for or against the sale, I was surprised to learn that he had voted yes and not no, and that his example referenced a vote that for him ended in disappointment.

JAN: Yes, I have to say that I was very disappointed, but I absolutely understood the outcome. I was disappointed simply because I am a very economic thinking person. I believe when a business or facility is managed by public authorities, then nothing will come of it because government agencies have the problem, they don’t think, they don’t think economically (*ökonomisch*). There is an arrangement to reallocate profits from the public utilities to other communal agencies, such as the LVB (Leipzig public transportation), which is cross-subsidized, yes, but nevertheless if the public utilities were pressured to compete

on the market, and not through subsidies, then they would work more efficiently. For example, the public utilities have a huge administration, they have far too many people working in administration, they don't work economically. Of course it is good because it is an employer, yes, so workplaces (jobs) are created. But they could work more economically if they had the pressure of working against the competition. And that is reflected in the costs of the consumer. Everyone complains that they have no money, but it would have been advantageous. So, in the public hand, it can't afford this. That is not why they are there. Public agencies have certain responsibilities, to take on debt for things like education, but there are not there to be competitive on the market. So, and then they even hinder competition. In Leipzig no other provider can get access. Other providers are here, but the question is whether they are more expensive since there is really no market competition. ... That's why I wanted to see the utilities sold. There was information about what happens to the utilities if they are sold, what happens to the money and the profits, so the cross-subsidization would be eliminated, those were all things to be considered.

Jan blends market ideals of competition and efficiency with a socialist ethic of what public agencies are responsible for. He ascribes to belief in the market while empathizing with the decision of the voters, as will become clear below, because of the experience of privatization and marketization in 1990. But to extend the thread of inquiry about voting on technical financial matters, I wanted to know his assessment of how the issues regarding the sale were explained. Did he feel they were properly explained?

JAN: No. Ahead of the referendum I heard a few reports in the media, but those were from small broadcasters, those were small informational broadcasters like Mephisto, none of these broadcasters have a wide range, and then informational events

ERIKA: but that is the university broadcaster

JAN: but it still was not carried widely, and I believe that public opinion had already been decided in advance. So then the city tried, the mayor and so on, to advertise for the sale, but I think not widely enough. They did not thoroughly explain it to the public, but from the beginning the public had already been influenced or persuaded by small clubs that were against the sale

U: like More Democracy?

JAN: Yes...and others, I am not sure which. But these small associations are much better at doing public relations work, and they went out and told people, dear citizens, if you do this (vote for the sale) this is something very bad, then the utilities no longer belong to the people, then they won't belong to you anymore. So then they believe it, and it sticks in people's heads. People don't think far

enough, I have the impression, in the principle of investment-that you have to spend money in order to get a return on it. The private household does not think in this way because the private household only consumes and people expect a service in return. But there is always a trade-off. Spending in order to get a return. This is not how private households think. So, I believe this was what was in the heads of people, in relation to the city utilities, and they did not want to give them away. In the past during GDR times, we had VEB's which were people's owned enterprises, yes, and that was still in people's heads, and that's why it did not work. Something like 80% of voters voted against the sale of the utilities.

ERIKA: But didn't you explain to me, that through the profits made from the sale that would have just been a drop of water on a hot stone in the effort to balance the budget.

U: Yes, for Leipzig, yes. It would have not covered the budget deficits like the sale of collective housing in Dresden.

JAN: In Dresden I also see that things are not thought through. It was a good decision to sell, but then they just made new debts. They really did sell the family silver (*Tafelsilber*), yes, at some point they have nothing more to sell. But the idea was good. They just needed to have approached it more economically. Now we have this pile of money...they should have invested it. The difference between an investment and an expense, they don't understand, because with an investment money flows back, they should have done that. But of course, public agencies should have money for education, to build kindergartens, and then that is also an investment. It can work. For example, do you know about Q-cells? I believe that is a village,

U: isn't that in Dessau

JAN: Yes, and Q-Cells established itself there, and they draw in so many tax revenues that they have a balanced budget there. Money is coming in there. That is the kind of thing that must be done, something like that should be done in Dresden, Leipzig. But it is not.

As I hope to make more explicit in the following chapters, Jan is skimming the surface of an embattled set of relations that connect the 1990 currency union, revaluation, and the forms of privatization and investment in the East. Later in the interview Jan and Erika will have more to say about this history from the vantage of young people adapting and absorbing these changes differently and less encumbered than their elders. And as I will argue in following chapters, efforts to fight for and retain alternative evaluations of this process of transformation are under erasure, but with messy remainders. What is interesting here, though, is Jan's characterization of the peoples' thinking as a



misunderstanding of the market rather than possibly a keen recognition of how it ‘really’ works. In fact, during my fieldwork at this time the socialist past informed the choices of yes and no voters, a point I will return to in later chapters. Investment in the region—the specific forms it has taken and its relative effectiveness—are bound to market ideologies as much as they are to the parameters created by the currency union specifically. But to stick with the argument I am building in this chapter, the ways in which localities and nations are inserted into monetary projects like those of the EU and German unification does become central to public debates about autonomy and development, and ultimately to the fiscal and financial flows that make or break places. I will show below how policies of taxation and investment are structurally and symbolically reworked, deployed, and subject to different interpretations in Ireland and Germany, but that eastern regions, too, have been unevenly remade in the project of economic integration. Taxation policies have been important in both eastern Germany and Ireland, but according to different logics and effects. Whereas Leipzig has become a ‘work-bench’ for western companies with investment in the region benefitting not the development of the productive industry but rather the profit margins of ‘external’ companies, Ireland attracted investment precisely because of outcompeting other member-states with generous tax breaks and a large banking sector. But in both cases, local autonomy is seen in opposition to the plans of political and economic elites.

U: But as I understand it there is also a problem in terms of where businesses pay their taxes and that this is done in the locality of the company headquarters.

JAN: yes, exactly

U: And that’s why Leipzig doesn’t benefit from companies like BMW because the taxes are paid in Munich

JAN: That is true, but there is also splitting so that taxes are paid here...

There are different kinds of businesses taxes... Gesamtsteuer...

But this is not communicated at all. This is why the vote was 80% against the sale. Because most people did not know why, most people heard that the utilities are making money and that money will be missing afterwards, and the money we will get for the sale is far from what is needed to pay down the debts. But that is no comparison. Of course, Leipzig is in debt, of course it only helps a little, if at all. But then just because the mountain of debt is so large, you can’t say if I sell something small then it doesn’t help anything, of course it would have helped

somehow, it could have reduced the interest or something like that. I believe that is the case. And in any case the purchasing company would have had to pay taxes here, yes, Vattenfalll

U: Gas de France

JAN: Yes, Gas de France. They would have paid taxes here. This is a question that could have been addressed. Contracts could be made that obliged the company to guarantee employment to the workers. In Dresden, with the sale of the residential building cooperative, they agreed that the rents would not be raised for 10 years. It is simple to make such arrangements. Oh well, that's the way it goes.

U: But here, at the time of the referendum examples were given of cities in the West where utilities were sold, and then localities tried to buy them back. They had bad experiences with the sale.

JAN: I believe firmly that they likely did not think it through thoroughly enough. Yes? They probably got nervous in the middle of the sale—I don't know exactly the details anymore—In between they became anxious and wanted to back out and then bought them back for a lot of money. And that was the problem. If they had just sold it to begin with, and planned it well, like a manager would do it! When Deutsche Telekom sells one of its divisions, a test division, then the telecom makes a profit and doesn't draw back, saying uh oh, we made the wrong decision and try to buy it back. That is the problem. Nevertheless to come back again and again to the point about communication and participatory decision-making of citizens, the issues weren't explained correctly. There were 33,000 opinions; some aspects were made public, there were articles in the newspaper, like columns for and against, and there were a few short articles. But that all the interrelationships were really explained, no, that is not the case. There wasn't even much available online.

U: There were a number of events in the city, but they were all very late, within a week or so of the vote. [To Erika] Your mother wanted to attend, and could not do so...

JAN: That is the problem

U: And then the mayor had already planned the sale into the budget, although the decision had not even been made

JAN: and was there ever fallout for that! Yes. The money had already been practically spent

U: Yes, it was already included in the budget

Nothing summed up the politics of the referendum better than this last point—the city leaders were so certain that the local populace would not turn out to vote no that they had already planned the sale into their annual budget and some of these anticipated funds had already been spent. As another respondent told me after the vote, this act angered her the most and exemplified the low opinion of peoples' capacity to make reasoned decisions,

weigh the evidence, and exert their democratic rights. But Jan's characterization of '33,000 opinions' also expresses the unwieldy nature of putting the matter to a popular vote. While this referendum may not seem remarkable to a reader knowledgeable of many such examples globally, and one might also agree that people respond out of 'emotion,' what was important here were peoples accumulated experiences of the market through a process of privatization that even the experts deemed 'without example.' In this light, the referendum exposed the kinds of subjectivities formed by unification and Europeanization while indeed showing the potential for 'routinely' reflecting upon the power-laden relations of market decisions. As noted above, no sooner had Jan made a case for referenda at the national level than did he seem to reverse his stance when describing the vote on the city works. My aim here is not to dismiss such indecision but rather to show the complex forms of reflecting upon the interrelationships produced through the specific media of Europeanization. Once again, and quite spontaneously, Jan connects his thinking to the most tangible instance of the EU—the euro. And as I will continue to make the case throughout this dissertation, the 1990 experience of monetary union is a messy remainder in the 'euro's march' to win the hearts and minds of Germans and Europeans:

JAN: Yes, I think that sometimes it is very good if one does not allow everyone to participate in a decision, yes, not because I now seem to have changed my mind because the sale did not go through, but I do think that sometimes public opinion is not backed up by the facts. Sometimes people have a feeling, that I don't want this. The euro is the best example, yes. In Denmark people voted against it, voted against the euro. The euro was not introduced there. The euro is the best thing to happen for the European economy. You have more transparency, there are no longer any exchange rates and it makes things more certain for businesses. They can calculate better, and there are fewer costs [transaction fees], and so on, and so forth. It stabilizes the inner freedom. The single currency is something communal (*Gemeinschaftliches*); it is clearer to calculate with. Whenever I used to travel in Italy on vacation and I had to change money, I always thought, they are screwing me over. I always thought they are pulling one over on me (*über den Tisch ziehen*). So, and now that is no longer the case. But if it had been up to Germany, if Germans had voted, then we would not have gotten the euro, and that would not have been good. Yes. Especially here in eastern Germany (*Ostdeutschland*); we had a bad experience with the changeover from the Ostmark to D-Mark. But what

does that mean, bad experience? The Deutsch Mark was stable. It worked (hat funktioniert). Okay, of course then afterwards I only have half –1:2 or 1:3 was the rate of exchange, right?

U: up to certain amounts could be exchanged at 1:1 and 1:2 or 3....

JAN: Right, exactly. Everyone wanted that. But then all of the sudden everyone noticed that things got more expensive. But it was not more expensive because the D-Mark was bad. It was more expensive because the economy picked up with the changeover from the planned economy to capitalism

ERIKA: to the social market economy

JAN: or the social market economy, that's how it was. (laughs)

U: (laughing) which ideology would you like?

JAN: yes, it is difficult. Anyway, that is why it got more expensive, not because the D-Mark was bad.

### **Techno-skepticism**

JAN: And now with the euro we really do have this phenomenon of price increases (*Verteuerung*). The consumer basket of goods (warenkorb) says of course... there really was an increase, the basket says that it wasn't the case but that is not correct. The basket always lags behind, and there are the wrong things, the wrong appliances in the basket. Inflation is always measured against this basket of goods, by the Federal statistics agency, [explains to Erika]. The basket is a collection of goods (commodities), of particular consumer items used by households, around 30 products. But then things are placed in the basket like video recorders and mp3 players, goods that an average household might buy and what is paid for them. They note the prices of these items, and then all the amounts are added together and a sum comes out. And then depending on how much one pays, if it gets more expensive or cheaper, then so inflation rises or falls. And based on this a measure is fixed. So then in Germany the price level is said to be higher or lower. But the basket is always behind, for example it takes an eternity, four, five—even 7 years for the basket to be updated. The combination of goods in the basket is updated every seven years, and the comparison is made every two years. Then the comparison is made. But seven years ago, there were no mp3 players, and that's why it doesn't fit. Yes, and I don't know how current the prices are, that are gathered for the composition of the basket.

U: I believe it is monthly

JAN: but the composition of goods is not changed.

U: I am not sure

JAN: That is done every 7 years, as far as I know.

U: But then there is the EU-level, harmonized price index...then it is more abstract

JAN: I think it is more accurate. It is a statistical quantity

U: I have been tracking how statistics are explained in the Bundesbank's communications work. Recently the concept of felt inflation, which has received an empirical basis. This felt inflation has effects on market behavior... it eventually was taken seriously, so people's discussions and critiques did have an effect. They did bring about something, and say something.

JAN: I think the problem is that wages are not rising

U: especially in Germany

JAN: I think especially in Ostdeutschland, especially in Leipzig. In Leipzig we have an unemployment rate of 25%.

U: Is it so high?

JAN: Every fourth person in Leipzig is without a job. That is incredible/mind-blowing.

U: where did you read this?

JAN: every month in February the unemployment report is published. I heard it on the radio...this was a while ago. We have one of the highest rates in Germany

U: Even more than Berlin?

JAN: Yes, we also have the biggest unemployment bureau.

U: Really

ERIKA: I also heard that. That's why I have often wondered why one shopping center after another is opened here in Leipzig

U: I have wondered that, too.

ERIKA: I know that it is a trend, one center after the other

U: you need money to shop there

ERIKA: Yes, that's what is strange

JAN: But you have to look at who is shopping there

U: Leipzig is dependent on tourism

JAN: Leipzig is a beautiful city. Many people do come here from elsewhere, people with money. A number of months ago I spoke with someone, who said, for shopping we go to Leipzig. People come from Munich and from Hamburg. They come here for shopping. We built a *Breuninger* here [an upscale department store]...it is one of the nicer ones ...located at great location near the market square.

ERIKA: It is just standard

JAN: I think that is good because, if there is something here that can be consumed, then there will be consumers who come for it—if not in Leipzig then elsewhere. That is, I put an effort into convincing BMW and DHL to come here, or researchers, then at least there is something here, and that carries far [trägt breit], because you need infrastructure for these works; we have an interstate (autobahn) built here and the news spreads that Leipzig did something to make that happen. The fact that Leipzig makes an effort to attract such companies—that is news that travels, I think that is good, independently of whether these establishments can immediately make a profit, that is, reach the quantity of sales (Absatz finden). Likely they are in minus, but still the fact that they are here in Leipzig, I think it is good.

Just as Leipzig has depended upon attracting investment from the west, which as we will see in subsequent chapters, is a key dimension about the effects of the 1990 revaluation, so, too, Ireland has been caught up in the politics of ‘euro development.’ Euro-membership resembles a running cost-benefit analysis that is folded into the register of solidarity and obligation. Perceived flouting of such generosity on the part of ‘beneficiaries’ becomes an occasion for reminding and forgetting.

### **In Dublin we can have a voice**

**Dublin:** Through my contacts at the EU-Direct center in Leipzig I was able to connect to a partner institute in Dublin, Ireland. I traveled to Dublin to spend a week observing activities surrounding the national referendum on the ‘Reform Treaty.’ Because voters in several countries had rejected the European Constitution, the treaty was designed to take its place as only a slightly less formal revision of existing treaties and arrangements. Ireland was the only country that would vote on the treaty. The vote was therefore important because essentially one country would decide on the fate of this new treaty. By Irish constitutional law, Irish citizens were required to vote on any measures that would revise matters of Irish sovereignty. Thus, to the chagrin of EU elites, the Irish would once more pose an obstacle to the European Project’s ever forward and deeper march forward. Once before Irish voters had rejected the Treaty of Nice in 2001, only to be asked to hold a second referendum in 2002, in which the voters this time gave the yes-vote elites expected.

Upon arriving for the first time in central Dublin, at the famous General Post Office, which served as a headquarters of the Irish Independence movement during the Easter Uprising and still bears the visible pockmarks of flying bullets, I noticed immediately that opponents to the treaty had occupied this strategic street front. What I didn’t know at first, but soon discovered with astonishment, was that the occupying group was that of the German-based ATTAC. It is a citizens’ action group critical of globalization whose origins lie in the proposal by economist, James Tobin, to introduce a

citizens' transaction tax on currency speculation. Member of the Frankfurt-based branch of the organization would garner media attention later in October of 2008 by occupying the Frankfurt stock exchange (DAX) to protest the decision of the German Bundestag to bail out banks during the financial crisis.

Life-size posters of Angela Merkel, Nicholas Sarkozy, and Manuel Barroso in the poses of the three wise monkeys: 'see no evil, hear no evil, speak no evil' (figure 3) made an instant statement about the way in which the EU in all its forms is manifested not as the bulwark of peace and democracy, but of the blinkered visions of politicians who hold on tight with our without the populace's input. In Germany, the EU is promulgated as a no-alternative vision of Germany and Europe's progress forward.

It was not long before I made acquaintance with several of the German organizers of this occupation. Egbert, a middle-aged engineer working with green energy, became my most important interlocutor from the group. I joined the group for a meal and coffee at a near-by cafeteria. An immediate common point of reference was the high prices in Dublin. In Germany it was possible to buy coffee and a roll with cold cuts for as little as 4 euro, whereas in Dublin even the sparsest of meals required a minimum of 8-10 euros. When I asked Egbert how the group had come to the decision to support the no-campaign in Ireland, he explained that at least in Dublin, unlike in Germany, 'we can have a voice.' That is, where in Germany national referenda are prohibited by law—something ATTAC is working to change—in Ireland people are able to vote on EU matters. It is important to emphasize that the German polity has never once been given the opportunity to vote directly on any aspect of the EU. Another organizer brought up the example of the EU charter of rights, which the Commission published in miniature book-form. What seemed like a practical way to put this text in people's pockets was read in another sense as a statement about its importance. In this case, miniature signified a lack of importance. We ended up meeting four times over the week, with Egbert giving me frequent updates on poll-results coming in on the day of the vote.



Figure 3. Dublin, Ireland: Lisbon Treaty Referendum. 'No to the reform treaty'  
Photo by author (2008)





Figure 4. “Congratulations Ireland”  
Photo by author (2008)

### **Saturation**

Dublin was quite literally saturated with campaign posters on almost every street corner (figures 4 and 5). ‘Yes’ and ‘No’ posters quite often stood side by side on poles. On one street, yes and no alternated along fixtures. Buses were covered in campaign slogans, and buildings, doors, pavement slabs, store-front windows, even wooden crating bore official posters, slogans written in chalk, and neon graffiti sprayed on dark stone surfaces.



Figure 5. “The New EU won’t see you, hear you, speak for you”  
Photo by author (2008)

The poster designed by the official referendum commission showed the bottom halves of a woman with a skirt and flat shoes surrounded by a man with working boots and another wearing jeans on each side. The heads and torsos were erased from the picture with the slogan above: ‘Lisbon Treaty: Get the Complete Picture’ (figure 6). At the bottom corner of the sign people were given directions on how to access the referendum commission handbook and website.



Figure 6. “Lisbon Treaty. Get the complete picture”  
Photo by author (2008)

Three posters one on top of the other: Fine Gael: 'Europe, Let's be at the Heart of It' Vote Yes; "Yes to Lisbon. Let's Make Europe Work Better"; Keep Ireland's Clout in Europe. Vote No."

To give a sense of the array of the arguments vying for space and attention throughout the city, the following list of signs I was able to track across the city, I begin with one of the most dramatic. Signs were taped to the inside of storefront window, and at a slight distance, several other posters all with ominous tones: 'Don't Throw it all Away (figure 7). Vote NO to Lisbon. Stop EU super-government! Vote No to Lisbon (Democratic Alliance) (figure 8). The EU Flag is crossed out with a stop sign. Above this sign a news article was taped with the tagline: 'Journalists gagged over Lisbon? Even more dramatic, and invoking the revolutions for independence, "People Died for your Freedom. Don't Throw it Away. Vote No." Yet another flyer with a swastika declared: 'Dictatorship. Open Your Eyes!!! European Union. The constitution of Dictatorship. The Laws of a Police State. Take Your Country Back. Vote No.



Figure 7. "People Died for your Freedom"  
Photo by author (2008)



Figure 8. “Stop EU Super-Government”  
Photo by author (2008)

In contrast, and jarring in its simplicity, a white poster with edges tattered was taped to a metal parking meter. Hand-written with black permanent ink: Cowan. Bad Language. Bad Treaty. You Fuckers!’ Others recalled of past no-votes on referenda in Europe: People’s Movement: Follow the French and Dutch: Vote No.” Pacifist and anti-war platforms were also highly visible on streets and buildings. White spray paint on granite pavement stone: ‘No to Lisbon’. Black spray paint, two circles enclosing a figure: ‘No to Militarization. No to Lisbon.” A similar one showing a gun. Next is a list of further campaign agendas:

A United States of Europe? No Thanks! Vote No to Lisbon. [eirigi] Don't Risk EU Taxation. Vote No.' Socialist Party: 'No Privatisation of Health and Education. No to Lisbon. ;'Good for Ireland, Good for Europe. Vote Yes.; Workers Solidarity Movement: Vote No. Against a Capitalist Europe. Against a Bosses Ireland. Organize for Real Social Change.'" IBEC: 'Vote Yes for jobs, the economy and Ireland's Future' A Europe that Works better' (figure 9). "People before Profit. No to Lisbon" Euro sign. Three wise monkeys: 'The New EU: Won't See You, Won't Hear You, Won't Speak for You. Vote No.'; Attac: Non, Ne. No, Nein zum EU-Reformvertrag. Ein anderes Europa ist möglich. "Congratulations Ireland! You are having the referendum 486 million Europeans have been denied" 'Die Welt ist keine Ware" (the world is not a commodity). See also figures 9-12.



Figure 9. “Vote Yes for jobs, the economy, and Ireland’s future”  
Photo by author (2008)





Figure 10. “Europe. Let’s Be at the Heart of It”  
Photo by author (2008)

### **Putting it all together**

I met with Liam Brennan on the day of the vote. Liam had only recently begun to work at the center. He told me of a recent debate the center had hosted and organized on the treaty and referendum. It was one of the best-attended events in the history of the center. Unfortunately he had not been able to attend but was able to view the recorded event. Liam somewhat reluctantly admitted that he personally had not immersed himself in the details as much as he should, and was now ‘catching up’ ahead of the vote. But he offered an acute and vivid portrayal of the sentiments, dialogues, and visible infrastructures surrounding the vote. Posters urging yes or no plastered every street

corner, competing for space and attention. I had already observed signs on buses, in store windows, on walls and fences, and in the hands of street campaigners at the corners of pubs and retail establishments, laboring to get out the vote (for their respective positions). Newspapers and television media were transmitting a constant stream of competing perspectives, from politicians and politicians as well as the ordinary working person trying to make sense of it all. For many Irish citizens, a key worry was how much say small countries would continue to have in EU-decisions going forward. This concern was captured best with the recognition that Ireland would lose its right to have an Irish representative in every commission under the new provisions. In general, many felt confused about the more than 270 pages of legalese they were being asked to evaluate, Liam summed up. But many were indeed working hard to form an opinion even as yes and no campaigners worked to exploit the intelligibility gap to their own purposes.

Liam described the tenor of the yes and no sides of the debate with a measured clarity, with the no-vote offering more concrete details about the treaty amendments and the yes-side promising doom if the treaty was voted down. As Liam put it, “It would be bad, very, very bad, for Ireland, and for Europe, if we voted no.”

Liam felt that the Yes-vote betrayed a lack of familiarity the treaty document. They were not as well versed as the No-side, which he said was much more specific:

“You talk to people, and they say, ‘I don’t understand. I don’t know what it’s about.’ You have a document that is extremely difficult to read. It is very difficult to read. And you have people saying all sorts of things if you vote no, and they are very specific, much more specific. No vote is much more specific. The yes vote is strongly worded and much less paralegal. You feel like, you should vote yes, OR...[else] threat, ...I feel that’s the message people are getting, that is in talking to friends and family, acquaintances.”

Liam lamented that as the only country voting on the treaty and indeed determining its ultimate fate, Ireland would be blamed by some for obstructing and other for rubber-stamping the visions of EU planners. ‘In 2001 we voted no but then they came back to use and we voted yes.’ I explained how in Germany many people felt they were denied a

vote or a say in anything regarding the EU. If other Europeans had the chance to vote, then Ireland wouldn't be alone. That's true, Liam replied, then it wouldn't feel so bad. You feel as if you are the recipient of mixed messages.' Liam voiced the concern of many skeptics of public referenda, that 'Emotion can win the day. People have discontent with the government, so they use the vote on this EU matter to punish the government.

When I asked about how well the main issues to be decided in the referendum had been explained, Liam felt that the information had not been that clear. The No-vote has been very specific, he repeated. I can read the leaflet put out by the European Commission. But when I review the main text, it is hard even for me to put together. I wondered how this vote was similar or different to the referendum in 2001. Liam thought a moment, 'I would say the fear factor. People feel they may be giving away more sovereignty. I am not as well versed on whether or not this is the case. People shouldn't listen until they can make up their own mind. But it is intimidating—like reading legal documents.'

I drew an analogy to parsing through the terms of credit card statements to which Liam nodded.

"Yes, yes... you will always have people who are very well versed, and have an opinion. People will have strong convictions about Europe, but vague understandings. They might say, we won our independence, and now we are giving so much away. But Ireland benefits a lot from being in the EU. But to test the extent of that claim you would have to be an accountant. These two views are very prevalent; some people share both. But in the end there is no way around it. So I would say that the word that sums it all up is 'confusion.' I have a friend—she feels so undecided. There is probably some apathy. It will be interesting to see the turnout today. I do think a lot of people feel it is important. It is a national interest. I wouldn't say sovereignty but it is about one's place in Europe."

Liam: “Many people I have spoken with find it suspicious that most of the major political parties are all agreed on voting yes to the treaty. It is a shame that there is not more debate, and that the politicians all agree with each other. But the No-vote has worked harder, and they have been quite persuasive. In my perception, they came through. Not that it makes it right. The No vote seems like the underdog.”

U: The papers seemed to frame voting no as a rejection of the EU. I thought it was about the treaty, not about being in the EU?

Liam: it should just be about the ratification of the treaty. The EU will continue on, but people always fear that we will lose neutrality. Most people do not see it in a simplistic way. For example the qualified majority vote issue. My friend knew about it. She had been reading it. People don’t want Ireland to be sidelined. They just don’t want Ireland to lose, to be diminished. We don’t want some crazy rules to be imposed upon us from the outside. Ireland has benefitted from the EU there is no doubt. It is not a rejection of the EU.

U: I was surprised that these two issues were being conflated

Liam: Yes, that is a debate that could be played on both sides.

U: it gets played elsewhere

Liam: In radio and television, there has been a lot of intelligent discussion

U: what about the economic developments. I have heard people in the press stating that if you vote no, investors will leave Ireland. I have also heard that Ireland is one of the most indebted countries. Would you say that is the case?

Liam: yes, it is true. The economy has been doing well. Property prices went up, equity. But yes, there is a feeling that a lot of people are in debt. There is nervousness about that, and as to how Europe affects this, confusion. Confusion reigns. Lots of companies have come here... would rejecting be bad for our economy? Again, people are confused...

U: I wondered how that might feed into the debates. From here Germany seems powerful, but their self-perception is that they are being sidelined.

Liam: that is interesting. I think especially in relation to property, there is concern.

I was curious to know how people in Ireland talked about the euro, given the daily repertoires of critique in Germany. Liam thought a moment. “People do feel they lost something, lost value in their currency. Ireland always lost in relation to sterling. But the good thing is that you can compare prices. But we, there hasn’t been that much debate—people always felt there is nothing you can do about it. People did feel prices went up, though.”

Liam gave an example by contrasting Greece and Ireland. In Greece there had been a protest, where everyone refused to shop for a day. ‘You would never have that in

Ireland.’ People just accept the prices. But without competition, how can you shop around if everything is the same price? But there is apathy. Consumers in Ireland rallying—that would be the day pigs would be flying. I think it is the culture. People in Ireland are laid back. I would say people tend to put up and shut up. I think we are too laid back. In other countries, you often read about protests.

I explained how just recently the milk farmers in Sachsen were protesting about prices. They actually got the discounters to raise the price by 10 cents. People in Germany are very price conscious. “Interesting that you say that. One group that is very vocal is the Irish farmers.” Liam felt that with the introduction of the euro, the general consensus is that prices seem to go up a bit. “We can compare prices. We are always the loser. I don’t think people blame it on the euro. I don’t think the euro is to blame. I think over here it is pushing up the prices. .... Then again I don’t know that Irish tourism has suffered.” I noted that in Germany, and especially in Leipzig where I had been living, the unemployment was high. People did not have income to travel. They don’t experience the benefits of the shared currency. “Yeah, yes. People are traveling much more... more so than in the 80’s. At this stage I would say, the euro is here and people don’t think about it. It is great that you don’t have to exchange currency. You can compare prices.”

I explained how surprised I was that I could buy a 10-euro SIM card for my cell phone, and without the need to show proof of residence, as was required in Germany. Liam was not aware of the different rules in Germany. Where he felt that the difference in prices did stand out were concert tickets. In Ireland a ticket could cost as much as 100 euros, whereas in other countries, people were not paying as much. Though incomes have risen, the cost of living also rose significantly and property prices were unimaginably high. ‘That is the Celtic Tiger,’ Liam brought it to a point. ‘We all benefitted a little bit, but a minority a lot.’

My interest in the referendum, as I narrated the purpose of my visit to Dublin, was how Europeans were making sense of the interconnections that the euro facilitated, but whose specificity beyond consumer benefits and low-transaction costs were often fuzzy. The monetary policies and ideas behind the euro were akin to the abstractions of the referendum. I wondered how the desire for more direct democracy meshed with the need

to ultimately trust the experts in the technical matters now unusually being put to a popular vote. Liam chalked it up to the postmodern condition. People don't trust as much, and they are questioning more. On the other hand, there is too much information. The Internet allows for unprecedented access to anything one might want to know. But what was one to do with it? He recalled the comments of one writer he had recently read who argued that people nowadays are mistaking information for knowledge. They are not the same thing. As with the vote on the 270 page legal text, people are now confused more than ever.

But was there an expectation that people should understand the treaty? The lack of coverage on the treaty in Germany and the saturation of it in Ireland highlighted the gaps in and absence of a shared 'European' sphere of communication. So how could citizens of EU member states form a 'cross-European consciousness about elite proposals and claims? Liam agreed that it was difficult. Of course it is all too much, that is a common response, I added my usual caveat. European institutions produce hundreds of documents, but it is up to people to see how it relates to their lives. And Irish voters would be deciding on behalf of all Europeans if the treaty would be ratified. Liam replied, 'we are all in isolation. Even in the UK they have not been covering this... If we were aware of how this was going in down in France or Italy' he trailed off. It seemed to me, I elaborated, that there needs to be less fear of critique. 'The worst thing is if the EU gives the impression that people should only agree. It would be great if there were referenda Talking to people in the pub, they feel that either way they are damned. They feared people will be angry at Ireland. That is why many people I have talked to feel that it is a historic vote, I explained. "One thing is for sure, we have been saturated," Liam noted, coming full circle.

### **A different Europe**

When the results of the successful no-vote in, I was invited to join the German and Irish organizers for a celebration gathering at the Teacher's Club, a cultural arts center and meeting house not far from the popular temple bar district lined with pubs.

A number of the Irish organizers held speeches. The tenor of these speeches was one that re-inscribed the no vote as simply a different way of voting for Europe.

**Iris:**

“One of the most energizing things for me being part of this tremendous campaign, a victory for this small country which has sent a message to these bully boys that we don’t want this anymore because we do want a Europe which is about people, which is about peace, and which is not about all the kinds of things rained down on folks, all these incredible people who turned out to vote no, the working people who came out to vote, and they will come out again if we continue to work together to do that. The most extraordinary thing about this whole experience is that the more we reach out the more energy we got, and so many times people said, it is really difficult to work together. What we achieved today we achieved because somehow we stayed together and the other fraction didn’t, so let’s drink to that.”

**Sean:**

Close to 50/50, a fantastic achievement. Separate leadership from representatives, support of the workers...organizations across Europe, what we said made sense. We need to continue to present a clear voice. Yes, people got involved for different reasons in rejection of the treaty. It was honorable reasons, like the anti-war movement. There is a clear order between us and Libertas. What we did was a fantastic achievement. It was very brave to offer people an open mike to people in this room...we might have to be forcibly removed...(laughter). The political establishment, well we established that they are wrong! Lets get rid of them. Great victory, we build a movement to challenge the establishment.

**Irene:**

“Today is an amazing day. An amazing week. Things are blowing our way big time. The vote today is about the desire for a different kind of politics. A politics that is for people and not the political establishment. These events showed what is possible. The media was

full of misnomers, criminal damage. So decisive, beyond all our wildest beliefs, the kind of clarity from a working class area saying, we are not going to be treated like this by the political elite. And suddenly there is a momentum behind it that I think is really significant. We use these words like democratic deficit and so on. But its been very, very clear this week what exactly that means. And the clarity with which people expressed themselves shows there is a different way forward. There are two things coming together shows that yes, obviously voting is incredibly important because it can give us confidence to take on these bosses across the poll, the bosses putting forward these ideas. The way forward, that's what we have to get organized about. The way we have been able to relate to people in working class areas is something we haven't seen before. A new Europe, no war mongers in Europe....”



Figure 11. “Don’t Be Bullied”  
Photo by author (2008)



## **How can they vote no, when they have received so much?**

**Leipzig:** Not long after my return from Dublin I met with Frau Dietz and Herr Schuhmacher at the EU direct center in Leipzig. Both were disappointed with the outcome in Dublin.

Herr S. comments that politicians in Ireland received the receipt (die Quittung kriegen) for their decisions. I was not familiar with the meaning of this expression in that context so I asked for clarification. Herr S. gave the example of the labor reforms in Germany (Hartz IV). He credited the electoral success of the NPD in the regional parliamentary elections with the same phenomenon. This is when people ‘give the receipt’ to the political establishment for unpopular decisions by voting for the opposition. Frau D. added, ‘it is when people want to show that the country can’t go forward with these politics and that things have to change. Now in Ireland we see the result of such thinking.

Herr S. explained that with the Harz IV measures being introduced, those unemployed for longer than one year now had to use up any existing money or assets, cash in insurance policies, in order to receive assistance. He noted that the NPD does not target academics but instead “rather simple people, who can’t see beyond their own political horizon.” These are the people who feel that foreigners are taking away their workplaces. They wish to express their disagreement and so the NPD faction won seats in the Landtag. Now they may even take on key positions. But in fact they were already under investigation by the Office of Public prosecution. “It is that simple to make politics,” he noted, adding with a sharp edge to his words and tone. “Why should I vote for a treaty? Most would not be able to explain it!”

Frau Dietz queried, “but such slogans or arguments were not present?” “In Ireland?” I asked. I summarized some of key narratives I had heard. Yes, some people did invoke national narratives like, ‘People spilled their blood for Ireland. Don’t give it up so quickly.’ Of course, given the lived histories of revolution in Ireland, such statements made an impact. I also told them about the campaign slogan using the three wise monkeys. When I had spoken with people I heard responses such as ‘Europe is far away’

and ‘we are only 4 million people. What voice do we have?’ Many illustrated this fear by referring to the loss of the Irish representative in the commission. These were the examples that were mentioned again and again. Experts tried to explain. They also reminded people that the commissioner should not be working on behalf of national interest and so the national identity of the commissioner was a mute point. In order to fully understand that there were other competencies where the ‘Irish voice’ could be heard required a deeper understanding of the parliamentary system in the EU. These were difficult to explain. But it was an important point. I noted that another fear people expressed was that accepting the treaty could lead to the loss of neutrality.

Frau Dietz was surprised, “They are neutral?” I explained that even though Ireland had supported the war effort in WWII, they had remained neutral, and that this was an important point for people with whom I had spoken. Frau Dietz wondered why they were afraid of this, with Herr Schuhmacher interjecting annoyed, “What do they want? They have to participate in NATO.” I explained drawing on what I had learned in Ireland that Irish troops cannot be deployed in NATO operations. Many voters expressed concern that this would change ‘through the back door.’ There is the fundamental question about if the EU can create new competencies. Herr Schuhmacher then explicated for me how similar concerns had been raised about the German Basic Law, but that in many respects the EU had already intervened in national competencies. “If you had posters here making that explicit, you would have an outcry here, because many are not aware of it.” I finished my summary by noting that abortion also animated voter concerns about how far the EU might go in overturning its restriction in Ireland. These were the themes that were important in Ireland. Copies of the 270-page treaty had been widely distributed. Admittedly it was difficult to explain. I told them of a story relayed to me by a colleague conducting research in a museum at that time. On a smoke break, some facilities staff had brought up the issue of foreign workers. But I did not see any explicit slogans targeting foreigners in the campaigns and in my conversations with people skepticism about the treaty was not framed in terms of anti-immigrant rhetoric. It is true that Ireland had experienced a large influx of workers from countries such as Poland. But

I noted that in demonstrations in Austria the anti-immigrant arguments had been more pronounced than I had observed in Ireland.

For Herr Schuhmacher my observations illustrated how in the EU there are “different construction zones.” He felt that migrant workers had been effectively integrated into the Irish labor market precisely because Ireland had profited most in the EU. Capital flowed to Ireland from, and because of membership in the EU (and the euro). Firms were started there. But in Austria there were different issues. They had had quotas on immigration, which had been repealed because of EU requirements for an open market. And here in Sachsen, too, every third person can tell you a story about a stolen car at the Polish border. But studies showed that criminality had gone down. He argued, “Now the police work together in such cases. It is not simply about the borders being open, but now the police on both sides are forced to cooperate. And that is a good thing.”

I wondered if they had personally encountered people who had experienced these thefts at the border. Frau Dietz searched for a moment, “well, maybe more in the media, but not personally.” Herr Schuhmacher added that he had spoken with some workers about it and then I pursued it further by asking if perhaps students at the Euroschule might have told him about such incidents. Herr Schuhmacher explained, “Well, people have very different perceptions and capacities to remember (erinnerungsvermögen).” He switched to an analogy he knew would resonate with the research I was doing with the Bundesbank. “It would be an interesting question, go to the visitors at the Geldmuseum and ask them, take a 10 mark, 20 mark, and 50 mark bill, go out into the streets and ask people how much they could buy with this money in the past. People will tell you it is worth more than was actually possible.” I knew immediately that he was describing a recent report on consumer affairs. He jumped in affirmatively, “Yes, on Plus-Minus, a fantastic report. The last time people could buy a case of beer for 10 D-Marks was in 1965.” We all laughed. “But in any case” he continued, “it is like with the treaty, if you are dealing with people like this, they believe it, it is simply the case. You can come with arguments, but they will say three times that it is not true, they will still believe they are right. Trying to convince such people... You can explain, ‘listen, nothing will change with

the Lisbon treaty. What is in that document is already the case, now. It is only this and this and this that is being added, and this is already a tremendous success.'

Frau Dietz leaned forward, "Yes, this is what I was saying before. On the one hand people say the EU, it is so far away and that is when they realize that it is already reality, I don't want to judge this, but then on the other hand, they nevertheless complain that with the Lisbon treaty the commissioner in five years, but no Irish commissioner. But you could also see it as a consequence, and be saddened, but really you have the feeling that people pull this thread out, and before that—I am sure that if it had not been for the vote on this treaty, they would not have complained that without this commissioner they don't have a voice in Europe. Only because of the treaty, they suddenly trot out their arguments just to be against it. That's how it sounds to me."

Herr S: but the argument might be true that at some point Ireland will not send a commissioner, but that affects the other 27 member states also. So no country has better rights

U: Yes, that was explained

Herr S: The commissioner is not the representative of Ireland in the commission. Commissioners are the mouthpieces for the commission.

Frau D: Yes, that was said, but is it experienced that way. Of course, here Günter Verheugen, our European commissioner, we hear about how great his work is, but it is not tied back to Germany.

Herr S: Why don't they turn their attention to their own elected officials? They are the ones who ratified the treaty

U: They did do so. It was a complaint against the Irish government. But on the other hand, other countries did not vote, so it seems wrong to place all the blame on Ireland.

Herr S: (laughing) The Czech Republic is also holding things up.

U: People were also suspicious that all the parties were in agreement. They told me this is not common in Ireland

Herr S: Here, too, only the Linke voted against it.

Frau Dietz: people here don't even really know what the Lisbon treaty was.

Herr S: Yes, like in the example of the D-mark prices

Frau Dietz: It was only covered here for one day, there was not any public relations work about it in Germany, why should there be, but what is absurd is that people are now coming more frequently and want a copy of the Lisbon treaty. Then I can only say, we don't have it in printed format. Then I am told, why print copies of it because it is not certain that it will be ratified. What kind of public

relations is that? You can't just tell people, you don't need to be interested in it, because it probably will only end up in the wastebasket.

Herr S: that is correct

U: They printed the whole thing in Ireland.

Herr S: I don't think that it is necessary. People only wanted a copy of the constitution after it had been rejected.

Frau Dietz: Yes, because bad news is always good news.

Herr S: exactly. People can get a pdf copy of the treaty from us.

Frau Dietz: no

Herr S: yes, as a data file, not printed

U: But maybe older people want to read it and are not able to use a computer.

Herr S: there are copies in bookstores

Frau Dietz: now there are copies at the BPB since two weeks, so you can get it

Herr S: but we are not printing out 270 pages here

When I asked how they thought things should continue and how the EU might work differently to reach the public, Herr Schuhmacher's response was one part weariness, one part acerbic wit: "The day would not be long enough for me to begin to answer that question. They need to conduct a praxis-oriented communications work." Frau Dietz agreed, both passionate and yet somehow knowing things were unlikely to change: "They are always using the same old instruments, always bus campaigns and always event-oriented programs. Europe is communicated in empty husks (in Hülsen verbreitet). You don't win listeners and you don't win followers that way. I have no solutions about what should be done with the treaty. I don't think it is right to ask people to vote twice as with Maastricht." Herr Schuhmacher had left briefly to return with a stack of T-shirts: "This is what we get. We have a whole truckload of t-shirts 'European States in Cultural Dialogues.'" Frau Dietz, "First things come late, and these rulers—you can even give them out in schools. Herr Schuhmacher, "What I wish, is that they would hire people full-time to work in practical education work—long-term and in a sustained fashion. When we plan events, we only get funding if 100 people attend. It is a requirement. Or you can plan over three days and have fewer attendees. But you just scare people away. If the numbers don't add up, then the funding has to be returned. Someone needs to recognize reality." Frau Dietz agreed: It is like when people approach you on the street. You put 'Europe' at

this same level and it is a nuisance. Europe is a forced theme, something to be preached, like the wandering preacher. That is the practice they promote.

For Herr Schuhmacher it was not the ideas were bad, just badly implemented. You can't reach people with campaigns. But how can you reach people in every-day life? Herr Schuhmacher explained it in terms of scale. "I identify regionally, of course I also identify nationally as German, but I feel more connected to my regional identity. Now I live in Sachsen. But I don't necessarily identify as European. But everyday we see Europe in our wallets, and on our license plates, but this is the extent of it. Nothing else occurs to me because what is important is what happens in my backyard.

U: I heard about an experiment, a scenario where people were asked what would disappear if Austria left the EU. Suddenly the list grew as people remembered customs, border controls, exchange rate losses.

Herr S: Many things are taken for granted now about the EU. The EU's achievements are not even seen as accomplishments (Errungenschaften). That is the bad thing.

Frau Dietz: The problem is that Europe is always connected to politics, but the accomplishments, advantages have less to do with politics. But the concept is connected too much with politics.

Herr S: Yes, because politicians have made these decisions at some point in time.

Frau Dietz: Of course, but perhaps it would be good to detach the EU from this political meaning (entkoppeln), if you consider, how many people in Germany are really interested in EU politics. To be honest, when I take the local paper, I seldom read about German politics, but I read about Nepal, America, and then Europe as another political topic, but Europe is connected to so many other topics of daily life, rights, travel, consumer protection, but you don't hear as much...

Herr Schuhmacher: You hear about new rights, and protections. But you hear about them one time. Where it comes from... you don't get the background.

U: in Ireland what people were emphasizing was quite different from how the vote was framed in Germany or Britain. The German press emphasized the economy and responded with indignation, 'how can they vote no when they have received so much'! Britain used the vote for its own euro-skepticism. Many in Ireland said, 'be afraid when you are in agreement with the British.' I think what is missing is a European public space.

Frau Dietz: What do you mean, that we should hear about what the Danish think of the EU?

U: I was thinking of something said a podium discussion here in Leipzig about the Treaty, that the EU is presented and explained by national leaders and not in a trans-European sense.

Frau Dietz: I am not sure that I care what people in Ireland think about EU changes to cellphone rates. That is at the national level, why should I be interested?

Herr S: it is a process, a long, long process. What I wanted to say, the outrage in Germany about the no-vote. It is hard to understand that people in a country that has profited so much from the EU should have a different opinion.

U: But they were not voting against the EU

Herr S: They were voting about the change of the change

Frau Dietz: 80 million people can't be a basis democracy

Herr Schuhmacher: the treaty was a process decided over many years. And then people come and say 'no, we want a different treaty,' It's too late.

Like much of the reporting I observed in the German media, Ireland's no to the treaty generated the conviction that some countries were taking advantage of the sacrifices of others. Whereas in Germany people had suffered through stagnant wages for a decade, Ireland attracted foreign direct investment due to its low tax rates and deregulation. In Ireland people bought houses, enjoyed almost full-employment, and seemed to be reaping economic growth (the Celtic tiger) at the expense of other member-states. The rejection of the treaty, then, was taken quite personally.

Frau Dietz: How was the mood at the EU-Direct Center?

U: I met with Liam but it was before the vote. I think people were disappointed.

Herr Schuhmacher: whenever there is a referendum, then people vote who have an interest in saying no. Like in the example of the NPD. The outcome in Ireland was very narrow. If people say they want to have a basis democracy, then there needs to be compulsory voting. Then there is an obligation to engage with the topics. But personally I could care less about how the Bundestag votes on fertilizer. I am decidedly against referenda, because you see the results, as in Ireland.

U: Maybe it is not about yes or no but an attempt to reach people differently, to build trust, a different consciousness about politics and expertise. With the financial crisis people have begun to think differently about how things are decided, how to engage with complexity. How much regulation, credit, where and to what effect? How are taxes used? Details make a difference. Decisions are made but we can't follow the details. What is democracy when in the end everything is relegated to the experts, and even they can't explain things, such as with the banks.

Herr Schuhmacher: We have a high-grade division of labor. The EU Member of Parliament—and then at the opposite end, the auto mechanic. These are all

specialized niches. I don't expect my auto mechanic to understand the treaty, but he should also have training.

U: I mean that one could build bridges

Herr Schuhmacher: Right. This whole Europe story is a good thing, and there are many advantages. But it doesn't mean we have to give up identity. We are a 'heap of states' held together in this configuration. But that is all. No one is taking anything away, or forcing something on to people they don't want. These are things from the past, I mean 50 years ago when this began we had just gotten beyond a war where people said, 'this can't be permitted to happen again so we have to think of a solution. How we can bind people together so that they get along, and they found it works best if they are linked together. No one wants war ever again. And that goal was reached. There will not be a war between member states, never again in this life.

U: I have often heard this story doesn't work for young people as well.

Herr Schuhmacher: For the youth Europe is reality. People are only conscious of the disadvantages. It takes time.

U: I didn't experience the war, but it still resonates with me. Very few young people know GDR history, and I think this history is also deeply connected to the European story.

Herr Schuhmacher: Yes, right. The EU is only interesting when we work together, celebrate together, eat and drink together such as when we work with partners in France. This is how to bring people in the EU together. In Ireland things look different if you sit together, eat, and work together. 50 years ago we were shooting each other. And 20 years ago we had a border through Germany. And young people barely know or remember that.

Frau Dietz: thanks for the interesting report

Herr Schuhmacher: at least we know that the people in Ireland like Europe. They just disagreed with a few things.

U: Hopefully there will be a positive outcome

Herr Schuhmacher: Or they will keep voting until they say yes.

Indeed, Ireland would be asked to vote again in 2009, and would, with concessions, deliver the wished-for answer.

In conclusion, I would like to return to the question of what interconnections should be made about the euro. If the EU seemed distant, the euro made the presence of the EU tangible. But not necessarily to naturalize the euro as a market medium; it could also bring the question of politics to renewed scrutiny and debate. One of my key respondents in Leipzig, a dissident in Leipzig's peaceful revolution, had this to say:



Herr Lange: In the euro-zone, Germany is the export leader. But at the same time, the wages are too high. No one seems to see the contradiction. That is the thing. The criteria set in the Maastricht treaty, the annual deficit to 3% debt limit- this measure is meaningless. There are no criteria for the labor market, which is more important to economic growth.

U: so then what do you think of the euro?

Herr Lange: Maastricht is dangerous. It hinders growth. It is an anti-capitalist treaty construct. When they try to limit the deficit, then there is no growth. This could be discussed. You need not let everyone in. Chancellor Schmidt, Horst Köhler—the construct was decided on German initiative. The conceptualization of the ECB is a German one. For French politicians it is puzzling. It is incomprehensible economically. They should have established wages as part of the convergence criteria. It is a matter of political will, so they could have decided upon a minimum wage. The minimum wage says more than the 3% criteria. It is a political decision.

U: But economists at the Bundesbank see the criteria as economic

Herr Lange: In order to announce that it is a political decision. They just act as if it is economic. They are not that dumb. The most political thing in a country is [what counts as] money. But the people are made to believe that it is un-political. And if the ECB complies with the treaty, it must ensure the stability of monetary value. Those working there [at the Bundesbank] must ensure price stability. Everyone knows, without a certain amount of inflation there can't be full employment. If you want to avoid inflation, then it means you have to keep unemployment high. It is clear politically, either you want to work toward full employment or you don't. It is not honest to act as if these criteria are economic. Well of course, in this way you can foreclose discussion.

U: But how do you think about this difference, what is political and what is economic about the euro?

Herr Lange: At the micro-level you could say that whoever has money has a certain degree of power. At the macro-level, it is the opposite. Whoever has power decides about the money. This is what I believe is the case with the euro. Germany has the most power in deciding about the Maastricht treaty. He who has power decides about the money. Even the French politicians on the right don't understand why these criteria are necessary, but the left in Germany doesn't understand why it shouldn't be the case.

Herr Lange laughed heartily on this last note. I couldn't help but feel that his assessment of the euro was just as much a commentary on the dialectic of the political and the economic that had also overshadowed debates about the 1990 monetary union. It is to the politics and economics of currency revaluation as a site of critique on Germany and Europe to which I turn in the next chapter.



Figure 12. "Let's Make Europe Work Better"  
Photo by author (2008)

## Chapter 4

### **Shared narratives of critique, different forms of accounting: the 1990 currency union in east/west perspective.**

#### **A former Treuhänder on the problem of monetary value**

It is early morning on May 4<sup>th</sup> 2008, and I have just taken the regional train from Leipzig to Halle, about a 30-40 minute trip depending on the number of stops scheduled. Through a friend and anthropologist at the Max Planck Institute for Social Anthropology in Halle (Saale) I am able to secure an interview with a former West German employee of the Treuhandanstalt, Joachim Lenz. He began work in the Berlin division in 1990, having just completed his university degree in economics. Lenz works as an independent scholar and consultant and has written numerous scholarly articles on the 1990 currency union and privatization of the East German economy.

Lenz is one of few critical voices to emerge out the Treuhand, where official publications and statements tend to celebrate the achievements of the institution. Lenz has staked his critical analysis on the problems the currency union instantiated and made manifest. However, he has written equally critically of the policy on property return, *Rückgabe vor Entschädigung*, which stipulated that collectivized property seized after 1949 (the soviet occupation period was excluded) should be returned to the original owner(s) before compensation. Lenz notes in his writings that no other Eastern European country adopted the policy of ‘natural return’ of property. Disentangling ownership rights proved to be an enormously complex and drawn out process, which many analysts have argued further impeded investment in the East. East Germans who owned homes (notable cases in Berlin have been written about, in particular by Daniella Dahn) lived for years with uncertainty about whether they would be able to remain in their homes.

Lenz’s experiences span across the globe, from time spent in India, studies in Oregon, to consulting work in Eastern European countries such as Hungary and the Czech Republic. Though he may at times sound like a mainstream economist, his

‘systemic view’ aims to think past and propose other ways of thinking about development and inequality of North/South global arrangements and imbalances. His is a hybrid approach that tries to think balance within the existing system. Growth necessarily leads to systemic imbalances and ‘interest’ moves money to underdeveloped regions that become indebted, not enabled to develop stable conditions for self-generated production and investment.

On a beautiful day in May 2008, I meet Lenz and my friend from the Max Planck Institute at the Halloren Café in the old town of Halle. My friend joins us for the interview. As a West German conducting ethnographic research in two industrial towns near the border of Poland, she had told me of lively discussions with Lenz as ethnographers and economists typically have very different ways of ‘describing’ the world. The café is bustling. We find a table near the large glass window with a view of the historic market place. The café is part of this history of transformation and rupture, of arcane debates about currency union and exchange rates, which in this story, decided the fate of an entire economy—so it is understood. But that history would not be readily apparent now. One would have to go looking. One would have to have some patience to understand this ‘interconnection’

The Halloren Café is part of the Halloren chocolate company, established in the early 1800’s, and the oldest in Germany. It is also one of the notable success stories of privatization after 1990. But like many East German products, and despite its tradition-rich status, it does not have a large presence in West German retail stores (though at the time of my research this was changing). Its signature product is the *Halloren Kugeln* (small, elongated chocolate spheres/globes covered in chocolate, with a praline filling). I would often buy these chocolates as a ‘local’ gift for my West German relatives in Northern Germany, who I visited periodically while in the field. They were not familiar with the chocolates.

Indeed, not a few of my insights about the distant, perhaps non-existent awareness or familiarity of many West Germans for the East derive from my conversations with family members. As an American, not raised in Germany, I was predominantly experienced as a third-party to the East-West antagonisms. Whereas my East German

friends and respondents often emphasized to me that this was an enormous benefit, West German family members and respondents in Frankfurt seemed less inclined to hold back their 'honest' assessments of the East with this German-speaking American as captive audience. It was assumed that I would not have the same stakes in the matter, coming from 'outside.'

A West German ethnographer once told me how, in presenting her work on East-West German gift exchange during division and its refiguring of affective ties after 1990 to academic audiences in Germany, that she was always asked to disclose whether she was from West or East. She found it almost impossible to discuss the topic without becoming hopelessly entangled in the politics of it all. My own mediated tellings of life and research in Leipzig and other parts East to my large extended family in the West materialized politics in other ways. As my descriptions got filtered back to me in my interlocutor's response, it would often seem to me as if I was describing a remote region of the world, far removed from Germany. One cousin referred to the East as "Dark Germany" (*Dunkeldeutschland*). She immediately made fun of the Sachsen dialect of the region. Recalling it seemed to generate for her a feeling of repulsion, not the good-natured humor generally associated with the many other dialects that exist across Germany.

As anthropologist Daphne Berdahl noted in her analysis of the film, *Good-Bye Lenin*, the Sachsen dialect became a marker of East Germany writ large (even though there are many other dialects), which could be deployed by Easterners and Westerners alike for comedic or for negative stereotyping. It is also important to note that young people I got to know during my fieldwork worked hard to illuminate the accent and adopt a neutral form of High German. For those who could not quite lose the lilting and soft melting together of consonants (my lay-description!), one could immediately be 'outed' as someone from the East.

Despite their proximity, Leipzig and Halle also seemed to be like different worlds. After the redrawing of East Germany into federal regions, Leipzig and Halle were once again in the old/new bordering regions of Sachsen and Sachsen-Anhalt respectively. The two cities share a regional airport, one of the joint development schemes in the area,

which has not been without critique and controversy even if it is an important source of jobs in the area. While Leipzig seemed to reclaim some of its traditional Trade-Town spirit, some have suggested that Halle struggled to carve out a new identity. It had once been the capital of its district in the GDR, a status it lost to the near-by city of Magdeburg after 1990, which became the capital city of the region. Halle was also the center of the chemical industry during GDR times. It became so heavily polluted that, in addition to losing the substantial part of this industry after unification, enormous funds for environmental cleanup were required. By the time of my research, Halle was starting to take on its old medieval charm, with much of the market place and old city restored. Another part of town, called New Town (Neustadt) is a sea of high-rise socialist Plattenbauten (high rise apartment complexes) that had housed many of the employees working in the chemical combines. Historically, Halle was an important intellectual center and among other notable claims to fame, was the birthplace of the composer, Händel. Halle is also famous for its role in the salt trade, for which Halle is named, and which dates as far back as the Bronze Age. Salt-bars once functioned as a valuable “commodity money.” Like many cities in the former East that had at various times in their history been centers of wealth, the changing fortunes of localities reminds one that German division and unification are but one small episode in a long chain of historical entanglements.

Nonetheless, after 1990 and over the years, Halle acquired a bad reputation, not the least for its high rates of unemployment. Attacks on foreign refugees and incidents of criminality gave the impression that it was unsafe. As is so often the case, much of this reputation is unearned and is a construct of the media. However, Halle also became the focal point of the most spectacular criminal cases that occurred under the auspices of the Treuhand. Many involved West German small entrepreneurs who were granted bids for firms, often without any formal vetting process or proof of funds. Indeed a whole ring of individuals, including management in the regional Treuhand offices, comprised multiple schemes, some of which still occupy the criminal courts. The most controversial case was that of the nearby chemical works of Leuna, which involved deals between French and German corporate and political elites, and culminated in one of the worst political

scandals of the Federal Republic's history, leading all the way to Chancellor Kohl himself, who received illegal contributions for his 2004 re-election campaign.

At the time of my interview in 2008, however, I was not very knowledgeable of the complicated history of the Treuhänd, or of these criminal cases. At many points in the interview, Lenz would lower his voice, aware that others could hear our conversation. Especially at moments where he articulated key points of antagonism—about East/West perceptions, he seemed uncomfortable. Otherwise, he was very much the rational and precise scholar-practitioner. It was clear that he had been cultivating this work of explanation for some time, and that it was carved out in the very terrain of unbridgeable divides in perception and experience. Fortunately, I was a willing and decidedly unseasoned listener to this now decade-long discussion. I wanted to understand the logics of it all, so my lack of accumulated knowledge opened up possibilities. It was not easy to see it that way at the time. It felt more like a deficit. I was trying to catch up with a past that by now had too many layers that were just settling in to silence. For many I was stirring up the tired terrain of the past and words had already done far too little to change the stratigraphy.

Ursula: What is your analysis of the *Wende*, the decisions about the currency union, economy and consequences?

Lenz: Yes, the situation of East Germany was a special one in comparison to other East Block states. Other countries were not divided by the iron curtain. Germany was the only country with this border divided it. That was in many ways a special circumstance [*Besonderheit*]. For example, when a Hungarian decided to escape, and say come to Germany, he loses his culture. You can live better materially in Germany, but you lose home [*Heimat*] and language. And that kept people from leaving, from taking this step. That's why if there had not been a division in two of Germany, they would not have needed to build the wall. The walls, or rather fences, that were built between Hungary and Austria, or between Bulgaria and Yugoslavia, also had the intention of ensuring that East Germans on vacation would not be able to leave for the west. This situation led to one culture being divided into two halves, half-worlds, so two systems in one culture. And naturally opened up a certain weakness for the GDR, because it constantly faced the danger of its people leaving, running away. ... So the GDR could only exist with this wall, and without this wall the GDR could not have existed. Nevertheless, that these divisive tendencies [*Abspaltungen*] existed, because of the state leadership in the GDR, still the sense of belonging-to

[*Zusammengehörigkeit*] was greater in the GDR, and by the way much greater than in West Germany, which you could explain mainly in economic terms. Of course I would much rather belong to someone wealthier than I am, but the wealthy brother doesn't really know if he wants to have the poor one. This was the post-war generation...

Lenz describes his time in Oregon as a counterpoint to his relationship with East Germans. In 1989 he felt more in common with students in Oregon than he did with East Germans of his age. They shared the same interests in music, books and ideas. He remembers how the landscape in Oregon resembled certain regions in Germany. Americans there even wore Birkenstocks! In contrast, the other Germany with which he shared a language and culture seemed further removed than Oregon. The shared German culture, spilt into two systems, is not a point of affective reference that would immediately provide a basis for an unproblematic coming together. Rather, in the context of German division, it becomes an economic variable with different implications for both sides.

The border occupies an uneasy status in many economic explanations of German division. The Wall was not built until 1961. Border controls and different monetary regimes formed the most salient manifestations of border control and maintenance. The experience of living in the divided city of Berlin heightened this sense given the close proximity of the 'island of the West' in the East. Elsewhere, like in Leipzig, the border was further removed and not an immediate part of daily life. It is most iconic as a materialization of human rights abuses and deaths, the division of families, and the restrictions of freedom of movement. In the East it could be construed as a shield against Fascism, or an admission of the GDR's inferior status compared to the West. Why else would a wall be necessary? But it also became an important marker of economic difference. From the early years of the GDR's existence, the continued loss of skilled workers indeed posed problems for the East German economy and it has been attributed on both sides as a 'positive' gain for the West. Some reject explanations of it as an economic measure altogether. But it clearly figured prominently in the explanations for and against the currency union of 1990. The same/other status of East Germans and their



relation to the West similarly straddled the logic of ‘brothers divided’ and an economic variable caught up histories of competing claims of citizenship and economy between the two German states. Lenz continues, “So the GDR absolutely wanted to belong, and the wall falls, and the East German citizen wants to belong to us. And that is an enormous economic problem therefore, because...” Lenz stops. He thinks and chooses his words carefully, continuing: “a relatively speaking poor, underdeveloped country has no real chance against a wealthy country except if one considers the cost of wages.” He places the problem in the terms of competing states that must work in terms of competitive advantage—where wages and production differences can be a sign of poverty and opportunity:

Lenz: It is of course a disadvantage for the individual who lives in a country where one earns little, but macro-economically speaking, it is a chance to develop. For example, that is also a problem in America—the Japanese, the Chinese with their lower wages ensure that production takes place there, and no longer in the US. Many things, toys, automobiles, some autos are still produced in the US but many markets have been lost. That means, this chance, from which Hungary or the Czech Republic could profit [sighs] from which many eastern European countries have now profited, such as investments from Western Europe—Germans have invested in the Czech Republic—and Nokia is now moving from Germany to Romania, so there is a lost of jobs in Germany—the big topic now in the newspapers. That means that there, workplaces are created in Romania, production is undertaken there, and that slowly things will improve continually—the wage levels and standard of living will improve. East Germany was in a completely different situation. They wanted to have the D-Mark. And the introduction of the D-Mark meant an equalization of prices, which means a rise in prices since the prices in the GDR were subsidized. They were not market prices. For example a loaf of bread cost 20 *pfennige* (cents). But that was not price of what it cost to finance the production of the bread, because in the GDR the production costs were much higher and were set by the State. Especially staple foods were very cheap in the GDR. Other things necessary for life were very cheap. So then in a common currency regime the prices have to be equalized. So, then in order to pay West prices, they have to have West wages. And that is.....well even today West wages are not paid, but still after unification wages were quadrupled relative to international standards, so there was strong increase in the wages in East Germany, and naturally that made East Germany an unattractive place to produce. That was the reason why the economy there was more or less finished there. So what remained there, what newly emerged there

developed because the State, the West German, the wealthy state sponsored so heavily there, but voluntarily and privately there was almost nothing.

Lenz describes a global dynamic that has received no shortage of attention in critical analyses of globalization, development and capitalism. The irony here is that the difference in price, wage and monetary regimes confounded the usual logics. East Germans could not be expected to accept a solution in which they would mimic the conditions of a developing state. The logic of justifying economic difference between the global North and South presents a low wage zone as attractive for investments and a source of jobs locally, even if wages are below what could be earned in the wealthier west. However, difference and inequality posed as a positive competitive advantage breaks down here. East Germans had formal legal rights as citizens of the Federal Republic, and could continue to leave for the West where they could secure better wages and benefits. But the introduction of the D-Mark to the East would immediately pose problems if wages did not meet rising prices of goods, which would presumably flow from the West. Whereas in other parts of the world, workers would have far less recourse to claim rights or put pressure on wealthier states, East Germans—so the dominant narrative goes—placed pressure on Western decision-makers to intervene in the ‘market logic’ as it were. The response presents itself as a further paradox in the post-Unification problems of deindustrialization and regional difference. The interconnection of the currency union and the re-valuation of wages manifests as both a privilege and a measure of unearned wealth. It is a gesture of social justice and of economic destruction. Individual consumption is enabled while the economic ‘base’ collapses. The solutions work within and exceed the usual logics; what was understood as a just wage includes as it also excludes, equalizes to displace difference temporally and materially. The currency union—in its temporality and placement—restages a cruel fiction. Value is made contingent, confirming money’s unstable referent. But in its failure it is transcendent and sublime. It instills hope and terror at the messy remainders.

Lenz gives what seems to be a textbook example, a fanciful thought experiment about a scenario unlikely to occur. That it did explains why the currency union is an eternally returning figure of this event:

Lenz: I can give you an example to make it more three-dimensional. I myself worked in the Treuhandanstalt for altogether 7 years. So to give you an example from praxis, I was, the Treuhand was called the largest holding in the world because we became the 'state owner' of the entire East German economy. So I worked in the administration and I would telephone with managers, for example a shoe factory. One time a manager said to me, we were speaking about numbers, balance of accounts, I can't remember the exact number now but I can reconstruct it. We make 6 million in total revenue [*Umsatz*] and 12 million in losses. And I thought, he had mistakenly inverted the numbers, that he made 12 million in revenue and 6 million in losses. An example for that would be, he sells a shoe for 120 D-Mark, but it costs 180 D-Mark to produce, so he takes a loss of 60 D-Mark. So he said to me, he will sell the shoe for 120 D-Mark in the store but it will still cost 180 to make. Those are numbers, orders of magnitude that were unreal in the western world. I had just done my university exams at that time. In such a situation, I would have failed my exam if I had even thought in that way, if I had thought in terms of losses higher than profits. It was a totally absurd situation. Ok? And then there were dramatic losses, it was learning by doing, there were losses because the production costs were higher than what it could be sold for. *This is all connected to the currency union.*

Lenz's examples are from his own work experiences. As such they are rooted in the kind of dilemmas that West German bureaucrats had to make legible. In many ways this characterization of the East German worker who seems oblivious to the logic of production for a profit registers to me as an extreme stereotype of the illogics of the planned economy generally. The de-linking of production from "hard budget" constraints is the iconic explanation for socialist failure. For the worker in this example, production is more important than what it costs to produce. It underscores the significance of work and the determination to continue on even in the place of immense losses. But for Lenz it stands out as a complete failure of logic. He can hardly fathom it, let alone find other modes of explanation for it. Thus, it is possible that the protests of East German workers fighting to keep enterprises open could be reframed as understandable but illogical responses to the hard realities of privatization. It is not my place or desire here to play the example against its accuracy or appropriateness. This would only engage in the mode of

interpretation typically applied to East German narratives about the past. It is not about turning the tables. Rather, I want to read around the example to suggest how it reflects difficult experiences of encounter and unequal powers of decision-making about the fate and status of workers and workplaces, such as the example above. It is an extreme example of what has been described as an impossible process. I choose to read the example in that register. It is striking, though, that such examples become a kind of shorthand to explain a complex process. It makes the point, but it is also a point of antagonism that shows the horizon of difference to be a different one for Lenz than would have likely been the case for the worker. By emphasizing its connection to the currency union the pressure of decision can also be externalized to a system-logic of unification. The currency union acquires agency because it re-sets the field of decision. It was an emergent process in a history of old and new entanglements. They did not unfold in time; time made them impossible and necessary:

Lenz: We can make it three-dimensional [plastisch] with another example. I calculated it back The currency of the GDR for a German or American tourist, one had to exchange 25 D-Mark at a rate of 1:1, so you got 25 Ostmark, and that was more or less ok because drinks or going to a restaurant cost only 8 (D-Mark), so the tourist felt that was somehow ok. Because those prices were subsidized. But in international exchange, the rate of 1 Ostmark was 1:5. Of course it was not officially traded by the East side. But interestingly, was accepted by the East side in international trade. There was an alignment rate of 1:4 or 1:5. So, an example. There was a piano manufacturer. Let me think. He sold pianos as far away as Canada

U: During GDR times?

B: Yes, he really did sell these. And sold one for 2,000 D-Mark back then and the production costs were around 5,000 Mark der DDR. So you can calculate as you wish, he sold for 2,000 D-Mark to Canada, earns 10,000 Mark der DDR, so then the difference is 5,000 Mark der DDR, and he earns 5,000 Mark der DDR—a good business deal [*Bombengeschäft*]. So, calculated otherwise. He sells the piano for 2,000 Marks in Canada, the production costs 1,000 DM, so 1:5, and so he makes a profit of 1,000 D-Mark. Also a good business deal. So, the the Wende comes, the currency union. Now the piano is sold for 2,000 D-Mark just like before, and the production still costs 5,000 Marks, but no longer, and this is a decisive point, no longer Mark der DDR, but D-Mark. Now he has a loss of 3,000 D-Mark. This is the example, where the losses are higher than the sale price. So what should happen? What should happen now? So really, the Canadian should

now pay 10,000 D-Mark, but he has no desire to do so. He can buy a Japanese, or even a Canadian one. What else could be done? The wages could be reduced in the GDR, but that's not what the people want, they want higher wages. So then the conversion was into D-Mark, but it was still low. A crane driver in the GDR earned 1,000 Mark, der DDR—that is 1,000 D-Mark. But that is still low, relative to the wage of a West German driver. So there was large increase in wages. First there was the conversion into D-Mark, but then they were raised to be closer to the West German rate. It was not only the background that people in the GDR wanted it. The background was also that West German firms and West German unions also had an interest. Of course the West German firm does not want to see competition established in the East, and then there is a coalition of West German unions, and they also don't want to see wage competition, and see jobs destroyed in the West. *That means that the only one who should have been against the wages rising should have been the people in East Germany. But they didn't understand that. They were also for the increase in wages. So that was the situation.*

Here, as throughout the interview, Lenz expresses a sense of frustration with East German misrecognition of the problems, and of their own best interests. While these come across in the tone of the so-called (the superior knowing Westerner) “Besser-Wessi,” I believe they also register a struggle over who (or what) was responsible for what was experienced as a disastrous process of decision-making. The immediacy of decisions and the social conflict that ensued weighs heavily on what may seem on this page like the typical economic reductions. If one begins to grasp the larger story, however, they might be understood as a management of meaning in the present in a context where the messy details of unity are not a concern of critical public memory work.

Lenz: The example with the piano maker. He could no longer sell any more pianos. Or, then only at a loss.

U: Is this a real case?

B: Yes, it is not only a real example, but a typical example. And most importantly—important is that the people in the GDR also no longer wanted to buy this piano. Because now they should also suddenly not only pay 2,000 but 10,000 Mark (DDR), so pay 5,000 D-Marks. So the people in the GDR also did not buy East German pianos any more. And also no East German cars—and also no GDR anything!

Here, the sense of frustration could not have been clearer as Lenz turned in his chair and leaned forcefully on the table. He then places it in the context of recent nostalgia for East German consumer goods like the Trabant (Trabi) automobiles—the much derided ‘card-board cars’ of jokes and stereotypes. But he does not deploy it here. Instead he underscores the interconnection between East German products and the conditions under which a sustainable economic base was an impossible problem, but also a possible threat to Western interests:

Lenz: So—and this Trabi nostalgia. It was all shut down because in the production it cost I believe 40,000 D-Mark, much more expensive than the Golf [Volkswagen] in West Germany. But it is more complicated than this because the productivity in West Germany was also much higher, a lot more automation, more machines, and an economy with a much greater capital stock, that had just reached a high level of automation, so that fewer employees worked relative to the value that was produced, which meant that higher wages could be paid. But only then, when the capital stock is high. But that means, when applied to the case of the GDR, that a revitalization of the economy there could only happen if the wages were lowered, or if the capital stock was brought up to the Western level. So if new machines and equipment were put into the industry in the east, they could have worked as competitively as those in the west.

U: Would that have been possible?

B: But there are three problems. Where should the money come from? Who should pay for that? I mean, this capital stock that existed in West Germany was the accumulated economic savings of 40 years of industrious economic activity. You can't just magically pull that out of the hat. The second problem is where are the markets? Yes? Who should buy it? The world markets are fought over fiercely. So now here comes another batch of goods, services, and so on. Who should buy these? [Lowers voice] *And the third problem is in fact, this sounds like a conspiracy theory, this is not an official piece of information, that naturally, in West Germany there was no interest that competition should develop in East Germany.*

I would only fully appreciate much later that the discussion above encapsulates the central problem of the currency union and its ‘aftermath.’ Namely, what sort of ‘regional’ economy could, or should, emerge from this process. By now it might be clear what the stakes might be in giving or internalizing a coherent answer to that question. Below, in my interview with Edgar Most, this explanation acquires a force even as it may

also further inscribe it in the realm conspiracy theory. Here, it is readily apparent that intentions are multiple and contradictory. East Germans wanted the D-Mark. They did not and could not buy East German products. Firms could no longer pay to produce them, and there was no longer a ‘market’ where they could be sold. Political decision-makers promised an optimistic outcome that solved and created social fractures. West Germans found themselves making ‘life and death’ decisions about people’s material existence. As much as the rational actor theory and ideal models of supply, demand and value-different could not be ‘disproven’ they were at best cold comfort at such a historical juncture. Doing right by East Germans had to be imagined within narratives of altruistic achievement, historical responsibility, pragmatic creativity, and narrow interest in making a profit.

Lenz: And this Treuhandanstalt as owner tried in individual cases to make decisions to the effect that, in special cases this money is made available, in the form of cost-free money, to activate investments so that a firm could competitively produce, or to close down the production. But the picture people have here still today, they will probably tell you here—they came with a flyswatter and swatted everything down. *The Treuhand did not do that—it was the currency union that did that.*

It is notable that within only sentences of broaching the topic of the Treuhand, the currency union constitutes the crucial link to explain the cause and effect relations that also exceed it. The Treuhand is a site of antagonism precisely because particular human agents are readily identifiable. Whereas for Lenz the currency union is the negative agent, for East Germans it was (is) a logical target of critique. For the latter, it constitutes multiple agents and interests that culminated in clearing away, not reviving the East German economy. Given that the board of directors and all but one member of the upper management were West Germans, it is not an unwarranted critique. The work of the Treuhand, as already noted, remains the most salient point of public contestation. The political establishment (which cross-cuts political parties) is viewed to be deliberately preventing its transparency. Indeed, as Dirk Laabs recently noted, if conspiracy theories circulate, it is because the lack of transparency suggests there is something to hide (Laabs

2012). At the time of my interview, I admittedly felt conflicted since I had already noted how difficult it was for East German critiques to intervene in dominant discourses that repeatedly viewed Easterners as passive subjects who could not understand economy. Lenz wanted to tell his side of the story. Moreover, the currency union was a vanishing object throughout my research such that it was a relief, analytically, when someone wished to discuss at length.

Though not explicitly explained at the time, Lenz moved immediately to another effort on the part of East German reformers, that of shares or dividends to extend ownership rights in the “People’s own economy.” But below it is explained in terms of how it worked elsewhere in Eastern Europe, and why it would have failed in the East German case:

Lenz: If one had, like in the Czech Republic, there it was the case that the State was not the owner, and there really were such shares distributed, so macro-economically there was an enormous stock corporation, and the people received shares. But you can imagine, you are a shareholder, you have a stock from a company that is making profits, and then relative to your option you are paid dividends, but imagine, once a year there is the plenary meeting, everyone meets and decides what to do, imagine there is a situation where the management says, this year we have made so many losses, every shareholder should pay 189 euro per share. What would this plenary session decide, they would decide to shut down the place to prevent further losses. But in the Czech Republic it was not like that, that the capitalized value [Ertragswert] there is a distinction between capitalized value and net asset value [Substanzwert], what is a firm worth, it is clear that if a firm is forced to raise its wages x5, that the capitalized earnings will be negative. Then it is over. You can’t sell the firm, you can only sell it at a loss, that is to say, give it away, and give the potential investor a lot of money to make something out of it. And in the case of the GDR, it was not the board of an enterprise that made the decision, but the State on behalf of the enterprise, also in the interest of the people. To compensate for the loss of jobs, then there were transfer payments for unemployment with the result that an East German, although he no longer has a job, lives much, much better than his Polish neighbor, even though he now has no work. The situation in Poland—there was less unemployment, but you earned much less than an East German and could not fly to Mallorca for vacation. It is not just the case that the East German couldn’t travel to Mallorca because of the Wall, but because they could not have afforded to. You have to consider that, given all the critiques, and complaints. These are the interconnections, in my view.



Between the lines of this explanation the remainders of a failed attempt at equivalence are staged. The logic of equalization—of making socially tenable decisions—left messy remainders. Easterners were compensated for unemployment and loss of their jobs, while also excluded from ownership. These ‘payments’ increased the standard of living, but reconfigured the basis from which income would be attached to one’s own work and production. A medium of payment is substituted for a commensurate value that would fail to show either loss or gain in the act of the conversion.

Privatization welded together a contradictory demand to make socially tenable deals to save jobs, while privatizing as quickly as possible before restructuring. A medium of payment is not the same as capital investment, such that Easterners could consume, but they could not become the owners. The fortuitous increase is a payment that returns as a failed equivalence- in which what is received is not earned. System difference is now a difference between poverty and wealth. It is a privilege of history that erases the space of critique. But the critiques disturb because they remind and they unsettle those who had to make pragmatic judgments.

Lenz: That it wasn’t made clear, that is somewhat, that was done on purpose, that this picture, the Treuhand is to blame for everything, was a conscious, a conscious, it was a conscious decision, to focus people’s anger on this institution. It was done on purpose, I know because the finance minister came to us and gave speeches, and said, your pay, you will get paid if you don’t let the lazy eggs sit there. There was a saying, save Bonn, sacrifice the Treuhand. The thought should not emerge that there were wrong policies, wrong monetary policies, or Kohl’s personal private interests were the reason for the misery, so it is these 4,000 employees are the evil ones, everyone else is super, if it weren’t for this evil Treuhand that has shut down the businesses, everything would be super. So it appears to the people that Kohl is super, the D-Mark is super, German citizenship is super, everything is super, it is only this stupid Treuhand. But they didn’t see, that things can’t stay the way they are, that even a State economy can’t afford for enterprises to “write red ink” [rote Zahlen schreiben], that are three times as high as the revenues. I just can’t sell a shoe for 50 D-mark that costs 250 D-Mark to make. You can do that until the entire economy is bankrupt. That is no vision for the future. Then there is no dinner...that they [Easterners] continue to work, make a contribution to the economy. It was cheaper to let them go, to service their unemployment claims, to pay them without them having to do anything for it, than that they keep producing with such enormous losses.

U: Was it the case that you had to work very quickly in the Treuhand, had little time to make decisions or evaluate particular cases, did that make a difference? With the privatization?

B: Yes [hesitates]...yes [pauses, choosing words carefully]...that is the answer is yes. However, I know this discussion, that it is the standard argument, that everything was decided so quickly, that one did not take more time to think about what might have been, perhaps there might have been a more sensible, better solution. That is also certainly true. If I have a lot of time to consider different options, then I have a higher chance to achieve a better result. *But the pressure, it was not just for fun, that we work very fast, the pressure really came from these blood red numbers, these losses, every day it cost 80 million D-Mark, that was... what was difficult for people to understand, what was difficult to help people understand [schwer vermittelbar] was that these enterprises, some of these were sold though they were writing black numbers, but the typical Treuhand enterprise, was given away for nothing, with money added to that, but then the buyer was contractually obligated to, we constructed contracts that obligated, that the money is taken not to be put in a Swiss bank account but to save workplaces. The idea was that they get the enterprise, they get the money, buy new machinery, make a profit and then they can pay the wages. That was the idea...that was the idea... These are not easy interconnections to understand, that explains the many misunderstandings, they think, they say we had bad intentions for them, they put us down, they made deals, they didn't sell the businesses to the people, gave away businesses for nothing. That is not completely wrong, but it is not the systemic answer to the systemic problem. The systemic problem is the currency union. So then we have the whole problem—the losses, the fact that the businesses have to be given away, that money has to be thrown at it, and then I have the problem that I can't explain it to people, especially those people who have not learned how to think in this way, to think in an economic way, in the magnitude of wins and losses. They just went to work, they did something, in any case, not like in West Germany with strict criteria, where the question is, does it make economic sense. Many things happened in the GDR world, there were losses, but as long as the economy makes up the difference, everything worked by command, you are told what to do, then it doesn't matter if there are losses. This response 'why not, we are just going to make a shoe.' What stands behind the numbers? That doesn't play a role for them. [At this point, we take a break and Lenz leaves the table for the restroom. He stops and turns back, uncomfortable] These are my experiences, this is not so simple.*

Lenz returns and reiterates his concern: "I have to do the work of convincing. [Überzeugungsarbeit]. Of course there is Herr Sinn." Lenz refers to the prominent West German economist Hans Werner Sinn, from the IFO Institute in Munich. Sinn is has also written extensively on the economic problems of unification. He is widely respected but

still a polarizing figure in the German media scene. In blogs and public commentary he is sometimes referred to as Herr “Unsinn,” which by adding “un” to his last name, changes its meaning from “sense” to “nonsense.” Sinn and his wife, also an economist, are influential in policy circles, even if their arguments seem to fluctuate with present agendas, sometimes contradicting what they have argued in the past. However, there is a wide consensus among economists that the currency union—its placement and modalities—is the beginning of longer and complicated chain of events and measures that shaped the subsequent privatization process. Lenz underscores once more to me—I must also be convinced—that “it must be said again, about the currency union because it is not understood, it is not seen. But it can’t be denied that it was so. The currency union had consequences, but that I haven’t been able to get that meaning across, so I am thankful to him [Olaf Baale] actually.”

A subtext of meeting that I will mention briefly here was a book that had just been published by an East German journalist, Olaf Baale, bearing the title “Abbau Ost” [tearing down the East] (Baale 2008). The German word can be translated in other ways that are relevant to the different registers that attach to this context: dismantling; downsizing; reduction; decomposition. It is a technical, construction term. It is about infrastructure, as if suggested by the inverse term used to refer to the reconstruction of the East. What this reconstruction entails is revealed and problematized in the term. Suggested is a building up from a cleared surface. But it implies a clearing away of difference—economic livelihoods that should not emerge out what was there, but from a cleared terrain, a ‘tabula rasa.’ I brought a copy of the book, which I was in the process of reading. The author had spoken with Lenz and included some statements in his book about the currency union. Lenz was not pleased with arguments surrounding the quotes because they stood for him as further examples of “un-economic reasoning.” My friend spent much of the interview leafing through the book. Lenz wanted to return to the arguments surrounding his statements on a number of occasions, which only seemed to highlight the unbridgeable terrain in which economic reasoning was a struggle over the meaning and place of the referent—is it economy, or something else? He said at one juncture, in response to an argument in the book, “that is not an economic

argument...They are understandably dissatisfied, but it doesn't work that those who do not produce as much still want to earn as much as those who do. When all is said and done, they are profiting. It is not meant as a judgment. Resentments come when you don't when you don't see why things have become the way they are. Everything is at fault, just not this technical decision [the currency union]. They are not interested. They just want to work. That no one sees this—that is a problem.”

Lenz returns to another essential link in the chain of argument: the drama of citizenship, the border, and the “pressure” of the East German people. “So then you can ask, oh God, oh God, if it [the currency union] was so bad, then didn't people foresee this. There weren't any alternatives to the whole story.” This is the ubiquitous Gordian knot: the currency union would not make up the difference between the two economies—it would make it worse; it would be expensive (for the West Germans). But the East German people demanded the D-Mark. They could not be prevented from crossing the border and taking up residence in the West. The currency union was the only alternative. In any case, these are the “pragmatic” and “macro-economic” terms of the argument. At the time of the interview, however, I did not fully comprehend why the citizenship issue appeared time and again in how many West Germans explained the currency union. I understood the logic of it, but not exactly what to do with it as a “monetary problem.” For Lenz, though, and as he proceeded to explain to me, there was in his view “one” alternative, “...a very concrete alternative could have been possible, namely the recognition of East German citizenship.” He then describes some (but not all) of the power struggles between the two states, including various trade agreements that existed only by virtue of the GDR as inside and outside West German claims to sovereignty. For, as has been described elsewhere (see especially (Bickford 2011; Borneman 1992; Borneman 1993; Glaeser 2000)). The Federal Republic claimed that only it was the successor the German Reich and bore sole representation for all Germans, including those in the GDR. However, during the period of what is known as *Détente*, which began in the 70's, diplomatic relations between West Germany and the Soviet Union were established. Lenz explains,

Lenz: “so, eventually the GDR was recognized as a State, but not the citizenship. So that is to say it was recognized as its own State, but it was somehow a State without citizens [he laughs with irony] since all East Germans were considered West Germans. So as a consequence that meant that every GDR citizen, as soon as someone came over the border, one received a West German passport. This could also be done at any German embassy, even in Buenos Aires. Without any problems. So that is a big difference in comparison with someone from the Czech Republic, because they could not easily receive a passport. That was the situation. And that was also the context for the Wall, so that East Germans would be prevented from going across the border and picking up their passport. So—and this had the consequence that after the opening of the Wall, *the East German citizen could threaten with this saying, there was this line, “If the D-Mark does not come to me, I will go to it.”* It rhymed. That means, if the D-Mark isn’t introduced, we will run over to you [run you over]. It would have been cheaper to allow the East Germans to go to the West and leave the GDR to return to nature...it is still that way. Every second euro earned in Germany is spent here. That is why some West Germans have said they would like the wall back. There was no alternative. East Germans exerted pressure. In West Germany people thought, are they all coming...one could see ahead. But what is the alternative: the only alternative would be to recognize East German citizenship. But that is a paradox [that was untenable]: We belong together, but West Germany now, in order to support East Germany, after we have recognized you as West German citizens for the past 40 years, now will make that null and void. Now you are not West Germans, you are your own State. You can do whatever you want. You can be a tourist for 3 months in the West, but you can’t come here, and work. But legally they would not have been able to come, so that this pressure, that the West German mark must be introduced immediately, this pressure would not have been there. That is a very difficult thing to imagine [pauses], to say, that in [economic terms] to accomplish the building up of the East [in a manner that, long term, would have been better]. But then, they would not have been able to say, ‘if the D-Mark doesn’t come to us, we will go to it.’ Then this pressure is no longer there. The cumulative private investments would have all flowed to East Germany. Language barriers are great. But through the currency union, East Germany was no longer attractive to investors. After the currency union, it was only attractive, because there were investment subsidies, and we said, here, you get the key to the place, and you get 500,000 DM in addition [to take it off our hands]. Without these accompany measures, East German businesses were not attractive for investors. These investments went to Poland, Hungary, the Czech Republic. That money could have gone to East Germany. Would this scenario have been better in the long run? There would have been more work, and East Germans understand that not just as a source of income, but also as the meaning of life. They would have had the feeling that their wealth was their own. They would have earned it themselves, and that gives you confidence. Then the whole

thing would have not cost West Germany so much tax money, debts taken on. After 19 years, things would have been better with this other scenario.

There are a number of ways to read the link made above between the currency union, citizenship, and economic development that are relevant. First, Lenz is referencing a long series of tactics and antagonisms deployed by both states. These were not only questions of state sovereignty, but also systemic claims about which was the better Germany. That included quite centrally economic claims of superiority, but also the post-war legacy and one's distance from it. Both are necessary for understanding the citizenship logics. It is also important to note that some East German respondents who were otherwise critical of the GDR still objected to the non-recognition of East German citizenship. Conversely, as Lenz has already indicated, East Germany was quite removed from many West Germans' lives before 1989 (a pattern that continues as I came to experience it during my many crossings between field sites in Frankfurt and Leipzig). The rapid dissolution that began in the summer of 1989 and the opening of the borders in November 1989 took West Germany by surprise, and indeed the metaphor of "accident" is relevant here. That is, the currency union figures ambiguously and saliently in explanations because it recalls, for me, how one tries to make sense of an accident (Siegel). Here it manifests as a rational discussion about irrational measures and double binds. But the human agency and responsibility is what has to be managed—the aftermath of what then manifest as bad decisions in which one is inextricably bound. It feels like, why me, as if one had no part in the event. One did, of course, and that is the problem. As a technical problem it has a systemic logic beyond the individuals caught up in it. But it is ultimately about people—their hopes, aspirations and disappointments. The processes described above may not seem surprising were it not for the compressed nature of events—that within a span of only a few months, a 'wealthy' state absorbed 'a poor and distressed' state. What categories applied in such an unexpected set of events and problems? As much as it masquerades as rhetoric of payments and unearned wealth, it is also about sustainable futures and 'responsibility' for these.

What was chosen was that things should very quickly improve for people, but in international comparison it would be more expensive. That is got better so drastically...this is why the stark difference between East and West remains, why 40% of the money spent here is not earned but has to be transferred. At the latest by now the overall situation could have improved and taxpayer burdens would have been lessened. *And psychically/socially it would be a better situation. These East/West animosities would not be endlessly perpetuated. This is all because one did not understand what the currency union meant, that one did not understand that through the currency union this enormous difference in productivity would stretch into today. You can't reverse the de-industrialization. Now it is a self-reinforcing process.* The young and well trained leave? The question is would this other solution have been enforceable? It was discussed in the Treuhandanstalt.. But it was not legally possible [rechtlich] because it was in the Grundgesetz [Basic Law] that East Germans were included as West German citizens. It is my opinion that there was not a legal problem. The law was used as an excuse for economic interests, because of pressure from the street. Then the GDR citizens could not have demanded...it is a crazy situation. They [the GDR] wanted 40 years long that East German citizenship would be recognized. And now, where the Communist government doesn't want it recognized, because the GDR does not exist, West Germany says, now we will recognize it to protect you from the results of the currency union. A complicated thought. Questions of this complexity are not suitable for the politics that we perform.

At this juncture it is important to point out that what might count as an 'East German' critical counter-discourse on the above economic asymmetries ends up mobilizing the same terms. And, as difficult as it may be to recognize, Lenz's 'West German' framing of the problems is itself a 'counter-discourse'—in contrast to the many dominant political narratives that present the deindustrialization of the East as 'good politics but bad economics' or alternately proclaim the GDR economy as one big trash heap that met its inevitable end. The citizenship 'obstacle' must be further problematized. For what would certainly seem to many as an unqualified gesture of inclusion is caught up in the exclusionary and paradoxical logics of monetary and fiscal 'transfers' between West and East German regions. Ulrich Busch, an East German economist, has mobilized economic transfer theory to offer a subaltern alternative explanation of the Western 'development project' (Busch 2002). Typically used to describe inter-State financial flows, Busch is able to show in macro-economic, political economic and financial terms

that 'East Germany' figures both as internal region in Germany, but also like a 'separate state' at the same time. In other words, to be brief here, the currency union and the West German dominated policy decisions have materialized this undecideable category in the very fabric of economic policy and financial flows between the regions. That is, financial flows eastward enabled a transfer of wealth and ownership rights to the west, through revaluation of the currency union, privatization methods, and western dominated legal mandates. A new market for Western consumer goods immediately filled the gap left by the collapse of the economy in the East. This relationship has continued as a dependence on West German regions, but one in which the basis for "East German' self-sustaining' and local productive economies are disabled. Because the financial circuit conserves a structural benefit to Western industry and services, the goal of 'self-sufficiency' can never make progress. Thus, the story of generous transfers of wealth to the East is much more complicated. If viewed from the perspective of two states, unequally joined together, then what occurred was more than an 'internal' reform project. It was an elimination of the 'other system' as something that could become emergent to preserve a status quo that should be adopted wholesale. East Germans could be included as consumers, but not as empowered citizens able to assert other visions of economic inclusion. The politics of the Treuhand was intimately connected to this question of 'alternatives.' Lenz repeats the well-known moniker of the Treuhand as the then largest 'Holding' in the world. The abrupt monetary revaluation and the temporality and scale in which privatization of an entire economy was restructured in four years made 'emergence' out of the ruins something that could occur only with great difficulty. I asked if it was true that managers received a premium if they could sell firms off [abwickeln] quickly. Lenz responded with a mixture of hesitance and rationalization:

The question is, whether it was a bad thing. Yes and no. It was a compensation for the fact that this job will not exist soon. They wanted to prevent the possibility that it would be an administration into eternity. But the second reason was that there was nothing but red numbers (losses). You can't sell things for ten times their value. The best example is the Trabi, It cost 40,000 Ost-Mark, but with the currency union that was now D-Mark. East Germans were not buying them. As long as the enterprise is not privatized, then it costs money. With the premiums,



the state saves money if the enterprises sell quickly. Many argued that it was too fast and that the state should restructure first, and then sell. This was the idea that once it was restructured, when it was really nice, then it would sell. But the conviction then was that the state could not do a better job than private industry. This was the counter argument to the East perspective. We didn't want a state administered economy.

The almost complete elimination of the East German 'productive industry' was not an outcome of the natural logics of the market, but the product of a very entangled asymmetry between competing states/systems. Eastern 'subjects' in this story are constituted as historic agents in the elimination of their own economy by 'demanding the D-Mark' and purchasing West German products instead of their own products—upon which their work places depended. No one can fully escape this part of the story—as many of my eastern respondents readily admitted. The more salient point is that since then, the space of counter-critique in so far as this is meaningful to 'East' Germans, is a terrain fully occupied by Western discourses, terms, logical arguments, and definitions of history itself. Moreover, and to bring Lenz's exasperation in line with those of a minority of East German economists' 'alternative' explanations, in these terms they are simply not something the layperson will find compelling or graspable. Since this is the question of my larger study on the pedagogy of the euro, then the problem in the events of the 1990 currency union is crucial.

To return to the question of citizenship and alternatives in 1990, then, the irony is that those arguing against the currency union sounded as if they were exclusionary and thinking only of economics:

There was also one attempt by a politician Oskar Lafontaine [who was the SPD chancellor candidate running against Kohl in the 1990 elections after Unification; in 2007 he took on the position of chairman in a 'new' party—Die Linke (The Left)—which merged west and east left parties, the latter being the PDS, formerly the East German SED] to make this suggestion, with exactly this context in mind. He warned against the currency union because he predicted that there would be 50% unemployment. But he was spit upon, derided and accused of being unpatriotic. And then it was clear, that in the fall of 1990, one year later, The German elections, Kohl needed East German votes. But people say that is not realistic, that he would not have risked the country's welfare just to win votes.

That is too complex for Kohl. But I have begun to think, the chancellor of unity ruined unity for the sake of his own political ambitions. We don't have economic unity, just a black hole that can't be fed without big brother, that the East can't make it without this wealth not in relation to what they contribute economically. That is why there are right extremists. *This situation... it is all because of this presumptive introduction of the D-Mark.* Kohl is the Chancellor of division, of perpetual economic division. [Bitter feelings] have remained even 20 years after the *Wende*.

In 1990, Kohl and his financial advisors could win support by speaking the language of unity, inclusion, and affective ties that should not be 'monetized.' Thus, a monetary instrument was 'de-monetized' as a figure materializing this inclusion. If Easterners wanted to 'live like those in the West' then for West Germans this could be read as desire and misrecognition at once. Moreover, the 'national question' had to be reconfigured. Germanness here would not be a source of anxiety. Instead, it would be a source of patriotic duty. West Germans would assume historic responsibility for East Germans in an internal project of becoming one, but according to a Western model. Externally, it would be a project of re-establishing order to chaos. Precisely at a moment in which the Nation-State was the subject of intense debate in the deliberations over European monetary union, those offering non-national perspectives were not welcome. In the rapid overturning of events, money would create new boundaries (Peebles) while ostensibly dissolving them. However, Lenz does not mention the alternative that many East German respondents have emphasized over the years—unification according to article 146, which would have required the creation of a new constitution. As apologists for the accession according to article 23 never tire of arguing, that way would have been messy, time consuming, and chaotic. There would have been 'other remainders,' for sure. Important over twenty years later, though, is to allow what 'will have been' to populate the 'no-alternative' representations of the past. Insofar as inequality and discrimination has constituted other exclusions, such as violence against those perceived to be foreign or racial others in East German regions—especially rural areas hardest hit by deindustrialization and demographic decline—other ways of thinking are urgent and are

actively sought by many of my East German respondents. For Lenz, it is a ‘systemic’ problem:

There is no perspective for the future, foreigners have to fear going to some parts of the East. A travel agent has even warned that Black Americans should avoid East Germany. ... Many now say that the transfer payments will never equalize things, but they will continue on. How can we help East Germany? It is an interesting precedence for the end of work society. Nations that have grown in the past will not be able to do so in the future. Growth is an ecological problem. It is hopeless to think about what can be produced. But we are a productivity-oriented society. It would be better to think of a basic income. That is not the same as servicing claims. East Germans have rights to these claims, but wealth is still generated elsewhere.

When I asked to hear about the few ‘success stories’ of privatization, of the firms that maintained a presence in the regional economy, we landed back at the problem of the source, identity and sustainability of wealth, ownership, and production in the East.

There are success stories. Kathi is an East German bake ware company in Halle]. But they received countless millions of state money and they got new machines. That part of the story is never told. There is Rotkäppchen [champagne]. But, Rotkäppchen is under West-German ownership [this is also one of the few ‘East German’ brands that has a national market presence]. These were economies of scale. If only parts of a large combine can be saved, how do you figure out the rights to one part? How do you figure out how it could develop if had not been collectivized? If you sell, then how do prevent the part that is privatized from being shut down the next day? You can only prevent that by giving more money. Can it be re-structured? East Germans have suffered. They have lost self-confidence. But the success stories—they all received massive subsidies. Spee Laundry detergent—they were bought by the West German firm, Henckel-Düsseldorf. East Germans love it, they think it is East German. We are now someone. West German marketers targeted this by maintaining the name. They feel sorry and so they appeal to the East German market. But it is not something that should warrant East Germans’ pride. But of course, I don’t mean that they should have that taken away. They should believe it if they want to, for the sake of peace. An individual can’t do anything about the fact that one is in an economy and can’t produce. There was not a single business that can manage on its own strength. It is psychologically interesting. In one sense one took everything from them, and then they say [with pride]: Kathi, Rotkäppchen, Halloren! [He pronounces each name in a celebratory/ironic tone]

Lenz continued to work in the modified version of the Treuhand, which for public appearances was ‘dissolved’ in 2004, but whose tasks were simply reapportioned across different agencies. “I just went on, only the telephone number changed.” I asked Lenz whether during his time at the Treuhand the currency union was a topic of discussion? He responded, “People just weren’t interested. In the re-privatization department, many were lawyers. For those with an economics background, they understood, but it was unimportant. They took the situation as it was, did their work. Even if one understood why enterprises were in debt, it was not of interest to them. It was discussed—but not in a controversial way as if one were of a different opinion. I haven’t seen that many have discussed this. But that someone is of a different opinion [about the negative effects of the currency union] I haven’t seen. But that someone doesn’t see it at all—that is true...that is a problem.”

### **Edgar Most’s Third Way: A Banker in two systems**

In late May of 2009 I attended one of the few forum discussions dedicated to the economic transformation of Eastern Europe at the History Forum in Berlin.<sup>12</sup> Edgar Most was one of three expert presenters. Most was formerly the vice president of the GDR *Staatsbank der DDR* (the East German ‘central bank’) and one of the few East Germans to have a prominent career at Deutsche Bank (Germany’s largest investment bank) after German Unification. I had heard of him already in 2007 from Prof. Rainer Eckert, a former dissident and historian appointed as Director of the *Zeitgeschichtliches Forum*, the East German counterpart to the House of History [*Haus der Geschichte*] in Bonn. The Leipzig Forum had hosted a podium discussion in 2006 on the planned economy, ‘The Red Directors,’ for which Most was a discussant. Eckert, who like many former

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<sup>12</sup> (Geschichtsforum 1989/2009 Europa zwischen Teilung und Aufbruch) Humboldt University, Berlin. Von der maroden Plannwirtschaft zum forierenden Kapitalismus? Die wirtschaftliche Transformation Osteuropas und ihre Folgen.

dissidents, tended to view former elites in highly skeptical terms, characterized Most as a former insider with sound reasoning about the planned economy and its problems. In all the time that I spent in Leipzig, from 2007-2009, none of the literally hundreds of events, exhibits, or discussions were explicitly about economic aspects of socialism or post-unification problems of economic transformation. Instead, political and historical themes predominated, often picking up some facet of oppression and resistance in the GDR, ‘working through the past’ [*Vergangenheitsbewältigung*] initiatives broadly conceived. Given Eckert’s endorsement, Edgar Most was someone I had long hoped to interview. In April 2009, he published his biography. Only in 2009 did he begin to take on an active role in the media landscape of public memory work about German division and unification (notably after his official retirement from the board of directors of Germany’s largest and most powerful investment bank, *Deutsche Bank*. I saw his name on the program of the History Forum in Berlin in May 2009, which was one of many precursor events and programs that populated political, cultural and historical institutions across Germany ahead of the twenty-year anniversary of the Fall of the Wall in November 2009.

The small audience in attendance on May 30, 2009 seemed dwarfed by the expansive hall and the sea of empty chairs. Revisiting the end of the dilapidated (*marode*) East German economy was hardly a draw on a Saturday morning. In the audience a tall woman in her 60’s, with long flowing white hair and an intensity to match her determined figure was eager to question Edgar Most. She held a paperback book in her hand, one I recognized. It was Siegfried Wenzel’s (formerly a member of the GDR planning commission), “How much has Re-Unification cost?” (*Wieviel kostet die Wiedervereinigung?*). She had questions about the first private bank in the GDR, which Most founded during the last days of the GDR’s existence. While I could not follow the specifics of what she was asking (the privatization of energy networks which had some connection to the bank), I was immediately impressed by the intelligent and passionate persistence of her inquiry. Her detailed questions seemed to provoke some uncomfortable evasions from Most. Since beginning my fieldwork in Leipzig in 2007, as I have already hinted above, I had rarely encountered any public activist attention to explicitly economic details of the German Unification. I found myself distracted in planning of how to gain

her attention after the event, while also introducing myself to Most and requesting an interview.

Fieldwork that might capture ‘ethnographically’ some measure of the enormous economic shifts of 1989/1990 proved far more difficult than I had ever imagined. This was not due to its unimportance, but because it was a topic full of so many burdens and emotions that many respondents simply wanted to avoid it. There were revelatory moments to be sure. But it took some persistence to convince those who did agree to interviews that I just wanted to ‘listen’ and learn, and not make judgments. But the monetary aspect of it was not something that could be apprehended through the micro-practices of money that ethnographers have traditionally described. I imagined that daily practices and logics that had occurred since 1989 might nonetheless be traceable through personal financial histories. However, that proved to be difficult because one’s personal financial history and reflection upon it was already part and parcel of a discourse from ‘outside,’ one that, I think, many simply felt they could not inhabit on their own terms.

After cornering Edgar Most and asking if I might arrange an interview with him at a later time, I managed to catch up with Inge. I did not have my digital recorder. We sat on a bench in the lobby and we spoke for more than hour. My scribbling of notes could barely keep pace with her velocity and flurry of words. She had worked in the finance ministry of the GDR. She could not move up in her career because she had not joined the party. Her mother lived in the West and she refused to repudiate and break off contact with her relatives in the West. Though she continued to work in the finance ministry, work involving the energy sector, she was suspect and had few privileges. In 1989/90 she became active in the citizen action groups connected to the Round Table (New Forum). In the days leading up to and following unification, she worked to represent employees in a number of collective-owned factories, many who had little understanding of the new system or their rights in it. She personally documented many cases in which both West German managers and former East German functionaries exploited workers and engaged in questionable, even criminal behavior. There were, however, few legal venues through which to pursue such cases in the rapid pace of disintegration and privatization of firms. She along with other activists once met with the Treuhand President, Birgit Breuel, to

present a concept that would allow workers to become owners of company. She remembers that Breuel was uninterested and dismissive. It is well known that the Treuand practice rarely concerned bids from employee collectives (known as the Management Buyout Option). Inge's documentation became part of her personal archive, not much more. I was eager to see the collection, but Inge shook her head and shrugged in frustration. No one is really interested, she said. After years of attempts to interest even scholars in the details, Inge had lost the energy. What could be gained from the tattered remains of her documentary effort on behalf of now defunct factories and employees spread to the far winds?

I saw Inge again the following summer, in 2010, this time with recorder in hand. We sat outside in large bamboo chairs with cushions, well suited to the summer Berlin nightlife. It was morning, though, a water fountain gurgled in the background, while the café slowly filled with tourists and locals in search of coffee and a somewhat quite oasis from the bustling city. We talked about the recent events commemorating the twenty-year anniversary of the currency union. A good part of our conversation revolved around Edgar Most. Where was he before? Why was he only speaking out now about the injustices of privatization? What was his role in all of this? She had known of him when she worked at the Finance ministry. I had met and interviewed Most in December 2009 (see below), but I didn't have the answer to Inge's questions. There are few voices of authority to change the terms of debate. Those that emerge—especially those of former GDR elites—are met with skepticism. Inge has read Most's biography, about how Most privatized part of the *Staatsbank* to save jobs. But Inge queries, "whose jobs?" Party members? Other privileged persons who found a soft landing in the new system? Since Inge saw that former directors excluded ordinary workers, she remains skeptical. But there is no question that Most brings a much absent force to chipping away at an edifice of official erasures of 'alternatives.' By now, though, resignation, tinged with frustration, was Inge's common companion on the subject of alternatives that 'might have been.' It was not that Inge was obsessed or consumed. She, like so many other East Germans, had gone on living her life, adjusting to the new circumstances. She raised a son who was now living abroad in Canada, and for whom she had great hopes. Like so many older

respondents, their children had left to find work and opportunities elsewhere. Nonetheless, as someone who understood, then and now, something about economy, the lack of attention and interest still troubled her. Though eager to have found an interested listener in me, someone not immediately dismissive of what she had to say, the lines in her face showed a deep weariness. It is hard to fight for lost causes that have decided to stay lost.

### **Meeting Edgar Most in Berlin:**

On December 22, 2009, only days before Christmas and my own return back to the after two years in the field, I have an interview with Edgar Most in Berlin. We are meeting at his office in the Deutsche Bank main office on *Unter den Linden*, only a few blocks away from the Brandenburg Gate. Though Most has now retired, he still maintains an office at the Bank, which also reflects the high regard in which he stands in the company. Most joked in our meeting that he is as busy as ever, so it hardly seems that he has retired. But the difference now is that he can pursue activities that are of central importance to him. One of these is changing dominant views about East Germans in the broad public. In the commemorative fever of the twenty-year anniversary of the fall of the Wall Most has become a media sensation, appearing at public events and on television talk shows, and in interviews for broadly circulated newspapers such as *Die Welt*.

One of the very few East Germans and former ‘elites’ to have secured such a status in unified Germany, Most is a novelty. His down-to-earth colloquial speech and sense of humor make him approachable. His success at the top level of West German investment banking give him an authority to claim a positive status for ‘life in both systems’ in ways most Easterners cannot. Prior to this, he kept a low profile, which shows that his success was contingent upon a careful balancing act. He seems less concerned with that now.

For someone unfamiliar with the politics of public memory in Germany, Most’s characterization of socialism’s achievements would be met with the usual hysterics



proclaiming that his is whitewashing the dictatorship. Audiences outside this milieu may be equally skeptical of a former Deutsche Bank director who sounds like a page out of Marx's or the critical scholarship on capitalism. His global discourse also mirrors the Wall Street performative of the global described by Karen Ho. Ironically, Most seems to agree with Ho's assessment about the unsustainable practices and financial crises to which investment banks contribute. All this by way of appealing to the reader not to heed to the impulse to dismiss what Most has to say about the monetary and economic decisions of unification, or that there are indeed socialist achievements. But as I have been suggesting all along, the entangled histories can't be undone with a critical edge. They are always already an ambivalent inheritance of Marx's injunction (Derrida).

Most: So, and we just had the 20 year anniversary of the fall of the Wall. There were many podium discussions, historical conferences, and so on. And then you notice, that tends to be the extent of it. And there I am mostly an outsider, so much that I slip over [*überziehen*] to the other direction, so that everyone becomes a little more normal.

U: How do you mean?

M: Yes, because it is now only about how the GDR was an un-right ['lawless'; *Unrechtsstaat*] and Stasi-state, and everything is weighed and measured based on that.

U: Yes

M: And then the question always comes up again, '*Mensch* (come on), be happy, you have your freedom! Freedom is of course nice, but what can I do with my freedom when I no longer have a job. When I have no money to travel, when everything that was promised no longer can be fulfilled, when I was a person of distinction—a skilled tradesman [*Facharbeiter*] or engineer, or whatever else—and I can only sit at home and my human capital, that is knowledge, is no longer needed or used. And GDR citizens were not at all used to that. The state saw to it [*sorgte*] that one could study, and when one studied, you also knew what you would become in the end professionally. Today we study everything, just not those subjects what we need. Some subjects in the natural sciences are not studied enough. For example there is a shortage of doctors in many agricultural regions. By us [the GDR], it would always be said, we need on average so many medical personnel or doctors, and then we trained them. And there were other possibilities, more of an attempt was made to be involved in education politics, from the skilled professional onwards until the highest level, to regulate somewhat what the state needs. Not everyone liked that [*hat nicht jeden gepaßt*] because they could not develop their individuality [*individuum verwirklichen*]. But the state saw that needs were covered. Today there is an oversupply in some

areas, and in others we have absolutely no one. And that is a catastrophe for this society, because without the natural sciences nothing moves forward. Let's just say, that ideologically, math and physics is the same everywhere, but political philosophical reflections [Betrachtungen] are different everywhere. Depending on what one has experienced, if one was controlled, how one would see this or that—that determines how one reflects on things. We had a saying that we learned from Marx: 'the societal being determines consciousness.' And this personal being [sein] is being erased from the West. That means that capitalism is really about who has a good pocketbook [Geldbeutel], who has a big pocketbook and where you are from, who are your parents? In what world are you born? It is like in India with the caste system

U: I see.

M: Yes it is unfortunately so, and under those conditions the question is, what is Being then. And the most important thing, which is what we learned in the GDR that no one wants to admit is true, is that the highest need of the person and the greatest desire [Bedürfnis] of the person is work, that desire and contentment comes through work. We were taught that until the point of regurgitation. That made it a negative theory so that people complained, what is that all about [was soll das]? Some worked well, some worked poorly, and our civil laws in that regard were not the best. But when all is said and done [unterem Strich], after the Wende, where 50% of people did not have any work--now they all recognized what it means. And then the question is again, if being determines consciousness, after Marx, then actually the question is, if I no longer have a job, then I am no longer accepted in my environment, or at least one experiences it in that way, because one was raised differently [erzogen]. There was the bank director, like me, and then there was worker Y next to me, we were all on one level. The differences were not as great, also in terms of money. There were no grave [gravierende] differences. We did not live with excess [übermäßig], and therefore we lived closer together and we also helped each other more. The solidarity in poverty is greater than it is in wealth [Reichtum]. In wealth solidarity actions have to be organized, like now before Christmas. But I can hardly take it anymore, how many millions are being collected, if they really reach their intended purpose, or if along the way someone is serving himself, and then in principle everyone cleanses his conscience if he donates something. Personally, I find that to be the wrong approach [falschen Ansatz].

Already at the outset of the interview Most characterizes aptly the predominant mode in which the GDR figures in public memory in Germany. This is by no means a phenomenon of the twenty-year anniversary. Rather, anniversaries bring to the surface what otherwise is cultivated, entrenched, and resisted across many sites, spaces of representation, scenes of interaction. While West German concerns have for almost two

decades defined the terms of debate through which antagonism erupts on the surface, East Germans are themselves internally divided. Because the pattern is one in which the GDR must be abandoned as a totality (see Glaeser), disentangling any single part of that experience as a resource for the present is met with intense disagreement and marginalization.

The importance of work in socialism, the experience of relative egalitarianism, the creative ‘making-do’ with limited resources are genuine experiences that the vast majority of my respondents—including those most critical of the GDR and its inequality and hypocrisy—nonetheless emphasized. The difficulty is, as Dominic Boyer has insightfully noted, East Germans are expected to “coordinate their own knowledge of the past with the western utopia or “no-place” of the GDR” (Boyer 2006). Moreover, and to complete the circuit of “obligation,” when the past is claimed is meaningful, westerners can immediately re-cast easterners as “ostalgic” (378) or in this case, purposely refiguring the past that demonstrates a troubling complicity with the ‘second Dictatorship.’ Boyer suggests that “when these obligations are fulfilled, the gift, and with it the mediating agency of West Germans, cancels out of the equation” (378). This is the form of ‘Orientalism’ that Andreas Glaeser, Dominic Boyer and others have called allochronism, where ‘pastness’ becomes the means of marking Easterners as other, without a future in unified Germany (Boyer 2006: 378).

What has so far not received analytical attention is how ‘other’ experiences of economy place the asymmetries of revaluation and privatization in a terrain of antagonism. For example, the presentation of material life in terms of the meaning of work and solidarity in poverty will immediately generate protest and corrections. One will be reminded that the GDR had become an unequal society where those adhering to the party line were privileged. Those with family members in the West had access to western currency and goods, and the State itself reinforced such differences through its many schemes to acquire hard currency. Moreover, nonconformists including those who professed membership in the church were not allowed to study. Indeed, Most himself was not allowed the traditional route of study for this reason. He was not a member of the party, but held higher offices in the state apparatus.

The larger point here is not about whether or not there was inequality in the GDR—which there clearly was. Rather, whereas in capitalism/liberal democracy the subjects are allowed to gesture to the gap between experience and ideology, those who lived in real-existing socialism are expected to totalize the inequality and injustice as immanent to the system. It is certainly true that the later understanding grows out of the socialist claim of unity between politics and economy. But that does not fully explain why, twenty years later, East Germans are expected to denounce as false consciousness all of their material experiences in the GDR, while their recognition of contradictions in capitalism is unwelcome. The concern here is about how these past experiences might be addressed now. What would pass as the usual fabric of critique at most US universities instigates hysteria and marginalization when written or articulated by East German authors, intellectuals, and scholars, and other ‘elites.’ In my view, and as I have been suggesting, I believe it is intimately bound to the economic inequalities that emerged through unification, and for which there is no public space in which to effectively work through those experiences. The erasure of the East German economy from the landscape and even the place of memory is thus a western gesture of self-closure that fails. East Germans interrupt it in speaking back to the problems of re-valuation, in which westerners are implicated in the traumas of post unification politics. Edgar Most materializes the ambivalence and confusion about how East German experiences might be understood as part of the future, and not an artifact of their past-ness.

Most then goes into an extended discussion about the need for philanthropy, the gaps left open by the retreat of the state, and the necessity of a new social contract. It should be remarked here that in Germany the practice and understanding of philanthropy is a different one than in the US. Even in West Germany people have traditionally looked to the state rather than the private philanthropy for support of the arts, education and cultural heritage. With the increasing indebtedness of the state and reduction of public funding, the wealthy have not stepped in to fill the gap, as some commenters perceive to be the case for the US. Thus, US philanthropy becomes a kind of ideal to strive for, but also a means of critiquing and debating the proper role of the state. GDR socialism and its ‘excesses’ readily becomes a foil for arguments against state support, and a means of

dismissing critiques on the left. In this context, proclaiming that the socialist experience offers alternative insights is something that perhaps only someone such as Edgar Most might be able to pass off with a sliver of legitimacy. But he is not alone in recognizing that the GDR made the accessibility of the arts and literature a social right and not a sign of class difference. Thus, there was a broad exposure to theater and opera, for example, across the spectrum of society and educational background. It offers a grounds for critique that has some basis in the experience of the arts as de-linked from class and educational background. Most places it in terms of a humanistic ideal of *Bildung*—of developing the capacities already within the individual. It is a means of fulfillment different than that of the pursuit of wealth. As Most puts it, “If one only sees fulfillment in a large bank account, that is the wrong one.” Instead, the wealthy should give back to society through philanthropy, support poor people, elevate culture, cultural objects used for the benefit of people, for future generations.” If such claims seem disingenuous coming from an investment banker, in the political context I have been describing, their source in the socialist experience is all the more the subject of scrutiny. Because of his position as an elite in the GDR, the impulse is then to proceed as if the person is on trial—to measure his claims against reality. One can find endless referents then to disqualify so any force in the present is thus disabled. Most is, however, able to speak to the practices and habits of the wealthiest German elites, and the relative absence of East Germans in such circles:

Most: I am trying to find money for the Goethe Schiller archive in Weimar. We are urgently looking for money. The archives are falling apart, because there is no money, unbelievable. It is world cultural heritage

U: why have you not been able to convince anyone to support it? Is it because of the financial crisis?

M: It was difficult before that already. Often people don't know about it, they are not approached for support. And in the East it is a problem in any case because there are no wealthy people. The wealthy are all in the west. And the 90 wealthiest Germans are in Switzerland.

U: Really?

M: Yes, and I know many of them because I have worked with them in various supervisory boards. When they are retired, they resettle in Switzerland. All respected people. And yet they are never approached in this direction, or haven't been. But if society recognizes—we don't want to abolish capitalism—but we

should employ the surplus toward the benefit of the community, and not just to become richer, then we should discuss this with such individuals.

U: So how is it here with Deutsche Bank? Have you had the possibility to apply these ideas in the bank?

M: Yes, of course, the bank does something. We have several foundations, like the *Herrenhausen Stiftung*. There are some foundations for self-help or social aid, and cultural foundations. The Philharmonic is supported with 5 million. But they are also the wealthy. The Berlin Philharmonic is the highest earning string orchestra, simply because they are too good. That is ok, they should be. I have nothing against it. But when they perform in Tokyo or Washington, or wherever else, then Deutsche Bank sponsors them. The Deutsche Banks says, rightly so, we can't sponsor a second-rate orchestra, the orchestra must have a world reputation. And so one thing comes from the other. But the question is, where is the limit? When do you say, world reputation, ok, but society doesn't exist only at that upper level. There are the masses and they also need to be pulled in. What is being done for children to have access to cultural heritage? It was different in socialism. Everything was cheap, and children were practically obligated to learn it. That was the other extreme because then many didn't want to learn it. Today they recognize, thank god we were at least exposed to this, we at least saw Goethe's Faust. Everything is made up of light and shadows. We [the GDR] overdid it with too much administration, but the State gave everything to elevate this cultural education [*Bildung*]. This state [unified Germany] only talks about it, and does nothing, and just leaves it to this or that development. There should be an obligation to create charitable endowments. If I exceed a certain amount, why is it necessary that I become a billionaire? If it is for the sake of material investments in industry and so on, then ok, why else do I need the money? The money could be deployed for the sake of the community. And not to make banks richer.

U: Yes, of course

M: Yes, but such thoughts are always countered with 'well you want to bring back socialism and communism.' That is not the point. The point is that we are living in a society that is drifting so far apart, and it is getting worse. The person should be placed at the center, no one else.

At this point Most asked me about the state of things in the US. The lack of access to health care is for him unimaginable. Like many Germans, the US represents Capitalism-pure." Perhaps it is not surprising, then, to associate the winding down of the GDR economy as an outcome of that ideal of 'the market will take care of it.' The political establishment at the time of unification installed a radical form of the ideal which some have argued was applied to the East differently than in the West. Most's life in unified Germany is unimaginable for many of my respondents, not even a position to which they

would aspire. However, many still consider themselves to be winners of unity and express empathy for those who became unemployed or struggled to arrive in the new Germany. Thus, it is not uncommon to hear from very differently positioned subjects about the inequalities that many Easterners perceive to have faced collectively since 1990:

M: [speaking of uninsured people in the US] That is the spawn of capitalism. That is what Marx denounced 170/180 years ago. And now we have it. And we experience the miserliness... so then I have to say that I am grateful that I have grown up in two systems, and can compare them. I did not do badly in either system, and now, I have not done badly at all. I am a winner of German Unity. When you sit in the executive suite of the Deutsche Bank, you are doing well. But in my surroundings [Umfeld] everyone became unemployed, all my siblings, friends, everyone. I am the only one who was a winner of this story.

U: oh, all of your family and friends...

M: and then they look at you and say, how did you manage to be so lucky—not in a negative way, but we have the discussion. In 1992 we had a school reunion, those of us who attended elementary school together, I began school in 1946, and we were in the same class for four/five years. And at the beginning of the 90's, already 80% were unemployed.

U: unbelievable [Wahnsinn]

M: at 52 years of age.

U: how have they managed since?

M: well they came from different professions, for example where I am from the predominant industry was from the potash mines. And they just shut it down. Now they are mining again by going under the earth from Hessen to Thüringen, so now all of the sudden they are mining again. But in the 90's it wasn't good enough and they shut it down. Thousands of people flew out on the street.

U: so they could have continued the mining then?

M: Yes, of course!

U: And how in that case—

M: That is capitalism! Capitalism is not social. Capital thinks about nothing.

U: Were there not economic arguments to be made at the time?

M: but not in the form that the Treuhand worked.

U: what is your assessment of the Treuhand?

M: those in the industry, the western corporations, BASF and so on, they had their middlemen placed within the Treuhand, the board of directors and at the relevant levels. And if I say it in vulgar terms, in this way the potential/wealth of the GDR was advanced as prey to feed capital [*den Kapital zum Frass vorgeschiesst*]. And Capital took what was good for it, and the rest was liquidated [*abgewickelt*]. And when that didn't work, then one conducted veiled politics, like with the potash

mines. They proclaimed that the potash there is not any good [*Kali taugt nichts*], even though we had sold it around the world. So they closed it, and the opening was shut down. But then later they determine that is in fact the best potash, and now they are selling it again. And now if they would hire those thousand people again...it was 20 km from the former border. But tell such people who were affected by such decisions how wonderful unification was.

U: you can't

M: you can't do it. But when I sit on the podium in these discussions and am confronted...and let me give you a pressing example. In the GDR I was the responsible agent for the trade, industry, and construction, so I traveled all over the GDR and knew everything about it. After the Wende, then I was only in the upper levels of the financial industry. I founded a bank in the beginning with Deutsche Bank, Dresdner Bank, so then I was involved with 30,000 customers, and so then you develop a sense for what is good, and what is bad. And then I said.. It was not desired that anything of the GDR remain [Es war nicht gewollt das etwas von der DDR übrigbleibt.]

U: Do you mean, from the very beginning?

M: yes

U: then why does everyone mostly act as if everything is rosy [*Friede, Freude, Eierkuchen*]?

M: Because they simply plaster everything over with money. Kohl continued with the same politics as that of Honecker. There are standards, and Kohl wanted to say, we are good to you, even though you have so little money.

The closing of the Potash mines in 1993 is one of the most controversial of the Treuhand privatizations. It was also the subject of an employee hunger strike that gained international attention. It has been described as a crucial moment in which across Germany expressions of empathy, support, and petitions were directed at political leaders, urging intervention. The potash mines on the Eastern side of the former border were profitable. Moreover, they produced a material that was used by a competitor company. There was a good deal of evidence that the Western firm would close the mines in the east and apply subsidies to the western branches of the company (violating anti-trust laws). Thus, granting the bid was creating the means for closing down an eastern competitor. At the time one Treuhand manager, Klaus Schucht, noted in a 1993 interview, "The hunger strike is irrational. People are fighting something that can no longer be changed."<sup>13</sup> East German essayist, Jana Hensel, wrote about a visit to former

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<sup>13</sup> <http://www.csmonitor.com/1993/0728/28082.html>



mine workers in the region in 2009 (Hensel 2009). Several miners had created a local archive to commemorate the protests. However, the archive is not advertised in tourist brochures, nor do road signs readily indicate where it can be found. The potash mine protest, like many others that occurred in the years after unification have not been brought into connection in a broader scholarly analysis, according to Hensel. She notes with irony that while every minute and every hour of the Peaceful revolution has been documented in detail, but the many strikes that occurred in the upheaval of unification are missing from official public memory (2009: 62). While Most's claim that nothing should remain of the GDR easily sounds like a conspiracy theory (as Lenz already suggested in the interview above), the dispersed studies and analyses of the outcome of privatization lend some credibility to that experience. At many junctures where companies could have been saved, other modes of privatization chosen, or breaches of contract might have been addressed, a rather uniform response ensured that is quite visible in scholarship and analyses dispersed across many disciplinary fields. However, one has to search because no single study has brought many of these examples into conversation (much like Hensel's observations about protests after 1990).

However, the agency of protest in 19989 and subsequently is equally caught within the ambivalence that East Germans themselves express about their own role in the events. Thus, it would be problematic to suggest that there is a clear east/west difference:

M...But then we had the second wage packet [*zweiter Lohntüte*]-that was 200 marks per month per person in the GDR due to price subsidies. Children's clothing, nutrition, you could ride in the Berlin street car all day long for 20 pfennige. And everything that was necessary for life, even if it was at a low level, was paid for by the state. So with the second wage packet that was worth more than the DDR-Mark itself. You have to consider it from that standpoint. If you add everything together the purchasing power of the Mark der DDR was 0,8 higher than that of the D-Mark. The DDR-Mark was not in that sense convertible. But with the ordinary person you can talk as much as you like, he wanted the D-Mark.

U: Because one did not understand-

M: Yes, because no one told them the truth. It was simply said, you will get the D-Mark, and everyone bellowed, hurrah, the D-Mark is coming. If the D-Mark doesn't come to us, we will go to it. Such stupidity, such slogans! Any normal student who went to school as I did, should have recognized that on the one hand there is money, and on the other money and, in the rule, the political orientation. And for me that was...that the grey masses could be so stupid I would never have believed possible. U: Or one did understand, for example in my interviews and discussions many have said that they did have a sense that this would not go well, but they were afraid of losing their jobs.

M: But they had work. Capital decides differently. Capital is just not social, and neither is money. And whoever says that capital is social is clueless.

One pattern emerged in all of my interviews and conversations with Eastern respondents about the currency union. This was the tendency to displace the agency of the currency union on to the 'people,' the masses, or East Germans as a collective. Some respondents (see above) were quite critical at the time and clung to the possibility of a different socialism. But for those who did not emphasize that aspiration as something they held at that time, the demands for the D-Mark were almost always placed in the third person. I rarely observed that someone expressed it in terms of "I was on the streets calling for the D-Mark." Emotions about the D-Mark itself were more likely to be expressed in personal terms, and in the first person singular or plural. But rarely was this the case for the currency union itself. Where some respondents did express a sense of regret and responsibility was their reluctance to continue to buy East German products. Many recognized it in the present as a factor that contributed to the loss of their workplaces. But, at the scale in which privatization occurred, many agents, interests, and problems were in play. Thus, the way in which the burdens of economic failure and naiveté are sometimes exclusively placed upon eastern subjects should be placed in the context of hegemonic representations of unification that seek to downplay western interests. At the same time, in many accounts of west German journalists, policy makers, politicians, and elites part of these upheavals, gestures of regret mingle with explanatory frameworks that place agency in the scale, temporality, and uncertainty of the time. I read these different registers as evidence of trauma and rupture that are differently and unevenly shared, but that interrupt the notion of shared horizon of difference.

Most proceeded to then frame the strength of West Germany in terms of the dialectic with the East. This is a prevalent premise for East German arguments about the significance of German division as an explanation of economic asymmetries and competitive practices:

U: But in Germany you speak about the social market economy.

M: Yes, that is also just a phrase. You have to consider where Germany came from after the war, how it developed. After that, and there was a GDR. And the GDR was the field of consideration [Betrachtungsfeld] for capital in West Germany, what one needed to do better.. And that is how they became so strong. West Germany would never have become as strong without the GDR.

U: Without unity?

M: no, without the existence of the GDR, the basic law, the banks, market economy. The productivity and wealth grew more quickly in the west than in the GDR. We had to pay reparations—80 billion, 4,000 enterprises were dismantled, railroad tracks, and in the West the Marshall plan was introduced. And capital reproduces there where it has the best chances. It was just that way. And already at the founding of the FRG/GDR the capital stock in the east was only 48% of that in the west. The GDR could not have survived, it only survived because it was incorporated into the RGW, and so our industry was organized around the 17 country RGW and produced, and then we also had a particular currency system for that, we had introduced the transferable ruble. All of that could have been left [in 1990] to run for another 10 or even 5 years. Then the east would not have broken away from this relationship. We had textile machines—we didn't have any cotton, we only built it for the Soviet Union; there were combines that had trade relations with Switzerland. These could have continued. Machine construction, electro-technic, heavy machine industry were part of trade networks. I could tell the whole litany of those enterprises and products developed for export, and for the 17 countries of the Soviet sector [RGW] where it was arranged what was produced for each country.

As Most indicates here, the industry in the GDR was organized not only around an internal market, where a large combine might be responsible for an entire sector of the economy. Some enterprises produced parts of products solely for use in other socialist countries. Thus, whatever the poor condition of factories and equipment in the GDR, the other crucial factor that made enterprises unsustainable was the abrupt severing of all these relations. Many explanations present these breaks as inevitable to downplay the problems caused by the currency union. Thus Most and Lenz (above) would be in

agreement about the currency union and the problems it posed for trade relations. However, Lenz would likely emphasize the benefits of a low-wage region over the suggestion that other modes of production could have continued on as before.

Most (continuing): And that was simply thrown overboard. Of course the enterprises in the west were happy about it, so they got the market, and they took specialists from us with them, in the form of workers and know-how, and in that way many became really big. And that's what I meant with the vulgar saying: that the industry was fed to Capital. We had 9 million employed, and three years later after the work of the Treuhand we had only 5 million. The rest were sent into retirement, early retirement, or unemployed. Now many are still welfare recipients [HartzIV]. So in principle, the percentage of the population that was integrated into the economy—when I say that work filled a need, determined one's being, I am participating and am accomplishing something for society—and then my children, relatives: they were suddenly gone to find work elsewhere. Many even continued to go to work though they no longer had a job. Some didn't leave their apartment, because they were ashamed, you can imagine. And how many people took their own lives because they were marginalized.

U: Are there statistics on that?

M: Yes, perhaps—But of course no one talks about that! That is not wanted because then the victor would appear in the completely wrong light. And I just read Daniella Dahn's [an East German journalist] book last weekend. She has time to pursue these questions as a journalist. I have to work. But though my work I have access to information she would never get. So we have a good relationship. But she analyzes this situation very cleverly. That now the West deserves to be the loser, not the East Germans. This is a generational topic. I saw her speak in different programs about this characterization of the GDR as an un-lawful state [Unrechtsstaat. All the trials that were conducted that would have documented that the GDR was a law-less state—almost all ended with acquittals. Not a single person was sentenced from the former GDR. But how many from the west were sentenced for criminal behavior, for corruption. But then it is said we were a law-less state, in what sense? That all children whether poor or rich could live and study, that health-wise people were taken care of—not as well as today, ok it is 20 years later, but the GDR is still measured— everything is viewed in a one-sided way, so there is simply a wrong picture.

Most then speaks about prevalent practices through which past credentials, training, memberships, and status of the 'other system' were questioned:

Most: So then my book, is mostly interesting for financial people, but then I wrote about my life, tired to characterize the GDR... I was born on the Wartburg [in Eisenach]. I was in the church and so I was not allowed to study, and I did everything through the secondary education route, 12 years on the side. But after unification my diplomas were not recognized. Isn't that schizophrenic? But I didn't back down and they were recognized. But by then I was already a director of the Deutsche Bank. That helped. But many others could not fight back.

Quite a few of my respondents did indeed have to re-qualify, and in some cases even repeat their education because credentials were not accepted. While quite obviously many new skills had to be learned; in some cases the training was almost identical. Thus non-recognition of degrees was not a neutral affair. Andreas Glaeser's (2000) ethnography on the merging of West and East Berlin police forces reveals related examples. But the inclusion of former party members and elites highlights how particular positions especially significant to the symbolic order of the Nation State could be the subject of marked discrimination (see Bickford). Below most describes the practice of penalty pensions. He also suggests how professional practices might also form points of connection:

Most: My former boss, Kaminsky, the head of the former Staatsbank. It is clear he had to be in the party. But he was a rational person [*Vernunftiger*]. He has a penalty pension [*Strafrente*]. And with the penalty pension he could no longer afford to keep his house. Today he lives in a socialist high-rise [Plattenbauwohnung] in Hellersdorf, together with his wife. And when I meet up with Helmut Schmidt [former SPD Chancellor] or Karl Otto Pöhl, the former Bundesbank president, they all knew Kaminsky. They negotiated with him back then [in 1990]. And they ask me, so what happened to Kaminsky, and they always held him in high estimation. So when I tell them what happened to him, they throw their hands over their heads [in disbelief]. That is German Unity. I myself am in this penalty category because I was a member of the Kollegium in the interest of the State for 34 years as director of the Staatsbank. So I was also placed in that category. Because I was, "near to the party" [*regierungsnah*]. Such ridiculousness. I mean, I can laugh about it, because I am a winner. But most people can't. And that is why the mental German Unity has never been reached, until this day. Even after 20 years. And when you can't manage to have a self-sustaining [*selbsttragender*] society in East Germany. You can condemn the GDR as you wish, but it was a self-carrying society. It fed and developed itself, and so on.

Most then proceeds to characterize different attitudes toward debts in the GDR. This is yet another difference then will be read as problematic by those who see the GDR's immanent failure in its indebtedness to foreign creditors and the irrationalities of the planned economy. But given the opaqueness of 'sovereign debts' and their current politicization, it seems reasonable to consider the politics of debt between West and East Germany as a subject of intense dispute in unification politics.

Most: But the west nurtured and developed itself based on debts. Re-unification was also financed through debts. And now Germany has even more debt. Pro person the debt is rising, much more than the GDR could ever have made. We could have also printed more money. But that was prohibited under the GDR constitution. The mayor of the community was not allowed to take out credit for the locality. Because those were considered debts. If they wanted to build a swimming hall or kindergarten, then he did not receive the money from the state. We as Staatsbank financed it, but a material thing stood behind it, not losses of the community. There was always something materially tangible. We took that, as I indicated in my book, in 1949, from the Soviet order, Stalin time. It was already stated there that credits were not intended to make debts. And that's what I learned in my banking practice [Bankwesen]. And then I learned something altogether different at Deutsche Bank. So then ask me, which is better? Society had it better, but of course it could not develop as fast. But here the state takes out debts...financial crisis. Germany became on that basis the World's best in Exports [Weltexportmeister]. If there had not been money in the world, then we couldn't have sold our exports. If you consider it globally and not just from the point of view of business. Most people think so narrowly. And they are educated that way. I even learned cybernetics. Consider everything in terms of interconnection [im Zusammenhange betrachten]. Look beyond your own nose [*über den Tellerrand*]. I sat for the state exam in chemistry because I evaluated the chemical industry. I thought, I need to understand something about the industry I am spending money on. It was a very different upbringing that stood behind that. Of course not everyone did that. But whoever wanted develop their training in this world, did do it. And that is, today, only capital decides what is valuable [*was wert ist*]. Terrible. I had hoped the crisis would be so bad that things would change.

U: I was thinking something similar

M: That was my great hope. But it wasn't bad enough because through indebtedness, government threw so much money in and tried with money—once again everything is just covered over with money. This outcry was stuck in people's throats. And now the same financial products continue to be sold. I just gave a talk to a small group... I compared the money system in capitalism to the money system in socialism. And I explained that if you don't have control of the money system, then you don't have control of the social system. Money rules the

world. Nothing else. But who rules money? That question must finally be answered. I don't have to socialize the banks, but I could socialize the money system. That is how it was in Socialism. Everything that was money was distributed through the Staatsbank to be spent. And only things that were needed in society were financed. I don't want to exaggerate, I would still allow for some monetary freedom, for human creativity, and the state can't think of everything. But if money were socialized, these credit bubbles through debt couldn't occur. In a few years we could reduce this excess money. There are 3,4 billionen currency speculations per day. Our house [Deutsche Bank] lives from them. A world currency could reduce speculation. It is not only the investment bankers. It is the greed of each and every person. That was different in socialism. There was of course a certain kind of greed there, but since the basic services were provided for everyone, everyone had the same education— let's put it this way, people's lives were secured through the state. That is what so many GDR citizens of my age find difficulty in coping with now. During GDR times you did not have to worry as much [kopf brechen], today you have to worry about everything. In the Czech republic, 60 % want the old times back. We should ask then, how is this the case. And what can we do about it.

Most is critical of the way in which Germany presents its way of democracy as the model for everyone.

Hitler once said that Germany should convalesce at the expense of the world [an der ganzen Welt sollte die Deutschen auch genesen]. Now the Germans say, on our understanding of democracy, the whole world should recover. Why ours? We should hold ourselves back, we who started two world wars. I have held talks around the world about German unity, at banks and other institutions. It was a surprise to me that I was regarded more highly as a citizen of the GDR than as a Deutsche Bank executive. I thought about that for a long time, why is that? As poor as the GDR was, we had trade-relations with all these countries, and they would have loaned us money if it had been necessary. And then we are constantly told that the GDR is bankrupt. There were enough countries that would have loaned us money. Our indebtedness per person was less than that of the BRD. It was just a question of perspective. We had inner problems and disproportions, there have been many talks about how we could have changed things proportionately [gradually], but bankrupt. We were creditworthy.

U: in times of financial crisis

M: But you can barely discuss this at our table here. Because here, everyone sees it differently: you [the GDR] were dilapidated [marode], your enterprises were worth nothing, the environmental problems. But the west had these too. If I consider the potash mines, the mining done under the earth in the west was not that different from the way it was done here. And now where they are starting it up again, there is a dispute. What has a say? Capital. If I sit here in the Deutsche Bank, then it is the Deutsche Bank that I must serve, no one else. I serve the

shareholders of the Deutsche Bank, because they want to see that we are doing our work well. And in the *Staatsbank der DDR* I served the state with the money.

U: So do you feel that you were able to square your work in the Deutsche Bank with the socially conscious work that you described?

M: of course, but, that is I did that on the side. I of course profited from the fact that I could think in an extensive way. You have *Genossen* around you who were practical, and those who were idiots because they only wanted to apply Honecker's resolutions, and never used their heads. Then they had problems. In that sense that was something different—to make independent decisions, see ahead. I have an obligation to the Deutsche Bank, and that is to increase [vermehrten]. If it goes well or badly outside, that plays no role. It is only about what benefits the bank. What benefits capital. By us [the GDR] you always had to ask three questions— first, what benefits the state? Second, what benefits the enterprise? Third what benefits the bank? Here, [at Deutsche Bank] the first question is what benefits the bank, 2<sup>nd</sup> what benefits the business, and the state plays no role. This re-thinking I learned quickly. The economic thinking, whether in socialism or capitalism is fairly similar. Only the governing authority is a different one. Why do we have a state... otherwise you give it over to capital.. These interconnections. All I can say, it is good I have sampled both systems. So when I am confronted with this or that problem, I ask, why are we doing it that way?

U: I wanted to ask you about the currency union back then. Is it also your opinion that the problems, the economic problems of East Germany began there?

M: Yes, it was the wrong rate of conversion.

U: Why was one so uninterested?

M: Because the Osis [Easterners] did not have the say, we didn't exist any more, there was only SED, and therefore we were the cursed enemy. The human capital played no role. The new government of the GDR did not know anything [hatte keine Ahnung], and even those who were involved, Lothar de Maziere brought in Walter Sieghert, one of the best finance ministers in the GDR, he was also SED, and he had difficulties within his own party, but he said, what should I do. But all those people were not taken seriously in the west. They were taken seriously in America when they gave talks, but not in Germany. And, I was there at the negotiations with Karl Otto Pöhl in 1990, and we knew then that the D-Mark would be introduced, the people want it, but how would we go about it, what date, what rate of conversion, what does that mean in concrete terms? A new currency has its effect on the social milieu, and it was clear to me that when we decided the D-Mark comes, there would no longer be a GDR. At the time I went to Hans Modrow, minister president, and I said, Hans, that is the end of the GDR. There won't be a GDR anymore. He objected, and I said, Hans, whoever has the money has the power, and in that moment when we agree to the date of the 1<sup>st</sup> of July to introduce the D-Mark, then politically we have no more chances because the people were so disgruntled [*aufgemotzt war*], then we have given up the GDR [*vergeben*]. The only question then is what are the parameters, so and because the



Volkskammer decreed the Accession instead of re-unification [with a new constitution], then everything was decided. If we had decided for unification, then everything would have been put on trial/to the test [*auf den Prüfstand kommen*]. Then we would have put the 10 pt. program from Kohl, it was set up at first to put a confederation in place, with special taxes, or whatever, many things were still open. Then it wouldn't have been about throwing two systems together but allowing two systems to grow together step-by-step. But then, they all claimed, everyone would leave. Nonsense. And then afterwards three million people did leave, that is testimony enough [Aussage].

U: they weren't able to prevent that

M: Yes, if you reduce the industry to 30%, then where should the people stay? The younger generation has to see that they find work.

U: clearly

M: And that is what was so bad...so we, I say...it was an election year, then unification, the Accession [Beitritt] the wrong currency conversion rate, and the wrong Treuhand at work, those 4 factors are the reason, led to the fact that after 20 years we are not there where we could have been. And with the currency, the decision, we sat down with the Bundesbank, and said we want, laid out the details of the Staatsbank. And we explained, we have several different currency systems in the GDR, the one for the population [Bevölkerung] and the 2<sup>nd</sup> wage package, we had 660 million savings deposits and the second Lohntüte, that has to be included in the evaluation [bewerten]. And then we had the intra-German settlement system, East/West. Every year that was decided on the basis of a basket of goods [warenkorb/cpi], 3<sup>rd</sup> we had the entire east bloc with the transferable ruble. The conversion was 4,44. And we had the western part, how the D-mark stands in relation to the dollar multiplied by a rico. That means the real rate of conversion with currencies like the dollar, yen, franc, was 1:8, 1:9. On the black market it was traded 1:10. All of these should have been figured [bewerten] separately. Which enterprises will be deactivated, how is the wealth mediated [Vermögen vermittelt], how is the accounting and production settled, what trade relations have not been settled. With all that in consideration the exchange rate should have been worked out. I would say that even the rate for the population of 1:2 one could live with that more or less. For me that would not have been the deciding factor. But the economy, that was the bad thing, and with that the debts of the economy, that they were highly indebted, not the state but the economy. So these should have been devalued at the rate of 1:8. Then with the opening of the D-Mark balance the enterprises would have had a different starting basis.

U: why wasn't it done that way?

M: because, in the past I told myself that they were simply too dumb to do it that way, but now I would say that it was 100% what they wanted [100% gewollt].

U: because-

M: You see Kohl wanted to do everything so fast and thought that in that way things would be cheap

U: why cheap?

M: Because he didn't have a clue [keine Ahnung gehabt hat]. It is so. He said, let's do it fast. In three years we won't have a Treuhand anymore, don't leave anything over from the old GDR, because some of it could have been resurrected and made better than he wanted, and that is where things clicked for me. In the beginning I thought too that they had good intentions. 'We will be good to you.' But then relatively soon I understood

U: beginning when?

M: that was when, after it was decided that the Treuhand would not exist after three years. When Rohwedder was assassinated and Breuel took over the power, and then it was said, in three years ... then it was clear to me that it was an absurdity [Unding] that two different economic systems would be brought together in three years. And so then it was only Capital that was governing.

Most feels that the foreign scholars are more objective. In Germany, the political agenda influences how the GDR is represented empirically, what count as the facts. "Germans are not honest," he says. Outsiders are more willing to consider the cause and effect relations.

If I say that we began with 50% less capital stock than West Germany, then it is a wonder that we survived for 40 years. Everything we managed to do. But to be evaluated based only on everything that went wrong. I don't want to glorify the GDR. I only wish for the image of East German person [menschenbild] would be perceived differently in unified Germany, that they have an appropriate mouthpiece. That all this is considered [berücksichtigt]. The social conditions [bedingungen]. That the person is at the center [im mittelpunkt steht] and not capital. You can talk about the social market economy, but in the end... In the past, before there was a wall [before 1961], the East Germans were the Turks of West Berlin. Then when the wall was built, the Turks came to West Berlin. And they still have their problems with integration. They do the work Germans won't do, but in the end they are still not fully accepted by German society. Everyone is arguing about this.

U: What do you think of Thilo Sarrazin's recent comments?

M: He is a pure economist, without any social background. He has a point [Rein zugespitzt hat er recht]. But you can't, as someone from the Bundesbank, finance minister of Berlin you can't appear in public saying things like that. So provoking. So that his mouth really should be taped shut. Or he should step down from the position.

U: And he was involved in the currency union

M: yes, he came up with the conversion rate, he was the one who did that.

U: But it was not his decision, was it?

M: It was Kohl's, but he prepared it for Kohl.

U: So did he understand?

M: He used only the one factor. He considered only the savings accounts of the GDR population, the quantity of money. He didn't know anything about it, that we also had these accounting currencies, the ruble, the internal conversion rate for the non-socialist economic trade partners. Either he didn't know, or he didn't want to know. They only considered the conversion 1:2 in relation to monetary policy, not economic policy. I have been a podium discussant with him a few times. Once I said to him, you didn't have a clue then, and he just said, you are right, Herr Most.

U: and he was being honest?

M: In such things he is honest. I have had back and forth discussions with him a number of times [einige Runden gedreht]. And also with Tietmeyer who was the successor to Pöhl, and when I negotiated with Kohl for 4 hours on the 20<sup>th</sup> of April 1990, and then when he said it was a political decision, it appeared to me to be just like the GDR. The party has decided. Just come up with something. Nothing different. The systems are always the same. Those in power are always the same.

U: But what I think is interesting, what I wanted to ask you is that exactly at this same time the criteria for the euro were being worked out. Why did they say in that case we have to observe criteria, and in the case of east Germany.

M: well, we have that topic today, the Poles and the Czechs, who had to re-fashion things through their own strength, they have a different self-consciousness than the East Germans. The East German wanted the D-Mark. And with the D-Mark he surrendered himself. That means, those who didn't want to give up the human capital, the intellectuals, they were thrown out. It is like in the war, I wrote that the when the west loses the war then the victims are dead, when you lose the cold war, you have to kick two generations. The victor can't deal with the conquered. In war everyone was killed. After the cold war, everyone is still living so they still have to be killed. No one puts it like that.

U: that is an interesting way to put it

M: Why doesn't Germany have an academy of sciences as industrial nation? Because it was in East Germany—this Prussian academy, where Einstein and so many others did research, it was continued on in the GDR and had a high international ranking during the time of the Cold War. And this academy was dismantled [abgewickelt] and the people, many are in the US, the Soviet Union, or elsewhere, Leibniz Gesellschaft where some people still meet together. But in principle they wanted to erase it. Professor Dr. Klinkmann gave a talk. He was the last president of the Academy. And he was supposed to assist in dismantling it, and he refused. He was accused of being involved with the Stasi, but it wasn't true, and so then they apologized to him for years after that. That's the reality. And since I know all these people, and still interact with them and helped them after the *Wende*, I know what I am talking about. I know something about their inner sentiments and so. Since the SPD and the CDU did not open themselves to

former SED, and I spoke with mayor Diepke of Berlin at the time and the SPD ... they would have liked to include the elites in Berlin, and raised the question, they would have liked to have the elites from the academy, the research centers. I said, then you have to open your party, you can't just assume that 2,2 million SED members were Stalinists. Maybe there were 200 or so. But, 80 to 90 were just normal citizens who because there was a party were compelled to belong, were schooled and drilled, but they kept their own heads. The grounding concerns of the party were not that wrong: no wars, peace, social justice. You can't just vilify it (verteufeln). It was humanly reasonable. That we couldn't do it all was because we weren't wealthy enough. The argument that we preached water and drank wine, so then I consider, after the borders were opened, and I was invited by big corporations. Compared to that, elites in the GDR lived practically communally. If one speaks about democracy and freedom, then you have to live it. You preach democracy and freedom, and you do the same thing. I do live it. I try to save businesses and to help local entrepreneurs. I try to use the capital of the Deutsche Bank so that another society can develop. What do we [Deutsche Bank] do? We are only striving after profit, creating Alternative [financial] products. These are different considerations [Betrachtungen]. From a purely human stance, I was raised differently, grew up differently, I am thankful for that. I also wrote a different history in the Deutsche Bank—not against the Deutsche Bank but for the Deutsche Bank, since I represented the Deutsche Bank in the public context. We founded 650 new enterprises. I can go from the Erzgebirge to the North Sea and I am still greeted. "You helped us, you were the ones." But most customers from then are no longer customers of Deutsche Bank

U: Why not?

M: Because the bank made demands, because new people were brought in that represented the Deutsche Bank as it is. And because it was no longer the way that former GDR citizens who worked for the Deutsche Bank had represented it.

## Chapter 5:

### An (un)timely affair: on money, power and belonging

#### Prelude

“Back then: The unification of Germany is as certain as tomorrow follows today. And on the day of the wedding between East and West Germany, we—the German Democratic Republic (GDR), as groom, will come bearing beautiful gifts. We will come with many people-owned enterprises that will make the lives of our people better. We will come as the debt-free part of Germany. I ask you now: and you as the bride, what will you bring? Your back weighed down by debts! But we will marry you nevertheless, because we love you.”<sup>14</sup>

Otto Buchwitz’s vision, presented at the 1954 SED party congress (*Sozialistische Einheitspartei Deutschlands/ Socialist Unity Party*), of Germany’s eventual unification is as striking for its apparently prescient, albeit inverted, futurity—it really happened the other way around— as it is jarring in generating a melancholic sense of “what if...?” Fast forward to 1990. Well-known West German caricaturist Dieter Hanitzsch takes up the wedding metaphor anew, this time as commentary on the actual unification of the two German states (Hanitzsch 1990) Only this time, the gender roles are reversed. West Germany is now the groom: the figure of West German chancellor Helmut Kohl stands before the civil registry office, decked out in tuxedo and top hat. He virtually towers over his bride, East Germany. She wears a threadbare dress, with DDR (abbreviation for East Germany) stamped all over in red letters, dark red patches holding one sleeve and a lower

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<sup>14</sup>Damals war’s: Die Einheit Deutschlands kommt so gewiss, wie auf den heutigen Tag der morgige folgt. Und wenn die Hochzeit zwischen Ost- und Westdeutschland sein wird, werden wir, die DDR, als Bräutigam mit schönen Gaben kommen. Wir werden mit vielen volkseigenen Betrieben kommen, die uns die Mittel geben, das Leben unserer Menschen zu verbessern. Wir werden als ein schuldenfreier Teil Deutschlands kommen. Ich werfe die Frage auf: Und Ihr als Braut, was bringt Ihr? Den Buckel voller Schulden! Aber wir heiraten Euch trotzdem, weil wir Euch lieben.” Written on a fragment of paper and later found by a Dr. Hartwig Bernitt. Posted on the bulletin board in the Archiv der Bürgerbewegung in Leipzig.

section of the dress together, and old-fashioned ankle-length boots on her feet. She brings gifts to be sure: four children! The bride looks up to her groom saying, “You know my children, right Helmut?”

The oldest son grips the corner of his mother’s dress, holding on to it as if it were a handkerchief. His crumpled jacket bears the sign, “Unemployed.” Behind him another son stands on crutches, one arm in a bandage. His caption reads, “Bankrupt factories.” A younger daughter in pigtails wears an apron with the label, “Social System.” The fourth son stands nearby, decked in his young pioneer outfit and carrying a book with the title, “plan-thinking bureaucracy.” The wedding party is headed up by yet an even smaller figure than the bride—Lothar de Mazière, the last East German minister president—carrying a book-length marriage contract. Size appears to be a further ironic marking of the caricatured person’s political importance. Onlookers to the wedding party stand at the front of the frame. East German Social Democratic party leader Wolfgang Thierse gestures back at the bride and groom, proclaiming to his (presumably) East German audience, “After the wedding, we can say these are *his* children!” The circle of what might have been and what did occur seems to close around these competing visions: two unequal parts nevertheless becoming a measure of the whole (Borneman 1993).<sup>15</sup>

One part of the story of German Unification is hard to undermine: the unquestioned difference in economic value between East and West. Nothing crystallizes this better than East German calls for the Deutsch Mark and the apparent euphoria on the day of the currency union on July 1, 1990. While for many East Germans, demands for a 1:1 exchange rate reflected concerns about their status as equals in unified Germany, from a (generalized) West-German perspective, the granting of this exchange rate (overvaluing the Ost-Mark) constituted a “gift” (whether out of a sense of solidarity or

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<sup>15</sup> In his 1993 article John Borneman was highly critical of this metaphor: “Nothing could be more misleading than uncritically replicating this cultural metaphor at the analytical level. East and West Germans are not kin reuniting, but two separate peoples, each with its own set of dispositions, who are suddenly, in one of those accidental moments in history, thrown together in a national whole” (52-53).

urgency) (Maier 1997).<sup>16</sup> The Bundesbank had been opposed to this rate on economic grounds,<sup>17</sup> but was forced to comply with Bundeskanzler Kohl's political agenda.

In this chapter I re-visit the 1990 currency union between West and East Germany through the lens of the present, but with a critical analysis of the multiple and paradoxical sites of struggle in which, I argue, it is entangled. What I wish to show, here, is that contrary to the teleological narratives through which it is rendered an artifact of celebratory ending and yet simultaneously made unavailable for new reflections, there are indeed crucial insights to be excavated for the meanings of monetary projects in the present.

In many respects, the 1990 currency union represents a concerted and unprecedented attempt to address inequalities and obligations arising out of the history of German division and the burdens of the national socialist past. While it is predominantly assumed that by virtue of a shared history, language and culture this act of solidarity was both necessary and inevitable, and that its enactment, though fraught with challenges, was unambiguously embraced, I wish to show the labor and ambivalences that exceed and disrupt this story. This is important in order to interrogate the assumptions that

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<sup>16</sup> This rate of conversion was politically and symbolically loaded, even as politicians, economists, and citizens of West and East Germany argued and debated what was realistic economically, and what was necessary, politically. Many East Germans felt that this rate of conversion would ensure their status as equals. In hindsight, it can be argued that this rate of conversion achieved the opposite, and in fact, sealed a long-standing structural inequality between the old and new German states.

Black market rate of East/West before November 1989, 8:1

After November 89, 20:1

Valuta Mark: 4.4 East German Marks

Conversion rates:

1:1

Money had to be in bank accounts (no cash)

4,000 Marks - savers between the ages of 14 and 59

2,000 Marks - Children under the age of 14

6,000 Marks - Seniors over the age of 59

All savings over this amount were converted at a rate of 2:1

Wages and pensions 1:1; Debts 2-1

<sup>17</sup> Bundesbank President Pöhl later resigned his post over this issue.

underlie the basis of distributive solidarity broadly, especially as it relates to the European project. If it is un-problematically assumed that solidarity with ‘one’s own’ is natural, whereas between non-national others it must be reframed in terms of contractual obligations or anxieties about moral hazards then this leaves unexplored the ways in which such framings significantly shaped the logics of East Germans’ integration into a unified Germany. Moreover, it would be to miss the opportunities to learn from this ‘intra-German project nested within and also transforming Germany’s role in the European project. I argue that German unification can be understood as a project of monetary integration analogous to the one imagined at a much greater scale through the European project.

Most scholars who have analyzed the ‘economics’ of the 1990 currency union would agree that this is an extremely messy affair (Caldwell 2011). While some would wish to change the terms of its evaluation and end with a positive note, others have worked hard to inscribe the messiness within new narratives of historical and national legitimacy. In my view, these struggles and re-inscriptions may simultaneously work at cross-purposes. Though they may serve the implicit aim of justifying the enormous costs on behalf of East Germans, for the sake of affirming East Germans’ inclusion, at the same time they erase or neutralize the very politics of this act on multiple counts. For one, they leave little space for interrogating the forms of devaluation and subjection that many easterners experienced in this process, or the alternative forms of coming to terms with one’s own past(s). In another sense, they also miss the critical reflections of westerners directly involved in this process in so far as the modality of unification did bear an uncanny resemblance to the very past West Germans were trying to leave behind through the embrace of the European project.

It is with these aims in mind that I unpack what I consider *afterlives* of the 1990 currency union as it emerged in my ethnographic encounters and interviews with respondents in Leipzig (McKay 2012).<sup>18</sup> Importantly, my questions were framed

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<sup>18</sup> I have found inspiration from Ramah McKay’s use of this concept. Though speaking to very different circumstances here, it conveys something analogous about the upheavals of massive societal change and their long-term effects.



explicitly around both German and European currency projects, but were otherwise unstructured, allowing respondents to surround their reflections with those contexts they deemed meaningful, and which our mutual dialogues generated. It is also crucial to note that for many, this topic was not necessarily one that respondents would have chosen to inhabit in telling me, an outsider, their story. Contrary to what I found that many of my western respondents assumed about East Germans' propensity to complain or cling to an illusory and idealist refiguring of the past, many of my respondents had to be persuaded to offer their reflections. Ironically, it was I, the interviewer, who adopted the stance of what is typically mapped onto easterners. Only much later, in the process of re-analyzing my interviews, did I fully understand the implications of what for me at the time was a somewhat unconscious gesture of gaining trust. That is, by reiterating critical stances I had heard and read about I signaled that I took such critiques seriously and did not dismiss them. Moreover, by imbibing some of that revolutionary spirit that seeped out of the intense engagement of many research participants with the mass-demonstrations in 1989, most significantly that of October 9, 1989 in Leipzig, it was I who seemed to fully embrace these experiences as opening up other possible worlds for thinking about the present realities facing East German regions. My respondents, then, had the opportunity to accept, revise, or reject these explanations such that in this very move the politics of money in unification could emerge in some unexpected and illuminating forms.

### **Chasing Marx**

While many photographs of the Marx-Engels statue in former East Berlin circulate, both before and after the demolition of the *Palast der Republik* (Palace of the Republic) in the background, one image captures the stone likenesses with a provocative footnote painted in graffiti at the base of their pedestal: "*Wir sind unschuldig,*" (We are not guilty). Part accusation, part explanation, the claim is double and the speaking subject ambiguous. Are Marx and Engels the subjects, saying, "We are not responsible for the particular instantiation of our theories"? Are contemporary residents of Berlin accusing Marx and Engels for the Cold War mess held by some to be immanent in the Marxist

vision of social transformation? Alternately, the graffiti is a strategic defense of Marx and Engels: they died long before the GDR emerged as a product of World War II division. Or perhaps East German subjects are voicing an otherwise unsayable ambivalence about who (or what) is responsible for political coercion, economic decline, and 40 years of division?

Few outside Germany appreciate the visceral tension in the post-unification German context that surrounds the figure of Marx and his prescient diagnosis of capitalism's inner contradictions (Derrida 1994). Whether changing the name of Karl Marx Stadt back to Chemnitz, or the highly charged debates in Leipzig about what should be done with the Marx relief once guarding over the university entrance—some arguing that it should find a new home elsewhere in the city and others protesting that it should be buried in the landfill like the exploded remnants of the university church destroyed in 1968 on the orders of Walter Ulbricht—the figure of Marx, or perhaps one could say the “socialist economic” is no mere matter of scholarly debate. Residents in Leipzig and other East German regions must still live in the ruins of failed plans and solutions of both socialism and capitalism.

In Germany, economic alternatives are continually rolled over and subsumed within the failures of Marxist-Leninist theories and the “irrational” market practices of socialism they presumably generated. Thus, in Germany (and especially the new *Länder*), economic alternatives—of whatever variety—are met by many East Germans with a sense of resignation and ambivalence, to say the least. Whatever reflections East Germans might wish to bring to bear on their economic experiences, during and after socialism, most have learned that these are unwelcome in the public space of political debate or cultural expression, even in cities once part of the GDR. As an ethnographer trying to understand and take seriously precisely such experiences, I was continually confronted with a sense, to put this in figural terms, of mouths opening with no sound emerging, or a general reluctance to talk at all about one's economic life at the time of the early years of unification (see also (Boyer 2005)).<sup>19</sup> Only after several years of fieldwork

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<sup>19</sup> Understandably, some respondents wish to paint as positive picture of unification as possible so as to avoid the stereotype of “complaining Easties (*jammer Ossi*).

and establishing relationships over time was I able to scratch the surface of what has been at stake for ordinary individuals who must live out, for better or worse, larger geopolitical ruptures.<sup>20</sup>

The reluctance to speak about economic affairs is quite central to my larger argument about who can speak about economics, and on what terms. Here, the indeterminacy surrounding East German's possibilities for narrating their reflections on the shift from one currency to the other is caught up in the power dynamics of West German dominance in defining what constitutes economic value. So, for example, when some East German respondents say they lost money twice, first in the transition from the East German Mark to the Deutsch Mark (DM), and then to the Euro, that first loss is not intelligible from a West German perspective.<sup>21</sup> The privatization of the East German economy by the *Treuhand*<sup>22</sup> was clearly wrought with fundamental problems of translation—cases of selling factories for 1DM comprise only one salient example among many—yet precisely such value indeterminacies disappear in narratives of East German bankruptcy and irrational socialist economic practices. However, settlements of value like the one mentioned above (*Altschulden* or “old debts” is another),<sup>23</sup> capture neither any economic measure of the socialist past, nor do they convey any adequate sense of market value in the present (Maurer 2005).<sup>24</sup> Put another way, the western market value assigned to the GDR did not account for its economic value even in “western economic terms.”

Karl Marx becomes a casualty of post-Cold War battles of defining economic efficacy, heralded as timeless theorist and cursed as pragmatic incompetent in the same breath. Benjamin Robinson provides a cogent and necessary discussion of how Western

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<sup>20</sup> Rupture might on the one hand be understood as trauma, and on the other seen as a source of reflection on “system questions” see Boyer, *ibid*.

<sup>21</sup> This applies to some East German respondents also, who reported monetary gains as a result of the conversion.

<sup>22</sup> Treuhandanstalt: the institution that was given the legal mandate for privatizing the East German economy after Unification (1990-1994).

<sup>23</sup> This refers to the conversion of debts owed by people owned factories to the East German state into capitalist market debts through the currency union. The term old debt disguises how these became in fact a new form of monetary obligation in the new system. I will discuss this at length in subsequent chapters, as this was perhaps the single most destructive (violent) conversion of German Unification.

<sup>24</sup> This is why, *contra* Maurer, I maintain a concern about the adequacy value measures.

Marxists have largely kept real existing socialism (its experiences and implications) at a great distance from their scholarly projects of social critique (Robinson 2009). In anthropology, too, Marx occupies an unquestioned place in the canon of anthropological theory (as he should). Yet here, too, even with the emergence of a small subfield within cultural anthropology devoted to socialist and post-socialist studies, the implications of real-existing socialism's ontological potential in the present is largely absent. Despite considerable critique of the post Cold-war moment, few seem to have questioned socialism's end, or sought "socialisms" in ways other than pronouncing its death and highlighting its ghostly traces in the wake of neo-liberal economic transformation eastwards. At the same time, Marxist approaches to critiques of economy and dominant discourses feel relatively unproblematic in the US academic context, whereas in (East) Germany this can be an entirely different matter.

During my fieldwork in Leipzig, the city of the largest Monday demonstration against the regime in October 1989, I encountered Marx as a truly ambivalent figure, in contrast to the theorist so effortlessly invoked in the halls of US academia. Former East German dissidents recounted to me with some bewilderment their encounters with West German social activists in the early days of the *peaceful revolution*. Ordinary citizen activists calling for change within their socialist society sometimes found their efforts co-opted in sometimes un-welcome ways by vigilant leftist critics from the West who saw the abrupt break as an opportunity to continue the fight in contesting capitalist dominance on new grounds. On the other hand, after Unification countless East German academics lost their university positions (especially in the social sciences). In the present academic context in Germany, East German social theorists writing explicitly on East German issues of political and economic transformation since 1989 rarely hold tenured faculty positions and hence there is little opportunity for much needed subaltern re-framings of what these transformation might mean for collective experiences in post-unification Germany (Berdahl 1999; Boyer 2005).<sup>25</sup>

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<sup>25</sup> For example, economic historian Andre Steiner, Zentrum für Zeithistorische Forschung, Potsdam; historian Matthias Middell, Universität Leipzig. Dominic Boyer's study comes closest to

Many of my respondents critical of the economic measures taken to “translate” or restructure the East German economy do not, at the same time, wish to inhabit the same communicative space as the political Left in Germany. Yet the political Left, and to some extent, former party elites (real or perceived) make up the otherwise limited publications devoted to documenting and analyzing from an “inside” perspective the nature of these economic transformations (Dahn 2009; Most 2009; Wenzel 2006 (2000)).<sup>26</sup> While some texts remain in the realm of the polemic, others are serious (and empirically researched) analyses of the economic structures and contradictions that continue to shape East German economic possibilities (especially in the new *Länder*). However, such investigations on the ‘real value’ of the East German economy or the costs of unification (Wenzel 2006 (2000)) were absorbed with a great deal of ambivalence among my East German respondents, if read at all. In sum, for many of my East German respondents, Marx provides at best anecdotal commentary on current events (Marx was right about some things), and at worst, an unwanted and embarrassing reminder of the utopian socialist visions that ended instead in nonsensical aphorisms,<sup>27</sup> crumbling infrastructure, and political coercion.

It is not my intention to question the continued validity of Marx’s oeuvre (far from it). Far more difficult to imagine is his absence from critical theoretical concerns about economic materiality and, indeed, the ongoing dilemma (for me at least) about how to understand the question of what is “real” about economic structures and experience (Balibar 1995; Derrida 1994; Karatani 2005). Rather, I want to highlight the lingering difficulties of grounding one’s theoretical claims in Marx or other socialist theory in unpacking the German post-socialist present. In particular, pragmatic and creative alternatives find little oxygen in the toxic air of post-unification debates about the substance of economic value. In many respects, part of the labor of unification is about

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a sub-altern perspective, but he too is a US academic and his book is not yet translated into German. Daphne Berdahl’s ethnography is similarly important, but also not translated.

<sup>26</sup> For example, journalist and author Daniella Dahn’s publications are well researched and empirically documented while also inhabiting a much-needed critical perspective. Yet she is perceived by many (West and East) to be on the Left and polemical. See (2009)

<sup>27</sup> These are brought up time and again by respondents, often in a tone of internal critique of economic conditions in the GDR.

ensuring that the GDR quite literally becomes a “footnote of history.” Yet as I will show below, while many of my respondents wished to place the past behind them, it is clear that this past is just as laden with the uneven histories of unification and the abrupt disappearance of a state that, for better or worse, people had called home.

### **Timely and Untimely**

The opening of the border and the opportunity it afforded for the re-unification of West and East Germany have been understood as timely and untimely at once. The temporality of events and the force and impetus they are understood to have created for the 1990 currency union are crucial for situating the politics of money in unified Germany. Beginning with the opening of the Hungarian border in August 1989, the large numbers of East Germans leaving for the west, and the dissolution of power structures in the GDR, speeding up with the opening of the Berlin Wall on November 9, 1989: each plays a prominent role in explaining the placement and timing of the introduction of the D-Mark to the East.

Time is a central organizing trope for the experience of, and problems arising out of the temporal trajectory of the 1990 currency union. The velocity of decision-making and change is absolutely central to the power-relations through which the inclusion of East Germans in the West German monetary regime materialized inclusion and solidarity, and yet dispossession and new forms of hegemony (Borneman 1993; Ten Dyke 2001). Precisely in the guise of a generous act, the offer of the West German D-Mark exemplifies the mutual constitution of subjectivity and capital immanent to capitalism (Read 2003). There was not enough time—it was frequently commented—for the magnitude of the decisions being made. However, the pace of time made other impossible things possible. But timing is also significant. It was time that had to be used for fear that such opportunities might not appear twice (Grosser 1998). The timing of the end of German Division and the Cold War propelled the European project forward. This timing could be propitious, but possibly also ‘untimely’ in the sense that the many ‘what

might have been' are accorded a permanent opening for interrogating the teleology of the present (Song 2013).

'Politically,' unification is widely viewed as a timely event. Some have argued that there was a small window of time in which to secure permission and acceptance from the four occupying powers in restoring German sovereignty. Gorbachev is a key figure in narrating German unification as timely, just as the 'political' decision to offer the D-Mark to the East became the signature achievement of crisis management in addressing the uncertain relationship between east and west, as well as the concerns of European partners about the 'German Question.' In the latter case, the agreement to deepen the German commitment to the European project through the support of introducing the single currency is the 'price' Germany would pay in exchange for rapid unification. Other scholars have emphasized that given the time and timing of the unprecedented challenges to be faced, the 1990 currency union between west and east was the essential stabilizing mechanism and signal that the West was up to the task of meeting its historic responsibility to East Germans on the one hand, and to Europe on the other. Only much later, and in the context of the more recent euro crisis, have the events of 1990 been seen as possibly foreshadowing and enabling the problematic construct of the monetary union which German elites played a crucial role in shaping, and as I wish to suggest, informed by the intra-German project of economic integration.

'Economically,' the 1990 currency union and its revaluation of the East German economy are argued to have been untimely. It did not allow the necessary time to determine a more accurate measure of value of the East German currency, relative to the West. In this view, adjustment and calibration over time would have enabled a proper scale of comparison and more importantly, enabled the East German industry to adapt more slowly to the competitive pressures of the market. Due to the abrupt introduction of the D-Mark and the arbitrary determination of values, the granting of the west German currency to the east would come to be understood as a sign of belonging and empowerment, and yet also a form of shock therapy associated with structural adjustment programs for the developing world. Paradoxically, overvaluation of the East German

currency was a form of devaluation: of East German industry and economy, and by association, the work biographies and material identities of East German subjects.

However, much more is at stake than what happened to the economy. For some the timing of the GDR's dissolution meant other missed opportunities. When I asked Herr Lange, a former dissident, about his experience of the Wende, he emphasized the missed chance on holding party leaders accountable:

U: how did you experience the Wende?

Herr Lange: My expectations were exceeded. I never imagined it would occur with this velocity. I thought it would take much longer, the downfall of the GDR. That it could succeed—before 1989 I never would have believed this to be possible. There were others who thought in 1988 or 88 that it could happen quickly. But I have to admit that I never thought it would happen with this speed.

U: what did one hope for out of this process?

Herr Lange: I know that at the time I had hoped it would not go so quickly, but for other reasons. Because it was foreseeable that if it goes so quickly then there would be few convictions [of SED leaders]. That took away my sense of excitement at the speed. The faster the process, the less likely anyone will be held accountable. Wolfgang Schäuble, then minister of the interior, already spoke in February 1990 on behalf of the GDR functionaries. It was clear that there would be no trials and convictions. Otherwise, I had no problems. I did not aspire that the GDR could be reformed.

Herr Lange's response to my question about the politics of money attached to the policies and outcomes of the 1990 currency union, and its impact on present circumstances conveys the complicated agendas in which critiques of the politico-economic decisions must be situated:

Herr Lange: It is always difficult to compare. The transformative capacity of money into power and back is emphasized in a democracy. In the GDR a gain in power could not be expressed in money. It was the pleasure of power, in the politburo, to dictate to over 16 million people. This is the difficulty in socialism when you speak about money. The astonishing fact about this 'Great Experiment' [unification/currency union] is that it had no destructive effects on the FRG. It did not hurt the western economy at all. That is what is interesting about this currency union. There were many warning voices at the time, but there is no evidence that it damaged the FRG.



U: But perhaps it did have detrimental effects on the east—the eastern regions. This is what the discussions about the state of the economy in the east argue

Herr Lange: oh well

U: or the solidarity pact—many in the west don't know that easterners also pay the tax

Herr Lange: That is true. I think the problem lies in the fact that we are dealing with two fields of law. I don't think you can generalize about eastern cities.

Sachsen is now doing well. In a few years we might be arguing about what to do with the surplus. But it is true that more workplaces have been eliminated in the east than in the old (western) federal regions.

### **Remembering a time of confusion: “it is too close”**

Katharina, a professor of history and oriental studies who taught at the university of Leipzig, became a close interlocutor and mentor during my research in Leipzig. In her 70's, she had been an academic in both systems and had managed unlike many others, to find her footing in the new structures. Though she did not have a full professorship, she was able to make a comfortable existence by teaching, writing, conducting research, and advising students. She was involved in many activities and organizations in the city and exuded creativity and curiosity in all that she did. All three of her children had left the area to work in the west or overseas. She was happy to see them find their way in the world, even if she would have gladly seen them established and in work in the region.

Katharina was a wise soul and had a keen sense about the complicated politics of what I was attempting to do in my research. On one afternoon quite late in my fieldwork, in 2009, we met at my apartment in Leipzig-Connewitz for coffee. We talked again about my project and my efforts to interview people about their experiences of the currency union and post-unification experiences with new monetary, financial and economic institutions and practices. She reminded me, “It's not the original time. 20 years have gone by. So you ask people about the original event, and they narrate from their remembrances, but remembering is always selective. Influenced by what at present might be moving people. And then there is the personal memory of that time and the official one. You have the original event you have to explain, but then you have to account for

the fact that it is the history of the history. You should write that, account for why what people say is the way that it is.”<sup>28</sup>

I told her that I had found it difficult to persuade people to talk about these shifts and the experiences with money after 1990. And in Leipzig, where local institutions take up all manner of GDR history and contemporary problems arising from it, the one exception is this economic and financial dimension. Katharina, nodding throughout, offered some encouragement. “Yes, that already says a lot.”

I had recently returned from the history forum in Berlin, which aimed to provide a public forum for scholarship and commemoration on the events of 1989, ahead of the 20-year anniversary of the fall of the wall. I recounted how there had only been one single panel devoted to the economics of unification and the problems of privatization and reconstruction on the east. This was the first time I had been part of a public presentation that included a member of the GDR Banking and financial world. Edgar Most, former vice president of the Staatsbank and now-retired Deutsche Bank director in

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<sup>28</sup> Elizabeth Grosz’s discussion of memory via Bergson is helpful here: “Memory, our mode of access to the past, is thus, paradoxically, not *in us*, just as perception is not *in us*. Perception takes us outside ourselves, to where objects are (in space); memory takes us to where the past is (in duration). And incidentally, language, too, takes us to where concepts are. In each case, this movement—in space, in time, in concepts—is possible only because of our capacity to (temporarily, or with some effort) disconnect from our immersion in a tensile and expanding present to undertake the leap that these movements outside ourselves, and outside our habitual behavioral schemas, require. The past is not accessible to us as if it were stored or recorded in a file or document; we do not simply seek for the place in which a memory resides and find the past in all its detail there. This is both to spatialize duration and treat memory as if it were the perception of a thing. Bergson often talks of the act of disconnection that must occur for us to access the virtual, the past, or other languages: ‘Whenever we are trying to recover a recollection, to call up some period of our history, we become conscious of an act *sui generis* by which we detach ourselves from the present in order to replace ourselves first, in the past in general, then in a certain region of the past—a work of adjustment, something like focusing a camera. But our recollection still remains virtual; we simply prepare ourselves to receive it by adopting the appropriate attitude. Little by little it comes into view like a condensing cloud; from the virtual state it passes to the actual; and as its outlines become more distinct and its surfaces take on color, it tends to imitate perception’ (MM 133-134) “ (179)...The only access we have to the past is through a leap into virtuality, through a disconnection from the present and a move into the past itself, seeing the past is outside us and we are in it rather than it being located in us. The past exists, but it is in a state of latency or virtuality, as the potential of other ongoing presents...two movements or phases...” (2004: 178-179)

Berlin, was part of a panel otherwise populated by western experts. I explained to Maria how the audience was told we would not be able to ask questions, and how a documentary filmmaker and another former activist had attempted to pursue questions on the privatization of the energy industry in the GDR. I was frustrated with the lack of opportunities to think through and discuss what had occurred in this period of transition that included the currency union. Maria was not surprised. Her assessment below expresses how beneath the surface of peaceful or forced silence, a churning state of uncertainty, disappointment and competing agendas has yet to be worked through:

A number of things come together here. I experienced this with the Academy (Akademie der Wissenschaften). First, you have the western arrogance that they take up these themes, but don't know much about it. And then it leads to things like what happened to the academy, you take on the alibi that academics from the outside are presumed to be objective in their evaluations. So that creates the first false picture. The inside knowledge is not asked about in a sensitive manner. The second is that exactly this topic of finances, and Treuhand, and Party assets and 'who' is a highly sensitive topic because so much happened below the threshold of legality. The CDU took over the CDU publishing houses, property and all. One argument that is always made is that these properties and businesses were so run down (marode), that they had no value. The second argument is that—many small producers such as the LPG's, communal property, they would have liked to take these over and run it as a small business. Then the standard argument was always, 'you don't have enough capital resources. You need 50,000 D-Marks in capital otherwise you don't get the company. From the western perspective, it was economically nonsensical. An owner without enough capital, it was felt, could not run the business profitably. So a lot was destroyed that could have continued to live (weiterleben können). Then after the fact it is said that it could have worked. There were some cases where people were able to succeed because the owner with capital agreed to transfer the property to eastern entrepreneurs who did manage to make it successful. The problem was that these issues were approached with western calculations of what would be profitable, and which did not recognize the specifics of the situation. The third issues is that so many business deals were made between western and eastern functionaries on the one hand, and on the other with business interests connected to the government and that information is not supposed to come out. It is indicative that Schalk Golodkowski was never put on trial. He was really a criminal and now he sits at his villa in Tegernsee. He knew too much, and he knows too much, and he can deliver too many people under the knife. And that is also a barrier. The cloak of silence covers all of this.

Katharina tells me of an acquaintance who saw the sign of the times. He took the money collected from solidarity stamps for development projects from one of the local churches. He used it to establish a trust that is now used to fund 5,000-euro projects that are sustainable and long-term. But there were very few who had the knowledge or the courage, or the overview of things to do something, to say, we will take that now. And he used the confusion of the *Wende*—this was, after all a time without clear laws (a state of exception). If you understood that you could undertake all kinds of things, but who knew that then? I can only imagine what happened to the PDS assets, what kinds of real estate deals were made. So much happened during that time, that there is a cloak of silence over all the economic and financial aspects because otherwise, too much would come out. What really happened during the *Wende*—there is still a lot that is still not known. So you have the misfortune or the luck that when you meet people, you have difficulty determining who is telling you something and what they are telling you. And to find that out, who is telling you what, when, and how. That is difficult because you are from the outside. You have to write carefully. You can explain that these issues are still very sensitive; that it is still too close, too soon.

I explain that with the recent financial crisis, how prices or debts are defined seems up in the air. But yet with the east/west story, the dominant narrative suggests that the case was clear. Katharina felt that of course such questions might be discussed among experts. It is also the case that the concepts of economics were very different, and that even within the BRD, this was the time of the new economy, where neoliberal—whatever it is called, it was assumed that different stages existed. But now with this present money economy, there is nothing behind it. In the GDR, value was based on what you produced. Now the money economy is drawn to absurdity. Things have been going on since the 90's. It is difficult to evaluate the old relationships. You have to see that this phase of the new economy was full in gear when unification happened. The FRG did with the GDR precisely what it just did with Hypo-Real Estate. It poured lots of money into it hoping it would recover, and then it doesn't. Something similar happened with the GDR. They wanted to build up small businesses, but then here, too, there was a real-estate bubble that ended badly. Now our economy is living only from finance speculation to make high

profits. It is an economy of appearances. I am interested in the theoretical foundations and so I consult different experts. Even they agree that it is like a casino. There is nothing behind it, no real foundation based on what a country produces and consumes. So Unification has occurred exactly in this time. Or that is when these processes intensified. So what you have is really a task with no solution. But you just have to say that, formulate it that way. This and that tendency was there in the East and in the west. Values and value definitions were different. The foundations of value were different. The west also had the problem of over-production. They were happy in the beginning to be able to empty their warehouses to the market in the east. So the crisis was delayed by winning a new market. It was a consumer market for everything whether needed or not, and then the market was saturated. And then the crying and gnashing of teeth started.

I filled Katharina in on my most recent fieldwork experiences in Frankfurt and the interviews I had recently conducted with my contacts at the Bundesbank on unification. The Bundesbank had been against the quick currency union, but now represented it differently. The problems seem to be swept under the rug. They just say this is not their topic. Katharina wondered if perhaps it came from a feeling that one is not up to the analysis or does not have the skills. "Very few people can look beyond to the economic foundations of 'homo economicus' I read Peter Drucker's books. He wrote about the social market after the II World War. He described how the market was organized. It interested me. Why have all these things that have been invented never come to fruition? A normal economist does not understand that they need history, in order to evaluate. You need a historical background and context. They can't and don't want that. They are not conscious of that."

Memories of economic transformation sit uneasily in the memory cultures devoted to the GDR or in unified Germany. The planned economy is something few would claim to miss, and in unified Germany reconstruction is both critiqued and celebrated, but is definitely not seen as a subject to be included in efforts to work through Germany's difficult pasts, those shared or displaced.

Arguments and critiques emerging out of expectations on the part of many easterners lose their force if the processes of transformation are seen primarily in terms

of the extension of capitalisms' ills and displacements to the east. Likewise, if one only considers the space of hope and fantasy opened up from within socialism, the disappointed illusions imply a structure of feeling with those of us 'outside' are familiar, and yet which seems all the more unreasonable as a valid demand given that we know how things really are. In this latter view, peoples' expectations are understandable but also unreasonable.

For instance, some eastern scholars and critics argued early on that the GDR' social system was superior to that of the west. Thus, adopting the western system whole sale (ready-made state) was experienced not as improvement but as limiting and devaluing of women in particular. In the GDR 80% of women had been employed outside the home, in contrast to 50% in the west. Despite the double burden women bore in working in and outside the home, many essential services were met within the workplace and thus were not the kind of material and existential burden they became after 1990.

How respondents felt about the GDR system was characterized by a high degree of ambivalence at the same time that select practices and institutions were highlighted as practical and workable features of daily life that could have continued. Likewise, the assessment of the successes and failures, of winners and losers in the unification process could be informed by one's position to the former state—whether one was a bystander, dissident, or passive/critical observer, and how well one had managed after 1990 to accommodate oneself in the new Germany. But in my experience, empathy for or dismissal of the former state, or ones attitude toward fellow easterners never mapped smoothly onto one's present material circumstances or the level of critical distance one might cultivate to the past. If eastern society was internally fractured, where the fault lines and jagged edges surfaced or not was highly dependent on specific persons or topics. Thus, as Andreas Glaeser has noted about the dissident activists in his recent research on political epistemics, how one became involved in such groups was highly contingent and relational, calling into question the easy resort to demographic categories so often applied to tracing the subjects and intent of grassroots activism (Glaeser 2011).

A predominate undertone in explanations and normative arguments about the outcome of German unification, and the expectations which accompanied this process is told from the side of those within capitalism who have already been disabused of their illusions about the market. From this vantage point, East German expectations are framed as unreasonable, unrealistic, and illusory. Moreover, the ideals and fictions of the free market are taken as ideals that can be enacted in the world. Promises of self-actualization in the market are taken at their word. In contrast, the western scholar knows these are fictions. The world does not work this way. This is a lesson easterners were learning. Disappointment is inevitable and regrettable.

If one considers both currency unions in parallel, the distinction between popular agency and technocratic planning stands out. Whereas the euro project is imposed from above by elites on the people below, the 1990 currency union is framed as the outcome of the demands of a collective East German body that made it necessary and inevitable. Even though the 1990 project was just as much driven by elite concerns, the weight of the project is placed on the agency of ordinary East Germans. They wanted, demanded, and desired it, is one refrain of both contemporary and scholarly retrospective reflections.

It is important to note how and why dominant narratives about the meanings and effects of the currency union have been internalized and adopted by many easterners. However, in my interviews and conversations I found that dominant narratives might be confirmed and yet simultaneously destabilized in the same instance. This was not so much through what was said, but how and in what tense.

I should also add that I did not have a full register of stances toward the currency union until after leaving the field. Only by reading together and against the grain of multiple and seemingly shared framings could I recognize how deeply emotional and moral framings haunted and were displaced in such accounts. I argue that the intentions, modalities, and outcomes trouble even as they are celebrated and normatively inscribed in such a way as to exclude other readings.

## **Euphoria and confusion**

The Leipziger author, Herr Kaestner, described the brief window of excitement, and shared euphoria in the west with this moving example. After the big demonstration in Leipzig he was in the west, in Münster, for a book reading. In a local pub he was told by the proprietor, 'everyone of you in the east should have two of us westerners to support you, also financially.'

Frau Bergmann did not participate in the demonstrations at first, out of fear. But after October 9<sup>th</sup>, she began to attend. Almost every day new slogans were coined and people sang them as they walked around the Leipzig ring road. She described the turn of sentiment toward unification. "Suddenly people began to chant, Germany, united fatherland (Deutschland einig Vaterland). I said to my friend, I said, oh my dear Lord, they [the west] don't even want us. Because we were such a poor lot. The GDR was run down economically to the ground. Artists, those not in the industry, they did not understand that. They didn't know. The western artists didn't have a clue. They thought we lived in paradise. Those westerners invited by the FDJ or the party elites, they thought this was a paradise. I thought, after the borders were open, they can't possibly want us. But then Kohl spoke, and there were negotiations. My family had always voted for the SPD. My grandfather, my grandmother voted for the SPD. So I thought that I would vote for the SPD and not for Kohl's party. But then I learned that Ibrahim Böhme, that he was a STASI informer, so then I didn't touch it. During all my time in the GDR I had never belonged to the party, and neither did my husband. He had it very difficult because of this."

Frau Jung, director of the stocks and securities division of a Sparkasse bank in Leipzig, describes the short window of time in which mutual curiosity and euphoria coincided immediately after the opening of the border. She also captures how the D-Mark was at once a tangible sign of belonging and asymmetry (Interview conducted in February 2008).

U: how did people find their way, in your experience, in the changed circumstances surrounding money? With credit



J: good, good

U: it wasn't difficult?

J: No, but what was right during the Wende time, there was the currency conversion, and then a half year later, and in the summer was when the *Bürger* held the money in their hands. That was the real currency union, then.

U: but the conversion was a half-year earlier?

J: yes, the conversion was a half-year before, so the fall 1989 and then in summer 90 was when we first got the money. So, I can remember that shortly after the wall fell I went to the west to do an internship at the West German Landesbank in Münster and I did not have a single pfennig in west money in my bag. So then in Münster I received—back then it was something special, that someone was coming from the GDR, (laughs) we were three colleagues, they arrived and pressed an envelope in our hands—we were going to be training there for two months—and so when we arrived we received this envelope in the hand, which was a kind of symbolic pay (*Gehalt*). Actually they were training us, but they knew we didn't have a single pfennig. So then we received a kind of symbolic pay, and it was substantially more than I earned in east marks. It was exciting [*spannend*] (laughs warmly). It was exciting.

U: That is a great memory

J: yes, it is a great memory.

J: that was a super time. We were the exotics at the West LB.

U: How was that?

J: And it was nice...(laughs). Now one can hardly imagine that. The three of us arrived there and they looked at us as if we had just fallen from Mars. But then they were very nice and so that we were really ok. While we were there we would go out to eat with a colleague who was responsible for us. And so the whole thing took its course. They were so nice and friendly, and they saw to it that we were invited to a new place each night. Colleagues came to us and asked if they could invite us over. And we went to garden parties, and went out to eat. Colleagues in the west were less interested in the banking practices of the GDR than they were curious about the experience of revolution in Leipzig. 'Did you walk around the ring,' they asked. 'What was it like?'

We were dead tired after that time but it was a really wonderful time. And fantastic contacts grew out of this experience.

U: that you have been able to keep?

J: yes, that I have kept. It was brilliant (*klasse*). They had never been in the GDR, and they thought about us, what kind of people are these? And then they noticed that everything was fine. Later this was unfortunately no longer possible. The euphoria had passed. Later I did another training at a Sparkasse in Frankfurt. Then the euphoria was already over, it was not anything like the time in Münster

U: when was that?

J: 91 or 92. Still relatively fresh, but no longer that they might say with excitement, they are from the east. Then it was, oh, some people are coming from Leipzig. There were some nice colleagues. But it was no longer something

special. But Münster, that was really at the time of the fall of the wall, and the first were coming from the Sparkasse, and they thought it was as if we were coming from Siberia. That was a really wonderful time I have to say, because everything was exciting.

U: I can imagine

### **Knowing the economy**

Contrary to dominant assumptions that East German desires for the Deutsch Mark disguised the economic challenges that would come with unification, many examples (both in my research and in documents from the time) show that this narrative at least needs to be problematized. Not all East Germans shared such optimism, even in those early days. Whether from visiting relatives in the West or reflecting on the nature of the relationship between an economic base and a money-price complex, it was already doubtful whether the East German industry could withstand such a conversion.

A television documentary made in Erfurt at the time of the currency union captures two men debating in the street.<sup>29</sup> One man speaks with a thick Thüringer<sup>30</sup> accent while the other man speaks in neutral tones and bears the presence of someone with more education than his counterpart (though the documentary makers tell us nothing more about who these men are, or about their relationship). The man with the accent insists that the Deutsch Mark is a gift (ein Geschenk) and shakes his head insistently in wonder at the good fortune of being helped by the West. His sparring partner shakes his head vehemently, arguing, “*Kapital macht keine Geschenke*” (Capital makes no gifts). “First there must be a “*wirtschaftliche Basis!*” (*First, there must be an economic basis/base*).

In an interview project about former citizen activists in Leipzig conducted by the *Archiv der Bürgerbewegung* (citizens’ archive), a prominent Leipzig activist from that time reflects on his thoughts about the then pending economic union with West Germany:

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<sup>29</sup> Miterlebt-Wechselstunde Erfurt nach der Währungsreform. Broadcast as part of series 20 Jahre Mauerfall on 10. 31. 2009.

<sup>30</sup> Thüringen is one of the federal regions once part of the GDR. It borders the West German province of Hessen.

“I understood my priorities differently then. I did not get very involved in the elections, but instead worked towards direct democracy taking root. We undertook a signature campaign. I worked toward this as part of an initiative, *Democracy and Initiative 90*. We collected 40,000 signatures in support of anchoring public referenda<sup>31</sup> in a new Constitution. I helped with the drafting of these direct democratic elements in the constitutional draft of the Round Table, and I was of the opinion that perhaps, that we could still bring about the possibility of a referendum on German Unification, about the way of and nature of unification, if this had to take place. I was fearful of the tempo. I said we must first secure our position and when we had perhaps three or five years, then we could have come together at eye-level, but so, that is I saw during sleepless nights what was coming. I am not an economic expert, no economist, but with my own analytic capabilities I could count that much with my five fingers what the economic and currency union would mean for the East German economy.

And then I wrote in an article in the DAZ (Der Anderen Zeitung/ The Other Newspaper), which still existed then, I said early on. I wrote this: the economic and currency union and the rapid unification will mean the immediate and unprotected exposure of the East German economy to the global market conditions and the simultaneous breaking away of eastern markets. And in principle, that means the asset stripping of the Industry culture that we had, and this means massive unemployment. And this is exactly what happened. And left over will remain, I wrote back then, perhaps there will be politically wanted islands of modernization and as a whole we will have the problem that there is no longer work here and there will be depopulation, and left over will be the elderly.

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<sup>31</sup> Volksentscheidung and Volksabstimmung both refer to public referenda, however the two words index distinctive legal options in Germany. A Volksentscheidung is possible at local and regional levels, whereas at the National level this is not possible. Volksabstimmung refers to the national level-plebiscite, which is not legally possible in Germany.

It is unpleasant to have been right about this, but in the main features I already had recognized some of what was to come”<sup>32</sup>

Frau Bergmann, who along with her husband worked in the industrial sector, also suggested that for those more familiar with the real circumstances, there was an increasing doubt about the ability of the GDR to continue without western assistance. I might add that other interviews, sources from the early 90’s, and other scholarly accounts suggest that the experience of rapid deindustrialization and collapse intensified these feelings. There was not a shared, birds-eye view of the situation as a whole. More importantly, awareness of the material decay changed as a result of unification, thus adding to and mingling with one’s awareness at the time:

“This state— it was inevitable that it would go bankrupt. Investments were not being made in the factories. The technology was old. Even the bathrooms were old and ugly and we had to clean them ourselves once we finished work to save money on cleaning staff. There was no money coming or going. In the winter there was not even enough coal to heat the factory halls. So we went home. The streetcars stopped running because there was no electricity, so then we had to walk. Things were not working. The subsidies, everyone thought, this can’t be possible. You could buy bread for almost no money at all. How was that possible? The farmers were buying bread as feed for the pigs. The promise of flourishing landscapes—we said right away that is hardly possible. The economy, nothing was working. I knew it was not going to work.”

### **Currency conversion**

When I asked respondents specifically about the currency conversion, I observed that memories of the technical conversions were strongly interwoven with the themes of devaluation of East German consumer goods and the wide-spread experience of being taken advantage of or ‘duped’ by western salespersons and practices both during the time

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<sup>32</sup>Interview with J. Tallig (2009). Used with permission from Archiv der Bürgerbewegung. Translation mine.

between November 1989 and formal unification, as well as in the early years of reorienting selves and lives to the new system. However, these themes were expressed indirectly and often by contrasting ones' own acuity and ability to avoid these pitfalls with the collective experiences of all easterners. For instance, statements about the exploitative treatment of easterners were predominantly put in the third person, about others who had experienced these problems. I rarely encountered anyone who told me about these experiences in the first-person point of view, as one's own personal experience. When it was put in these terms, then almost always these stories referenced one's own sophistication about what was going on. Either one observed misfortunes happening to others, or one recounted his or her ability to refuse such offers, or see through them.

For instance, this association is apparent in an interview I conducted with Herr Holtz. in July 2006. Herr Holtz had worked for the GDR Staatsbank and was one of the fortunate ones to be picked up by the Bundesbank. He became the director of cash logistics in the Leipzig regional central bank. Describing the technical procedures and armored transport of West German money to banks in the GDR, Herr Holtz. explained that credit institutions had to sign that they were responsible for the money, and for the security, that before the first of July 1990 no money would be given out. Banks were debited with this amount. He added in clarification, 'It was similar to the euro.' Before the 1 January 2002 banks were not allowed to release euros into circulation, except for the starter kits. I asked (naively) whether there had been starter kits of West German marks in 1990. He was extremely amused, laughing but also correcting me, saying "No, Let's put it this way. People in the GDR were familiar with the D-Mark. They knew what the D-Mark looked like. With the euro it was different. There was a new currency, and that's why there were starter kits." My analogy to the euro had generated a different set of intentions than I had intended. Herr Holtz. must have immediately thought about the dominant stereotypes about East Germans' lack of knowledge and gullibility at the time of the changeover. Herr Holtz. thus folded the 'magical' introduction of the D-Mark into a register of familiarity and every-day-ness of money that at once demonstrated sound

reasoning. This stands out because so many accounts portray the heightened emotion and irrational exuberance of the D-Mark conversion.

Herr Holtz explained, though, that in 1990 there was not enough small change for retail, so there was a period of time, around 6 months, when East Germans continued to use East German change. But money could no longer be changed after the 1<sup>st</sup> of July. But there were special rules about the GDR accounts. Those living abroad had additional time. ‘We get calls all the time where DDR marks have been found and they ask if it can be changed? They can wallpaper the bathroom with it, keep it as a souvenir or burn it.’ I remembered the scene in *Good-bye Lenin* where the children discover their mother’s hiding place too late and can no longer change the money. I asked him if he was familiar with that. He nodded, replying, ‘That is sad, of course, but there had to be a deadline. The D-Mark can still be changed to euros, but not the Ostmark. People didn’t know how much in East German Marks the STASI (secret police) might have hidden away.’ He explained the deadline as a political decision, to prevent former party elites and security personnel from attempting to convert money illegally. What is interesting about his last remarks is the justification for the conversion deadline as having to do with corruption rather than other technical reasons for restricting the time of convertibility.

When I asked what it was like for people who were not familiar with the western banking system, Herr Holtz: ‘we also had credit in the GDR. Savings accounts also earned interest. You could receive what was called a marriage credit. It was an interest-free credit of 5,000 Mark der DDR. For each child 1,500 would be waived. If you had three kids then you didn’t need to pay back the credit. You were also restricted in terms of what you could spend that money for. You couldn’t use the money to purchase luxury goods. It was intended for setting up an apartment, for furniture and household effects. There were also some consumer credits, but they were not secured. You had to show your pay statement, but it wasn’t a problem. We didn’t have unemployed, and everyone had work and a regular income. People were paid better or worse. So they received credit. But, after the Wende, that’s when things really got going. There were different conditions, different for every bank. We had to get used to this. The problem was that anyone could receive a credit for 10 or 15,000 D-mark. People might have earned 1,500 a

month at first so they thought it would be okay. But then in no time they were unemployed and many people found themselves in debt. Catalogues were sent to the East by the ton. That was the time when people lost their jobs. With the currency union many saw their savings cut in half for those amounts above the 1:1 allowed rates. Then the robber barons showed up who wanted to make a fast Mark. People were taken advantage of. If I think of all the western cars that were sold in the east in 1990, no one would have bought these in the west, and certainly not for the prices being charged. Then in a few months there were already problems with many of these cars. But the ex-GDR citizen is a fast learner [lernfähig geworden]. It took some time to adjust. People became more careful. But that went pretty fast. Anyone who is interested or doesn't throw his money out the window learned. Such things happened in the old Länder, too. But those times are gone where you can pull the wool over easterners. By now everyone will have learned a little something."

Herr Lange's reflections on adjusting to the new system make this more explicit:

L: I think many people felt that they had the wool pulled over them. But that is understandable. I think there was too much pressure.

U: Did that happen to you?

Herr Lange: No, I was not taken advantage of. I didn't have that much money that I would have even been tempted to take on large debts or to sign up for insurance policies. And there were a lot of pyramid schemes at the time. I was asked to join one. But you only profit if you are the one who starts it. There were companies like Amway, insurance salesmen. Every charlatan could try his luck here. There were even large tents that set up in Leipzig, from Christian sects, for example. The most ridiculous was a community of cowboys. For two years numerous groups came to Leipzig and tried all kinds of things. It was funny. I laughed then. Movie theaters were rented. I went and ate at the free buffets and then left again. There were some bizarre events. And the flying traders came to sell carpets, pure gold jewelry for 100 marks. Some did buy it. I saw it for myself. Merchants distributed bags on the streets with pornographic magazines.

Frau Bergman engaged in some reflective accounting when I asked her specifically about what she remembered about the conversion. "We did not have very much. At the time of the Wende we had our car, a bungalow, and 30,000 Mark der DDR

in our savings. I remember well, now. The Wartburg we had ordered, that we waited 13 years for, we had only three or four years to go. At the time I remember being upset that because there was a VW motor in it was going to cost 30,000 marks. I thought, they are crazy, that is our entire savings. If it would cost so much then they would have to see to it in the future that people could also afford it. And then I was also worried about my retirement.”

Only when I asked her about her experience with the euro did she recall that the cap on the amounts that could be exchanged at the 1:1 ratio represented her savings being cut in half. “With the euro, our money was cut in half, and we already had the experience of our savings reduced by half at the time of D-Mark conversion. We were happy to have the west money. But still, our 30,000 Mark der DDR, people were only allowed to change up to 5,000. Our mother had no money, so she put 5,000 in her account to change for us, and then we moved it back to our account. In the end we had 15,000 Mark west. And then came the euro, and we had just gotten the west mark, and now we have to go through the whole thing again. Personally, I was not happy at all with this, because my impression was that our money was halved once again. But we couldn’t change anything. Personally we were lucky because we had work.”

In my interviews I was eager to understand how respondents thought about the different notions of value that were highlighted in the critiques of the 1990 currency union. On both sides, experts had argued that suddenly a value had to be found, ‘as if’ it were a market economy. For instance, what had been state credits to enterprises and combines were treated in the conversion as market debts held independently by firms. This was one of the most problematic ‘conversions’ that was made and contributed further to the devaluation of the East German industry. I had been struck by how diverse experts had confronted the question of what is a so-called ‘real market value, then? In my analysis, this had seemed to open up the conditions of measuring value in both directions, even if the western standards won the day. In response, Herr Lange immediately associated this phenomenon with the devaluation of eastern goods leading up to the currency union, which is closely tied with the argument that easterners had undermined



their own workplaces by discontinuing their purchases of goods made in the GDR. Herr Lange shrugged, and in an ironic tone, noted:

“Leading up to the currency union, all of the GDR products dropped in value. It was irrational. Suddenly all of the products lost value and people only wanted the western products. It was a phenomenon of this conversion. People even bought rice from the west, even though the rice in the east was also imported. I bought suitcases of rice. If you were a calm thinker, you could take advantage of the situation. I had rice for five years. I ate the last batch in 1999. It lasts! It doesn't go bad. But, suddenly people felt like eastern products were worth nothing. They believed that the GDR products had no value. It was a puzzling phenomenon. Even household candles were not worth buying. It is curious. It can't be explained that people believe a product they have used for years is suddenly worth nothing. They connected these goods with the system, and felt now it is over, and so this was an expression of this. Economically it makes no sense. It was ideological, this notion of falling value. I can't think of an explanation.

U: But many eastern products had been sold in the west.

Herr Lange: Yes that was the idea behind the joint ventures. Maybe if wages had been kept low, these could have been built up. There were already many connections to the west because of the Leipzig Trade Convention. These connections could have been expanded.

When I asked Herr Holtz. (Bundesbank) about savings and investments, he returned to the 2:1 exchange rate of savings in 1990. He explained that in the GDR people saved a lot. After the Wende, and after the loss in the 2:1 exchange, people tried to save. But it is difficult given the unequal treatment of West and East Germans. East German workers still [in 2006] earned only 85% of what West Germans receive for the same work. But life is just as expensive here as it is in the west. Even here at the Bundesbank our wage here in Leipzig is 95% of the wage earned in Frankfurt. But the time worked is the same. Everyone tries to save. But now with this new Hartz IV policy, it will be even more unequal. ... Right from the beginning there was a distinction made between east and west wages, pensions, unemployment support. And that is the problem. The idea that we are equal [Angleichung] will not reach our heads until these fundamental differences are leveled out. Sometimes these distinctions take on different forms. It is not possible to guess when the same wages will be paid in east and west. There are regional differences. Some occupations are paid the same. But wages are

generally always lower in the east. These are the differences. Now with the new social welfare regulations, everything is scrutinized. Old people are expected to keep working while young people are on the street. But we all pay the solidarity tax, not just West Germans.”

As R. Eckert iterated, with the end of the GDR people felt they were suddenly the losers. It is not simply a financial question—whether one was or is picked up by the western safety net. How one understands and maintains self-confidence through that process is perhaps even more important. What distinguishes east and west most, he felt, was the vast differences in wealth and capital accumulation. There is hardly a middle-class in the east. Moreover, many here have been unable to save for old age, in contrast to the west. In the west, immense wealth has and can be inherited, whereas here this has rarely been the case. Eckert described the currency union using the term, ‘conditions of hysteria.’ For him, people had an uncanny greed for west money. Of course, you can’t hold that against them, he added somewhat apologetically. They had been denied access for decades. Inequality arose as a result of differential access to West German Marks. Ordinary East Germans saw how party functionaries lived, and they observed how those with western family or contacts could get access to western money and goods, all of which highlighted inequality in a system that staked its claim to superiority on socialist egalitarianism and a class-less society. Eckert remembers how, after the currency union, eastern products were cleared away and replaced by western goods. “People stood in front of the shop windows and applauded. How much greater, then, was the disappointment, when people recognized that access to western money was not enough.”

### **Changing understandings of money (east/west)**

Frau Jung described her first experiences of working with western colleagues at the rapidly transforming Sparkasse in Leipzig. In the GDR working at a bank had been neither desirable nor privileged. But after the Wende many found their bank training was extremely fortuitous in the post-unification job market. Even if daily tasks and services were far more limited in the GDR relative to the FRG, bank employees still had a basic

and solid foundation to build upon in the vastly more complicated context of western banking. “In the GDR we had no fax machines, we had no copiers—all of that was unfamiliar here. We still wrote with carbon paper below. I remember someone saying, I will fax something to the central office in Frankfurt. I asked my colleague, what is she going to do? No clue, my colleague replied.” Frau Jung laughed. “It was highly exciting. It is hard to imagine now. A copy machine, I remember thinking, how...colleagues knew we did not have those. It was a time where we suddenly had new things and we had to learn quickly. It was not taken for granted. During the GDR times we barely had a telephone. Though it is barely 20 years ago, it is like a different world.”

Herr Holtz described his experience of coming to work for the Bundesbank. “I was responsible for everything having to do with money logistics. My training was in banking and I was an assistant division manager [stellvertretender Abteilungsleiter]. In 1977 I worked as the director of cash logistics in the Staatsbank, and I was responsible for 75 people. In 1990, exactly on the day of the currency union I took over my new job in the Bundesbank. I was one of the first to get a job here.” Did many people from Staatsbank get picked up, I wondered? Herr Holtz: “as far as I know, everyone who applied was taken. But you had to reveal if you belonged to the STASI or the Party. I don’t know of people who were found to be members of the STASI. I went to Stuttgart for training.” What Herr Holtz does not make quite explicit is how the elites of the GDR Staatsbank were generally not eligible to work at the Bundesbank. Those with the most intimate knowledge of the politics surrounding the 1990 currency union went into private banking or other financial services. Lower-level employees unencumbered by party ties could make a new professional life in the Bundesbank.

I asked Herr Holtz to describe the new work atmosphere. He characterized it in overwhelmingly positive terms, but also indicated some of the ways in which gender and system differences shaped the creation of new work lives. For instance, he told me that in the GDR mostly women had worked in this division of the bank. To create a balance, some men from the People’s police and army were hired. The feeling of community was very high. “We had a good experience, and there were no problems. Not even if we worked long hours. The community feeling was very strong among us employees. It was

not as stressful as in the west—no elbows here. It was fun to work with people here.” He suggested how those who worked for the police and the army contributed to the good working atmosphere and teamwork. “They were used to receiving orders. There was strong collective ethos in these professions. Of course, now people argue that it was “forced” due to the system. But there was a strong feeling of belonging.”

But over time, these mutual ties weakened. He said that people do still get together after work, but they do so much less now. “It is not the same as before. Everyone had work. Now there are different work start and finish times. In the GDR work began and ended for everyone at the same time, for the most part. Now everyone works different hours. And the social differences are greater now. Before everyone had the same status. Now the themes of daily conversations are so different. You don’t have the shared experiences that characterized conversations in the past. These differences affect life together.” Herr Holtz felt that many friendships had suffered. “A lot was thrown into disarray.”

Herr Peters described the ways in which the greater importance of money changed interpersonal relationships and values. When I asked what kinds of changes in thinking he had observed, he agreed that yes, there had been many changes in how people spoke about money. “In any case, now miserliness [*Geiz*] is greater. Not really *Geiz*. But in the GDR one was much more generous with their money.” He gave the quintessential example of buying rounds of beer: “A barrel of beer—it was normal that I pay for everyone, and then the next one is up to pay. So one was more generous. With the D-Mark you paid more attention. Everything was more expensive. People did not have as much money. So they had to pay more attention, develop a higher awareness. In the GDR we thought very little about money. You could exist without concern about money.

Money was a topic that Herr Peters did not enjoy discussing. It had taken me some time to convince him to give an interview, which I felt that he did simply because his own work as a historian and documentarian depended upon people’s willingness to share difficult histories. He became very quiet as he described the stress and discomfort of negotiating the new money regimes of the west. “At first, I did not pay much attention to it. I applied for a student loan [*Bafög*]. I did not have much money that I would need to

worry about securing investments. It was extremely difficult for me to confront such matters. It was difficult. It was a torture for me to have to deal with such things. It was very unpleasant. I remember that I had to fill out forms for my health insurance. I was at the AOK, and I didn't understand a thing. I didn't want to understand. I resisted it tooth and nail. Why it was such a torture..." he trailed off. Choosing his words carefully: "I arrived relatively late in the new Germany... It took a long time until I could accept." When did things change? "It was in the mid 90's, it took that long. But then I began to think, ok. We have a nice life here, too. I no longer hung as much on the old."

In response to my questions about debt and paying back loans, he spoke both to the ways in which people were picked up by the West German safety net, but also the changing circumstances facing low wage-earners and long-term unemployed. "If my income is under a certain level, then I am not required to pay it back. Germany is very nice social state. But by the end of the 90's we started to have more American-like conditions. I don't think it will become a 1:1 situation. The aid is ratcheted down ever more tightly, but I don't believe that Germany would abandon people. People will continue to receive money (financial assistance). But it is always more difficult to say"

U: Were there similarities, then, between the social state of the GDR and the BRD?

P: I never thought about that. In the BRD there is a stronger union movement. But to take care of the public welfare is very German, there is a lot of social legislation. I think that the GDR did give the impulse. The BRD had to be more attractive than the GDR. They had to be insusceptible against the GDR. I remember a friend told me about his visits to the West. His West German brother owned a gas station. He would always say, 'In the west they are always thinking up new taxes to fund the welfare state because of you!' So West Germany could not be an un-social state. Once the GDR was gone, they loosened the social screw, the pressure was not there as much. So there was a strong reciprocal action [*Wechselwirkung*]. It could be that it is a German tradition.

U: I hear from many westerners how in the East, 'they expect this or that'

P: I think it has a lot to do with how one arrived in the BRD. Those who have found their role can be more relaxed. What is really unspeakable about the Germans—the East Germans at the border were upset and complained in 90 how the West Germans were buying everything up. But the easterners did the same thing in the Czech Republic once they had the D-Mark. Now I am someone. I

forgot what bothered me...the [West German] State could do more now to animate people.

After 1990, things became much more expensive. Many people left the area.

Herr Nord's account of the politics of money set in motion by the 1990 currency union offers insights into the changing temporalities of money, self-identity, and the wounds created by sweeping away what was rather than building upon existing resources and strengths. Most importantly, his account exemplifies the mixture of self-recrimination and critique of asymmetrical relations of power between west and east.

U: How did you experience the conversions?

Herr Nord: It was very clear to use that we could not continue on with the GDR money. At least it was clear that the GDR would no longer have a separate political existence. In the beginning there was the idea that, so with the beginning of the Round Table talks, one thought that there would perhaps continue to be two German states, with a border, and where piece by piece we would find our way to each other harmoniously, that sometime in the future that out of the good things from each state one Germany would emerge. I think, too, that the economy steam-rolled over the politicians, and that the Western politicians had a great compulsion [Zwang], because the FRG was at that time also struggling economically [wirtschaftlich KO]. I would even say that they were just as bankrupt as the GDR, that is my opinion." I reacted surprised, 'really'? Yes, this Wende, the consumer wave that set in with one stroke from the east, this helped to reanimate the West German economy. It also allowed Kohl and his government to be perceived for so long as the chancellor of unity. Things let loose already when the East German placed his trabi on the scrap-metal heap and bought a new car. The factories were still running at the time, though difficulties were present. The massive lay-offs had not yet started and people were unable to assess whether their money holdings would continue to grow. Many took their savings, thinking as long as you have work, then it will not be a problem, so they bought televisions and so on. And then came the currency conversion. So then everyone wanted to have the West Mark so that they could consume and then on the other hand, a certain amount was changed at 2:1 [and not 1:1]. I recall that at the beginning of this story, what the GDR represented for us economically, for us citizens it was people's property. We learned that we were co-owners, and in this phase there was...in all these things we were co-owners. And so some were deliberating how things would work in the future in terms of privatization and sales of this property. So there was a proposal for a people's stock [Volksaktie] or wealth certificate that could be distributed to the people, but how should it be organized? So in the midst of these discussions there was the conversion of 2:1 which one could also see as an increase of value. You lose value now, but that is connected

to the fact that we had a very different price structure [in the GDR]. A normal working person had at that time, if he worked as a skilled tradesman, in an office or in production, earned around 600-700 Mark der DDR. Maintaining one's living arrangements was relatively simple. 100 Marks for rent, 30/40 marks for electricity, water was free. Then here and there were other costs. Local transportation was also cheap. The only expense that could be aggravating was the cost of gas, which was 1,50 Marks, which for us was a lot. A car was expensive. A Trabi cost 12,000 or 15,000. The Wartburg was more expensive, 20,000 and more. Televisions were what one liked to consider a luxury, around 4,000 Marks. That was a lot of money. But I think, people had work. They knew that every month they would receive their paychecks and prices were—well—calculable. Yes, the price system, there were only a few things were price moved, where you had to look at the price. Services were almost always calculable. People knew what was coming in and what they would need to spend, and what remainder there would be. Each family had a margin, something that could be saved up towards a car or a vacation, or whatever it was that they could afford. Everything was calculable within certain parameters. The children were taken care of, lunch was 75 pfennigs— for 75 pfennigs you could have lunch. Naturally a human always wants more, that striving for something more is always there. Often people discussed back and forth for a long time to get a raise of 10 or 15 pfennigs because merit was linked to higher output. It was a difficult field. But it was relatively calculable life. People knew what they could afford and what they could not. They could plan ahead from the first to the last year of life. They knew how things worked in terms of childcare and education. Apprenticeships were more difficult. Anyone who wanted to study could get a place at university though perhaps not in a desired field. There were pension entitlements. We had supplementary pensions where you paid in 1000 Marks. And with 62 you could retire. People made this philosophy their own over several decades and it was this that was destroyed because people treated the GDR money as [valueless].

Herr Nord was one of the few respondents to so eloquently reassert and remind of the agency of money over persons and the recognition that money is the product of human agency in this story:

And I don't know why during GDR times people treated the aluminum Marks as if they had no value. We left them behind with derision. It was not all junk (Schrott). It may have been the case that many factories were not technically modern... but the way our life achievements are evaluated now, as if they don't count. And that we contributed physically and mentally to what was available to us. Like a West German who buys a car, and there is scratch, so the price is lowered, it is worthless. We do that differently. Production lines are all worthless, and we believed it. We thought they are practically on the moon, over there. They talked everything down, devalued, and closed things down. It was all about

economic interests, the fight for the market. Of course it was relatively simple. We were washed with water. In my own experience we received a list. I never had to negotiate with the bakeries over the price. Now they would no longer take our bread. Interested buyers distributed calendars and calculators from over there. Suddenly we had to sell our goods. That was difficult for most GDR citizens. The growing-together of Germany—back then it went far too fast. One was only thinking of one's own profit, on one's own wellbeing. So it is likely that one battered to death [erschlagen] more than was necessary. You can see it now if you consider Russian lands. The Markets for the east broke away with the Wende. But in Russia there is still a market today—we could have negotiated some kind of trade agreement. In the GDR we used to produce many kinds of laundry detergent. Persil was produced during GDR times. Now it is the only one of these firms left over. The Eastern countries were our market. They came and harvested asparagus. Agriculture was important and was the biggest employer in the region. We had nearly full employment of women. There were many mistakes [made after 1990]. Of course there were sectors that were rightly closed down.

### **What could have been done differently?**

Frau Bergmann also emphasized how the shift from being producers to consumers was connected to experiences of collective loss that exceeded individual circumstances. The deindustrialization of the region and the failed promises of the West to support its revival made manifest how neither the socialist past or the capitalist present offered meaningful collective anchors for self-realization: “The west didn't know how things were with our economy. The west thought we were, well—but first, I must say that they (the west) could easily take us, 16 million people, by the hand. It was not any problem at all. They had food and everything else, Industrial goods and machinery, I know the western company my husband worked with, they immediately built new halls and even more operating tables. They were building things up, because they had advantages here. What Frau Bergmann pinpoints here is the way in which the costs of the currency union were simply a cover for extending western markets to the east.

Reflecting on my question of what she felt could have been done differently in 1990, she struggled to find the coordinates that would make the losses of the past open up into a different future: “I don't know...I am glad that socialism is over and gone. How things could have been done better [in unification], I don't know. But the way things are



now, I really don't like how things are—for me personally, yes, but for the country, Germany, how things are displeases me greatly. These big corporations, that is not acceptable. That they only think of themselves, that these corporations and banks are only interested in making profits. I do not find that acceptable. In my view, we should have smaller businesses, like in the 20's. They oriented themselves around the needs of citizens and thought about their people. Here in Leipzig, we had companies that built housing and provided affordable daycare. They were much more social in their outlook. They thought socially. The large corporations don't think socially at all. The top managers that step down, when you hear what they earn. That is immoral. That is not acceptable. Corporations are getting bigger and bigger, merging with others, and they leave Germany for the countries where low wages can be paid. What will happen to us? We are becoming a services society. But how will we be able to pay for services if we don't produce anything, if there are no longer any productive industries? I just don't understand.”

Frau Bergman might be accused of nostalgia but I would argue for a different reading. She is speaking to the empty promises of capitalist development and searching for a different past that can bypass the baggage of socialism, yet transport some of the values and priorities that she had nonetheless experienced in the GDR. In speaking to the problems of post-unification transformation, what people regretted at multiple levels was the disappearance of production as the salient site for creating economic and moral values also shared with, but denied by the west in its trajectory of monetary ordering and reconstruction.

For Herr Lange, the crux of the matter lies in the legal mechanisms of unification. In trying to address the pragmatic problems of unifying the two states, new formal legal differences were created that have hindered the growing together of regions, despite improved living standards:

U: what could have been done differently in unification?

Herr Lange: that is difficult to answer, so much was discussed then—on which topic? The majority voted for the market economy.

U: But did people want the FRG?

Herr Lange: The direct accession would have been the simplest, simpler than the unification treaty. There were several mechanisms in the unification treaty that would have been better solved through a direct accession.

U: Can you give me an example?

Herr Lange: the question is whether they would have worked quickly enough. It would have probably been necessary to establish a transition mechanism and then set it up by treaty, but under constitutional law it would have been simpler. The unification treaty took the place of provisions set up under the Basic Law and direct accession. There were different mechanisms, whether regarding pension rights or the conversion of the health care system, the entire Trust Agency—these were all mechanisms regulated in the treaty that could have been obviated through a direct accession. Well good, it is always easier to say after the fact than it was at the time. But I believe it would have been much smarter.

Herr Holtz linked the antagonisms and disappointments of post '89 relations with the west to differing notions of personhood and to the experiences of devaluation after 1990: “But it is not right to characterize the GDR citizen as stupid, as someone who can't do anything or who is lazy. The problems in the GDR did not lie in the person, but in the system. Then in the west they would claim, ‘you don't know how to work.’ But they don't take the different technical conditions available to us into account. If I am repairing a roof and have only hammer and nails, then it will take me longer than a West German who has an electric drill.”

When I asked Herr Holtz if he thought these differences could be discussed more productively, he replied, ‘it started already after the war. In the GDR the Russians took our last working machines, rails. And there was no financial support like the Marshall Plan in the west. The GDR had to pay all the reparations to the Soviet Union. We had to deliver everything to the Soviet Union, so we could not develop like in the Federal Republic, or build up wealth. We were locked up here and couldn't leave. Many highly trained professionals went to the FRG in the 60's, and so we had to start all over again. West Germans could travel. They were more confident. That's why there are differences, and these do not disappear quickly. When things are built in the east, made new and modern then there is the complaint from westerners, ‘now you put everything into the east’. It will take another 50 years, then the generations who lived this will not exist anymore.”

So you think that it is best that the GDR is forgotten? I asked? Herr Holtz responded quickly saying, “Germany has two histories. It is not so easy to say that everything is forgotten.”

## **Chapter 6:**

### **From divided state to ‘new’ regions: on value, place, and ‘catching up’**

Anyone who has spent a significant time in Germany will have observed that regional identity occupies perhaps even a more central meaning in peoples’ lives than does national identity. As has often been explained to me, and as I have also experienced it, dialect, local dishes, even relative warmth or distance in one’s interaction with others—such as whether one greets a stranger who is passing by—all become salient signs of familiarity and belonging. Thus, it makes sense that the transformation of the former GDR into five ‘new’ regions, based on prior historical regional identities, would offer a significant form of identification for many easterners becoming part of unified Germany.

In this chapter I will show, through the lens of some unexpected circumstances, how explanations of structural economic constraints are naturalized, contested, but also carry with them the specters—the unfinished work—of the past. It begins with what will seem like an unlikely and at first, tangential encounter with a local debate in Leipzig involving the reconstruction of a university aula, once the University Church of Leipzig. While this seemingly local controversy certainly reflects the dominant influence of West German elites in shaping the meaning and trajectory of urban development in many eastern cities and thus signals asymmetries of wealth and the differential access of east Germans to upper-level positions in many institutions, and could be analyzed fully in its own right, my concern here is to show how it intersected with my particular interest in the after-effects of the currency union. I will show how the traces of the 1990 currency union informs the shifting frames of ‘state’ and regional identities that are invoked to evaluate the ‘progress’ of post-unification development.

#### **Equalization and accounting for value**

The 1990 currency union materialized a new set of imaginaries regarding the inclusion of East Germans in the western system. These were pragmatic concerns

regarding what were in the beginning extreme differences in wages, pensions, and diverse social claims on the state. Given the speeding up of decisions leading to the currency union modalities and the elimination of the possibility of a gradual process in which the GDR would remain a separate state and thus catch up through ‘market mechanisms,’ other forms of justification had to be found. These rested on the promise and expectation that within a temporal horizon of several years—a figure that has been continually revised over the years, often at further 20-year time-spans in the future—conditions in the east would be harmonized with the west. Early statements of this promise concerned the establishment of equal living standards, to later be redefined as the same ‘chances’ in the east relative to the west. Though there are varying debates and understandings of what equalization would mean, harmonization of east and west federal regions is premised upon one day ending the different wage and pension systems. Eliminating this formal legal difference is viewed widely to be the conclusive sign that the project of unification will have been brought to a definite conclusion. Then why not end it now? The rates linger on because these different ‘fields of law’ presuppose that catching up is linked to market developments in the region. Relative value difference between the two ‘former’ states is thus preserved, yet folded into the politics of regional financial equalization schemes and the structural inequalities of uneven development.

It is important to emphasize, and perhaps hard to comprehend, that processes of deindustrialization, urban transformation, and an entire social, political and economic reordering were experienced in the space of months and in aggregate, within three to four years. Leipzig alone lost an estimated 75% of its industry, and diverse studies put the numbers of unemployed across the east in the early 1990’s at 70% of the workforce. As numerous authors have emphasized, such numbers had not been seen since the Great Depression.

In attending to the forms of argument through which accounting for ‘catching up’ takes place, my reading is informed by scholarship on the history of credit scoring, for example, such as in recent studies on US consumer credit and mortgage securitization (Hyman 2011). While in these studies questions of income, gender and class become highly significant for understanding how attempts to target new consumers and markets,

as well as efforts to democratize access to credit, materialized in contingent and unexpected ways, it is also clear how these are shaped by multiple agents, institutions and historical conjunctures. In the case at hand, however, it is histories of division, system difference, and the new pragmatic problems produced via the currency union and its forms of revaluation that are relevant for my purposes here.

Converting the social and pension systems of the GDR to the western system necessitated not only different accounting mechanisms through which values could be established relative to those in the west. Understandings of temporal difference and historical obligations have also informed both the goal of equalization and its justification. Diverse arguments about the mechanisms and procedures are likewise shaped by post-unification debates about social justice, inequality and who should pay for the project of equalization.

Notions of ‘equivalent’ work being deserving of ‘equivalent pay are one key theme in these discussions. Another is the possibility of establishing a guaranteed minimum pension regardless of income, which is met with critique by those who believe that rates should reflect one’s specific productivity and earnings, or in other words, that rates should be linked to merit.

### **Displacing and time**

A key difference from accounts of other currency crises is that the East German currency was overvalued, not devalued. Yet this overvaluation effectively devalued the entire economy in one act because of the ‘exposure’ to the market, without preparations or protections. It led to the loss of the industrial base, which as time has shown, could not be built back up. As Elyachar showed in her book on empowerment debt, the market does not just appear, but only insofar as ‘markets’ are manifestations of already existing connections (Elyacher 2005)

If the progress of ‘catching up’ is deemed slow and incomplete and western policies made responsible for this, the causes can nonetheless be displaced to the failures and irrationalities of the planned economy. If a middle-class has not materialized in the

east or large-scale productive industries were few and far between, then it is a result of the transformations in the GDR that take time to restore and built back up. These are of course plausible factors. However, the attribution of cause and intent to practices after 1990, and to the plans of western policy makers, is thereby diffused and critique neutralized.

The extension of the D-Mark to the east was a powerful symbol of inclusion *and* yet also a form of shock but for the industry ‘a death sentence.’ This is the paradoxical formula through which the costs and benefits of the currency union are explained. Often it is framed in terms of individual benefit distinguished from macro-economic circumstances. While it is true that access to the hard currency dissolved monetary regime opened many doors for individuals but closed them for others. It is for this reason that evaluations are mixed and remain trapped in the logic of winners and losers. While it is true that a monetary reordering such as this will have uneven effects and meanings across the social body, this framing presupposes that individuals are prior to and can be easily detached from the social. Instead, regardless of one’s individual fortune, revaluation cut across the social imaginary that it also rearranged.

The granting of the D-Mark was a measure to keep people at home when it quite obviously afforded the power to leave.

The relative and ‘unequal’ value of western and eastern currencies and economies is a crucial element in this story of re-making the economy that can stabilize yet also defer the starting point of critique. From one angle, this story seems to repeat the usual tales of market transformation and decline. From another, it is possible to perhaps ‘think other’ about the *end* and *ends* of capitalism. The Cold War was above all an economic contest. From the vantage point of the losing side, it felt like occupation after the war. What respondents expressed to me in interviews and conversations, in brief outbursts or quiet reflections, ‘read as information,’ fits into pre-existing frames through which the GDR can be seen as deficient and its end inevitable. But if read within the context of post-unification marketization and transformation, it is possible to consider how these are critiques with force, and hence must be neutralized by displacing the difficulties solely onto the failures of the planned economy. In the context of individual interviews I

conducted histories of division, unification and Europeanization overlap and are entangled in peoples' understandings of changes since 1990.

The imagined solutions and improvements, in particular the desire for a restoration of productive industry or the ability to attract corporate profits and investment are ones that anthropologists might view skeptically given their outcomes elsewhere. For instance, the aspiration of attracting the headquarters of large firms to the East as method of revitalization may still be caught within the same zero-sum logic of one regions' gain over another's loss. But these hopes also speak at once to power relations: to the erasure of boundaries and different form of power exhibited by the west. Even the logic of calculating pension points for years worked in the GDR formulated 'as if' those years were worked in the Federal Republic, these measures do not sufficiently tackle the transfer of wealth from east to west and the demographic challenges of long-term unemployment that affect growing income inequality in the future.

There are certainly many factors that shape employment, investment and development in the region. For my purposes here, though, I am interested in the explanations that trace back to the 1990 currency union and its cultural logics of value. The salient link is that of revaluation and the destruction of eastern industry. This link has served as a persistent site of debate and critique in making visible the politics of economic reformatting in the east. For eastern observers, the eastern economy was made to serve western market interests and not rebuilding with the long-term of goal of preserving a productive economy in the region. The important point made by many observers is that it is immensely difficult to rebuild such infrastructures and networks organically once existing structures were dismantled wholesale. Ironically, the 1990 dismantling (framed as deindustrialization) mimicked the actions of the Soviet Occupation forces after WWII. The dismantling of industrial plants, railroad tracks and other materials and their transportation to the Soviet Union served, along with other financial measures, as a means of extracting reparations for the war (for all of Germany).

Since the institution of more drastic labor reforms known under the term Hartz IV in 2004, which merged the categories of unemployment and social welfare, low-wage or unpaid work has become evermore entrenched in the east (and now in the west). Those



falling out of the primary labor market have struggled to reenter it, with most finding themselves in the position of moving from one workfare measure to another. At the beginning of my first pre-fieldwork trip, this new set of reforms was in the process of implementation. The reforms met with fervent resistance in East German cities in particular, where many citizens revived their experiences of the Monday demonstrations to protest what were recognized as changes that would deepen and not alleviate decades of unemployment and underemployment in the east. The reforms would also serve to substantially drain savings and assets of individuals or families unemployed beyond one year given that eligibility for social welfare assistance was largely contingent upon means-testing.

As I came to understand the practical realities of these reforms from people in the field, for instance, a husband or wife would not be eligible if the partner continued to make a living or collective assets were still available. The rules extended as far as where individuals lived, based on the square meters of a person's residence. This meant that welfare applicants might need to sell their home, or move from an existing apartment to qualify for the assistance. In other words, these reforms meant in practice that anyone who now faced long-term unemployment would need to use up any or all assets that had been accumulated in the past. Clearly, with long-term structural unemployment making it difficult for many to ever return to full-time, well-paid employment, a future of poverty and severely limited means of saving towards retirement and old age waited on the horizon.

I now turn to a potent example of the ways in which reconstruction and financial transfers to the east are politicized within histories of division and unification. The 1990 currency union is a primary object of critique and justification for the extraordinary measures of 'making up the difference.'

### **Endings and Beginnings**

*"In order to apologize for the currency union which had the equivalent outcome of a neutron bomb on the East German economy, and to justify the financial costs*

*to the West that came in the wake of this disaster, the whole thing is credited with the aura of a good deed and gesture of solidarity. But none of this is true” (Busch 2006)*<sup>33</sup>

November 9, 2009 marked the 20-year anniversary of the fall of the Berlin Wall. Not surprisingly, the focal point of celebration was at the Brandenburg Gate in Berlin. During German division, the iconic structure was quite literally trapped in the *death strip* of concrete walls, fencing and barbed wire that separated West and East Berlin (from 1961). At this gate, I, like many, stood in the packed crowd on that cold, rainy night 20 years later. Umbrellas blocked any meaningful view and were a true hazard with sharp points prodding as one person pushed against the next, desperate to see and hear anything. I sent text messages to family and friends to mark the occasion. It seemed like the thing to do.

A host of politicians and prominent persons, including former dissidents who played an active role in opposition to the socialist state were the honored guests of the festivities. The celebrations occurred on this now dismantled line of demarcation, its traces now marked by giant domino blocks (each one painted and designed by different groups, institutions, or prominent individuals for the occasion). Predictably, the finale of the evening was the symbolic toppling of this wall of decorated dominos to symbolize the opening of the Wall in 1989. Few will deny this unexpected opening its status as a joyous event that, at that time, exceeded any one person’s imagination. Since then, no other moment has been more salient in signifying the end of the Cold War and socialist dictatorship. The end of German division seemed to confirm the triumph of freedom. But what was, and is, the nature of that freedom? Political freedom? Market freedom? Personal freedom?

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<sup>33</sup> “Um die einer Neutronenbombe vergleichbare Wirkung der Währungsunion für die Ostdeutsche Wirtschaft zu entschuldigen und die im Gefolge dieses Desasters für den Westen entstandenen finanziellen Kosten zu rechtfertigen, wird dem Ganzen nachträglich der Nimbus einer guten Tat und solidarischen Geste angedichtet. Aber nichts davon ist wahr” (Busch, 2006: 17)

The carefully orchestrated political spectacle did not pass by without at least one embarrassment. A poorly timed report by the minister of transportation appeared in a newspaper earlier in the day, bearing the headline, “*Ramsauer will Aufbau West,*” (Ramsauer calls for development for the West). It is already telling that the evaluation of economic progress in East German regions has (until recently) been under the auspices of the ministry of transportation. The term *Aufbau* connotes the ongoing transfer of federal funds to support (develop) large infrastructure projects in the still structurally weak new *Länder*.<sup>34</sup> As a term used in the context of describing (re) construction projects, *Aufbau* reminds the German public of the apparently never-ending task of completing the formula of equivalence begun twenty years before. Now, a growing number of West Germans link the 1,3 Trillion Euro transfers to East German regions as the agent of economic decline in West German regions.

At a day-to-day level, German unification brought few changes to the lives of most West Germans. For East Germans, every aspect of society changed literally overnight. New laws, bureaucracies, financial and work relationships had to be negotiated. It was a steep learning curve. Many of my East German respondents expressed a sense of pride in all that they have overcome in this process of transformation. Yet, in the dominant discourses of unified Germany, these accomplishments have little social capital. Worse, the high price of German unification has left many West Germans with the feeling that their taxes finance new streets and modern infrastructure in the East, while at home things are falling apart. Images of dilapidated town homes and crumbling factories in West German cities are now part of a medial strategy in reports about declining infrastructure there.

In a register filled with some regret, an elderly West German respondent I interviewed at the visitor’s center of the Bundesbank recalled the joy and gratitude he felt at the end of German division, yet the missed chance to explain to the West German public the nature of the challenges that lay ahead. “At the time,” he said, “We were all prepared to make sacrifices, to do what was necessary. But then Kohl and the political

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<sup>34</sup> ARD Tagesschau, 9. November 2009

establishment told us that unification would not cost us anything. By the time it was clear that this would not be the case, the moment to win broad acceptance for this had passed.”

The “stage” for the festivities stretched westwards from the west side of the Brandenburg Gate toward the *Tiergarten* and *Siegesäule* (former West Berlin). Symbolically, facing west had the (un)-intended consequence of reinforcing a frame that is prevalent in unified Germany today: that everything of value—all that East Germans sought for in that historical moment—lay decidedly in the West. In contrast, the motivating force for change in 1989 came from the other side, from within East Germany. November 9<sup>th</sup>, 1989 was a night in which East Germans acted and West Germans were the onlookers. This is the way one key respondent, a former East German citizen dissident, put it: “*West Germans have never quite gotten over the fact that the events of 89 took them by surprise, and that they could only claim the role of observer to this historical event.*” He was referring to the grass-roots activities beginning months before, with the crucial peaceful demonstration of over 70,000 citizens in Leipzig on October 9, 1989. In this ‘un’ free State, to borrow a dominant term now used to highlight East Germany’s absolute otherness, somehow, something fundamentally “democratic” occurred (Riley 2008).

Another respondent told me about her sense of civil empowerment leading up to the evening of November 9<sup>th</sup>. She described the days and months before, when ordinary people overcame their fear and acceptance of state claims and went to the streets, as “the best days of my life.” Her tenor changed abruptly as she bookended her story with the declarative statement: “then it was all about money” (“*Und dann kam das Geld*”). The fall of the Berlin wall changed the dynamics of what had been, up until that moment, largely a call for economic, political and cultural reforms from within.

By insisting upon only one measure of monetary value in the dominant space of remembrance and policy-decision making, the impossibility—or limits—of economic equivalence in 89/90 is left unexamined. Germans, East and West, continue to calculate and debate, contest and reinvent seemingly endless and irresolvable balance sheets in which the numbers, the pluses and minuses of economic integration, are embedded in both shared and divergent negotiations of economic change. The presumed fictions of

money divert and disguise the real claims on both sides of the equation. The conversions of monetary and economic value that were part of German unification also solidified an inflexible and problematic measuring rod through which the economic present is evaluated and contested.

Many outside Germany are surprised to learn that German unification started with a currency union. Whether or not economic integration should occur before or after political integration has been a concern often voiced in conjunction with the European Monetary Union. Here it is also important to note that technically German Unification proceeded through a “*Beitritt*” or “accession” to the Federal Republic of Germany, according to article 23 of the German Basic Law (Grundgesetz). However, the post-war creators of this provisional constitution envisioned a future German unification through article 146, which would have allowed for a new collective constitution—agreed upon and worked through by both German States. In fact, East Germany did not unify with the Federal Republic. Rather, East Germany was first reorganized into the five new *Länder* (states), each of which subsequently acceded to the Federal Republic of Germany. This is crucial for the discussion surrounding both economic integration and the status of all things East German, as the decision of both West and East German political leaders for a *Beitritt* (accession) rather than unification left little room for new policies that might have brought change in both directions, rather than the form of bureaucratic colonization of the East which ended up occurring (Stoler 2002).<sup>35</sup>

The *Beitritt* option essentially established two separate *Rechtsgebiete* (fields of law) that exist to this day, and which allow for different (lower) wage, pension, and income standards for East German regions. A number of experts, authors, former dissidents, and citizens both East and West, argue that this was a missed chance to unify along more equitable terms in shaping new and collective political arrangements for a unified Germany. Instead, post-89 transformation processes meant an almost complete transfer of West German bureaucratic, political and economic structures and institutions,

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<sup>35</sup> I use the term colonization while also acknowledging that the term remains problematic in the German context. However, if one considers the methodological insights found in post-colonial literature on questions of cultural encounters, identity and modernity, such as the work of Ann Stoler. I believe the term has productive value.

including elites to the former East. Arguments about the bankrupt and disintegrating East German economy, and the “impatience” of East Germans required a quick answer, and thus pressured both West and East German political actors to find a speedy solution. This meant the end of a third way, and many West Germans believed that the Social Market Economy already represented a third way, in contrast to American-style capitalism.

Importantly, this path toward German unification was framed entirely in terms of “*Angleichung*,” or becoming the same (assimilation). Not only did this end up reinforcing the sense that East Germans brought nothing of real economic value to the new arrangement, they were also expected to discard and efface 40 years of differences. At the same time, because East Germans who fled to the West were automatically accorded the rights of German citizens during German division, East Germans had a kind of double identity as citizens, but also immigrants in their own country who needed to catch up.<sup>36</sup>

Because of the enduring structural problems in East German *Länder* and the ongoing necessity of financial transfers from West to East, what remains ever visible is the monetary debt of obligation: wealthier West German regions transfer money, East German regions have little chance of rebuilding what was stripped away in 1990. All German employees pay the solidarity tax (5.5% on earned income). However, many in the old *Länder* have no idea that this tax is also paid by East German employees. Even when many West Germans know this, the sentiment about who has paid and sacrificed the most is altered little. It is still *real* money (Deutsch Marks), which pays for East Germans’ pension benefits, for example, which East Germans did not pay into (or paid into with money that had no value).<sup>37</sup> Ironically, both West and East Germans share the conviction about the “realness” of the Deutsch Mark, even if many East Germans still

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<sup>36</sup> However East Germans were accepted as citizens and had rights that were not easily available to “non-German” immigrants living in Germany.

<sup>37</sup> I conducted interviews in Frankfurt and Leipzig, with *West* and *East* German respondents of different generations and backgrounds, during two years of fieldwork Oct. 2007-December 2009, and in June and July 2010. Especially interesting were short interviews with visitors to the Geldmuseum der deutschen Bundesbank (visitor’s center of the German Central Bank), which was my key fieldsite in Frankfurt. Because I am an American and neither West nor East German, respondents were quite frank about the views about both German and European currency unions.

wish to emphasize that their pensions are nevertheless the product of hard-earned money from a life's work in the GDR.

As numerous authors have noted, the conversion of wages at the 1:1 rate in particular created an impossible gap between wages and productivity, and is viewed as one critical factor leading to the massive de-industrialization and unemployment in the East (Maier 1997). Far from remaining a matter of the past, however, wage differences between East and West Germany linger on in uneven and contradictory ways. Some argue these wage differences are necessary and reflect regional differences in cost of living.<sup>38</sup> Others warn that lingering wage differences will only inhibit any efforts to “catch up with the West” (*Angleichung*), that cost of living differences are not so divergent, and more importantly, will continue to reproduce elder poverty and the need for government assistance. For this and many other reasons, East Germans have been forced to move to, or shuttle between jobs in the West *Länder* and beyond. I learned from some of my close respondents that the East/West pay scale does not necessarily correspond to where one is working in Germany. In one case, a respondent's son was earning an “east salary” despite working in South Africa!

The point I want to make here is that much of what made these economic systems different—the details through which the convertibility of economic value was decided and enacted—is largely missing from dominant narratives about economic failure in East Germany. Phillip Goodchild, in his book, *The Theology of Money*, offers a different sense of how the formation of a price (money's ability to carry value) might be revisited in both socialist and post-socialist temporal locations (Goodchild 2009). Accounting practices, Goodchild argues, are unable to capture the labor of evaluation—precisely those details about the kinds of value decisions made as part of converting the socialist economy that, I argue, would allow us critical engagement with questions of difference and equivalence between the two systems:

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<sup>38</sup> Both West and East Germans hold this view (and the one following just as often) as opinions diverge on this same issue in West and East.

“The temporal work of evaluation, of finding and fixing a price, is not recorded. The price, once agreed, cannot be changed without renegotiation. The world that is counted, then, expresses the utopian ideal of a market where all prices have already been fixed and where the books have been balanced by enacting all trades. Not only does this differ from the real world of continual negotiation where prices never come to rest, but it also imposes the utopian ideal of determinate prices as an ideal frame of reference” (Goodchild 2009)

In this view, it is possible to consider the value translations of German Unification as still under negotiation and the question of the economic value far from settled. So far, I have only been able to hint at the complexities of what I call the *acts of translation* between the West and East German economies that had to be negotiated as part of German unification. The sense that East Germany was bankrupt (Steiner 2010; Zatlin 2007b)<sup>39</sup> and the East German Mark without value (officially not even a convertible currency) largely overshadows critical attempts to take East German economic losses seriously. Critical analytical work that might relay an alternative perspective on these conversions is often dismissed on economic, political, and empirical grounds. The subtext underlying such dismissals often remains one of justifying what had to be done given the rapid nature of political change and the poor state of the East German economy. Crucially, East Germans find little possibility for inhabiting possibilities for economic evaluation.

As East German author Jana Hensel (only 11 years old at the time of Unification) put this in one television panel discussion when confronted with the dominant refrain about economically weak cities, like Gelsenkirchen, in Western provinces:

“The important difference in the East is that it [economic decline] stretches comprehensively across the entire region (*flächendeckend im Osten eine andere*

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<sup>39</sup> Both Jonathan Zatlin and Andre Steiner make note in their respective books that the statistics on the GDR foreign debt were inflated on purpose by Günter Mittag, who wanted to exert pressure on other party members; these figures were, however, taken at face value by SED party elites and ultimately, western experts, in assessing the GDR’s solvency.



*Situation*). I would like to **be permitted to describe this process** (*möchte ich diesen Prozess beschreiben dürfen*).”<sup>40</sup>

## **Regional identities**

During my fieldwork an important frame of reference for thinking about the afterlives of the 1990 currency union was that of the shifting reference to and displacement of the eastern regions’ former status as a separate state. Important legal and regulatory distinctions continue to mark this part of Germany as an accession-area (*Beitrittsgebiet*).<sup>41</sup> At the same time, differences in costs of living or structural problems of unemployment or demographic decline can be narrated and analyzed under the auspices of ‘regional differences’ rather than as after-effects of policy decisions made in 1990. I argue that the valuation of money, what counts as debt, and the temporality of economic transformation are central problem-spaces in making intelligible the shifting frames through which many respondents explained the work of ‘catching up,’ or put differently, materializing a structure of belonging in unified Germany. But as I will also show, the intra-German project is highly relevant to making sense of the tensions, hopes, and expectations of the European project.

As I noted above, one of the central links between the 1990 currency union and the long-term trajectory of post-unification development is the massive de-industrialization in the east and the fate of the East German productive economy. Many have viewed the re-valuation, or to be more precise, ‘overvaluation’ of the East German Mark as a primary agent in this demise even while many other factors can be called upon to displace this policy decision. One central reason why it continues to animate these debates has to do with the temporality of the revaluation. Thus, even if, as many argue, it may have been inevitable that soviet comecon markets would break away, or many east German products were not viable (competitive) in the western market, the currency re-

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<sup>40</sup> Presseclub, Im Osten was Neues, Nov 9, 2009.

<sup>41</sup> “Accession” remains a highly charged term in designating and erasing the politics of unification.

valuation is understood to have shortened the time and limited the parameters under which more firms might have potentially survived the privatization process. My interest in these debates is not to settle the argument about which factor played the decisive role, or to suggest that the challenges of the eastern regions would have been easily solved with the survival of industry. On the other hand, it is important not to dismiss the critical voices of unification as unrealistic when targeting the destruction or loss of industry. Given the larger global transformations already underway, it is tempting to enfold it in the categories of neo-liberalism or post-Fordism. Understanding the symbolic and material importance of production to the politics of settling accounts with the GDR is my angle of interest here given that this is a primary register thought by many to refer back to the 1990 currency union and its politics of revaluation.

It is important to remember that the GDR had (arguably) been a self-sustaining state which did attend to the building and maintenance of infrastructure (however unevenly), provided diverse services, and which saw to a certain level of local production of basic consumer goods. Thus, its fate as a deindustrialized branch economy in post-unification Germany understandably signals a form of colonization or expropriation (though these categories are highly contested by scholars and politicians alike. Far easier is to view deindustrialization as a sign of the times in which global market pressures may radically alter the fates of once thriving industrial centers.<sup>42</sup>

### **Accounting and place: what survived?**

I discuss several materializations of difference that stem in part from the relative value of currencies and economies and the conditions for catching up. Because these connect differential value with a formerly separate ‘space’ or territory, further inscribed with its own temporal logic (history and the market), I highlight it as particular form of

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<sup>42</sup> Examples in Germany and the US abound. Detroit is an iconic and painful example in the US. When economic factors serve as ‘background’ for a city’s decline it is possible to miss the politics and personal loss inscribed into the very experience of economy in such cases. In my project I am arguing that it is important to reflect upon the way in which de-industrialization could ‘feel like’ a moral reckoning with the ‘other system.’

emplacement. Thus, what seems to be an obscure accounting system of pension points distinguished as east/west is a form of enacting the contradictory logics of German division, unification, and its materialization through monetary difference. It could be understood as analogous to cultural histories of credit scoring. But in the case of integrating east and western former states, it could be productively unpacked as an allegory for thinking about the promises and claims of European economic integration. In another vein, I want to show how the 1990 currency union highlighted the fictions of capitalism at its supposed moment of victory.

The loss of productive industry in the east has been intricately connected to the currency union's revaluation. That reordering opened up a permanent space of contestation even as it is easily absorbed into other dominant logics of market competition. I want to show how the shared emphasis on productive identities and exports informs debates about financial transfers and capital flows from west to east, and between the regions. Other frames exist to downplay the prior history of division and coming together. I want to unpack what work these shifting references do in arguing for new forms of tackling unemployment, demographic decline, and market development in the region. How do positions shift and get occupied by different subjects to highlight, blur, or dismiss particular claims and problem spaces?

Herr Lange: what could have been done differently? This is (pauses) the question. There were many different considerations and other concepts, such as shares distributed to the people by the Treuhand, really a fictitious accounting that would have been just as complicated, even more so because the share certificates would have fallen in value

U: so every GDR citizen would have received a share of

Herr Lange: at the time it was considered, but it would not have amounted to anything (laughs). These would have been very susceptible to a loss in value...so in really a nonsensical variant. So another idea was, so then it was suggested to privatize the state owned properties into small units that could compete against each other until they either hold their own or not. They could have been animated through competition in a short time. That is the story, or at least one variant of it. That is the history..

U: so was the problem less one of time than with the unification treaty? Maybe if these other options had been taken, there might have been fewer negative consequences for the East German population?

Herr Lange: oh well, there were not so many negative consequences for people, and in any case people are doing better now than before, generally speaking. No one can say he is worse off than during GDR times.

U: yes

Herr Lange: Even those on social welfare are better provided for than they would have been in GDR times. Wages were around 600 Mark der DDR per month. A student earned 200 DDR Mark. That is a standard of living far below what we have now. And pensions were very small. The standard of living, including for the unemployed, has generally risen. Now with Hartz IV it may be different. Now with Hartz IV the living standard is declining. But until 2004 it can be said that no one is worse off, except for former functionaries.

U: Perhaps some people are not doing better, but experts and also others I have spoken with here argue that the eastern regions do have a 'self-carrying' economy. Many families have become fragmented because there is no work here and so they commute long distances or leave the region altogether.

Herr Lange: Well that is the world. That is nothing special. It has always been the case that people go where they can earn more. There is a certain mobility of the work force, of those who can go where they can earn more. That is nothing special. In America that is important

U: Clearly, but if everyone has to leave the eastern regions

Herr Lange: Before the first world war 7 million people left Germany because they could earn more elsewhere. They left the German Reich

U: But I am thinking about the towns and villages with demographic decline—in many cities there are only elderly people left. These are concerns that affect all the eastern regions, whereas in the west these problems appear in pockets.

Herr Lange: well, as I said before, that has everything to do with the unification treaty, and that two different fields of law [Rechtsgebiete] were created. The consequences exist into the present. One created two fields of law, with different wage tariffs. It is actually a constitutional peculiarity that otherwise doesn't exist. In a state entity the same law usually applies equally. But since the unification treaty a special legal status was created for the Eastern regions. The consequence of this is that people leave for those regions [in the west] where they are in a better position. That is a very natural story. You can only wish people well, whoever can leave should go.

U: of course, that is clearly so

Herr Lange: This is the only way that we will eventually equalize the situation

U: but what happens...when will equal rights be harmonized?

Herr Lange: Well, in the meantime you might say there have been tendencies toward equalization. Through Hartz IV there will be equalization (laughs) but even there there are two different rates, and once again two fields of law. That is what I mean by the long-term consequences of the unification treaty that would not have been necessary if there had been a direct accession. Then it would have been clear that everyone has the same rights within the same state territory.

Young people go to the west because they have better rights and income potential

there. I can only wish them well, they should do so, it does not have to be viewed negatively.

U: No, of course not for the individual person.

Herr Lange: the depopulation of cities, there is nothing to be done about that.

U: I mean that there is a lot of discussion about how one could improve this situation in the east.

Herr Lange: well, then the best procedure would be to equalize the fields of law.

U: but it is also argued that different wages are necessary to reflect cost of living, and that this is why the wages can't be equalized.

Herr Lange: Politically it is not wanted.

U: But economic arguments are often made, that jobs would be lost here if wages were increased.

Herr Lange: But if this logic were true, then lower wages in the east should mean more jobs here, but that is not the case. Politically, equalizing the wages is not wanted. The left party (PDS) lives off of this. This only gives the left a chance to survive with their anti-capitalist talk. They profit only because of the failure of others [political establishment]

### **Embattled aula**

Over the almost two years of my research in Leipzig, a prominent construction site in the city center, at *Augustus Platz*, was the site of frequent demonstrations and public attention, as much as its various stages of completion marked time itself. During my first December in Leipzig, a visiting anthropologist at the Max Planck Institute in the nearby town of Halle joined me for a visit to the Christmas market in Leipzig. Upon seeing the construction site of the aula and the obligatory sign detailing the diverse sources of funding for the construction, she wondered aloud at the level of investment in buildings and infrastructure even while unemployment remained high, and with many polished but empty office spaces dotting the second and third floors of shops lining the cobbled streets of Leipzig's shopping alleys. Perhaps even more intriguing, why was a university aula designed in the shape of a church steeple?

The construction of the university aula was intended to invoke one past in place of another and was complexly tied to Leipzig's socialist past. The aula was replacing the socialist architecture, which up until as recently as 2004 had been the public face of the university of Leipzig. But that structure replaced what had been the centuries old

University Church, arguably always a part of the university and thus long blurring the demarcation between the secular and theological traditions of the university. The university church had miraculously survived the allied bombings of WWII in tact, and was used during the socialist era as site for religious services and university functions alike. However, this did not last long as SED Party leader Walter Ulbricht made it his primary goal, with the help of local officials, to remove the church from what should become a properly socialist cityscape. Thus, the church was slated for implosion and the rubble cleared for the socialist structure (now in the present itself being replaced with a re-creation that should not so much copy what was destroyed but remind of what was 'lost' at the hands of socialist ideology).

More important for my purposes here, what sparked local debate as well as renewed attention were the acts of resistance and dissent at that time and the present concern with recovering the stories and details of those brave few who tried to stop the destruction of the church. These forms of resistance, however, were caught up in competing claims of victimhood and visions of how and what this new aula would represent. I became a part of this local drama in part through the oral history project and exhibit on this event underway at the citizens' archive, my 'second home' in Leipzig. I was asked to be part of a public podium discussion about the history of protest surrounding the destruction of the church, which was just as much a local political intervention on the polarizing agendas surrounding the present re-construction. My friends and research participants at the archive felt that I, as an American academic interested in the socialist and post-socialist politics of place making, might have a perspective to offer. More importantly, as someone who was neither East nor West German, it was felt that I might offer a more balanced approach to facilitating a space in which multiple perspectives could be heard.

What struck me most about the issues from the standpoint of my own project was the way in which they reflected the politics of elite asymmetries, even while having as their primary target the local antagonisms about the proper ways of engaging with the socialist past. In my presentation as a podium discussant, I spoke to the ways in which my own project on German and European integration was concerned with understanding

these differing visions, and allowing space for new forms of dialogue about the socialist experience. One of the *Zeitzeugen* ('witness') and dissenters' part of the unfolding events leading to the destruction of the church who was interviewed for the archival project approached me after the podium discussion ended. All around us, heated debates continued as many in the audience argued or exchanged assessments of the discussion with each other, while others were lined up to talk with some of the prominent panel participants, most notably a local politician who was critiqued by some for his positioning on the issues at stake. The elderly soft-spoken gentleman, who approached me after the event, as I would learn, had been a supervisor for business organization in a peoples' owned enterprise in Leipzig. Impressed with my interest in the economic aspects of unification, he wanted to put me in contact with his son, an economist and assistant to the then vice president of the European Central Bank (Herr Klein, see Ch. 3). I learned that his daughter had helped to found a successful language institute in Leipzig. In no time I had their contact information and was encouraged to set up interviews with them. He would let them know I would be calling.

The point of my foray into this episode of local politics then, which I should add, is part of the uneven access to wealth and influence in defining the politics of memory in the city, is the opportunity my presence at the podium discussion afforded me in making an unanticipated by fortuitous link between Leipzig and Frankfurt, and to the European Central Bank in particular. It also allows me to showcase one family's post-unification story that I found to be quite exceptional relative to the many others I encountered in the field. Most importantly, it shows the cracks and fissures in otherwise seamless and readily available rubrics through which complexly layered histories of economic development, ideologies, and transformation can be put in order.

### **One family's post-unification story:**

#### **Leipzig:**

I met with Frau Klein at her institute in Leipzig. Upon the recommendation of her father she agreed to meet with me, but as I had experienced with many respondents, she

felt unsure about what she could contribute to my queries about the days in 1989/1990. However, she had no hesitation about telling me of her admiration for her father and the example he set for her post-unification life.

Her father had worked in a technical facility in Leipzig. After 1990 he was one of the first to be let go, even though he had never been a member of the party. 2000 people had been employed in the facility, which survived privatization, but as in so many enterprises there was a 'surplus' of workers according to western market standards, so "place had to be made," or as they called it back then, an unwinding was necessary (*abwickeln*). Her father had never been 'political,' but still he had to go. When I asked why, she added that the position her father held did not exist in the western system, so there was no comparable position to which he could transition. But, his boss, as it turned out, managed to stay on and is still working in the facility today. There was a twinge of bitterness in her voice, not unlike I had heard from other respondents who resented seeing old directors who had been party conform manage to stay in work after 1990 even while many others found themselves on the street. At this point, Frau Klein quickly switched register to reflect on the attitude of her father in a positive vein. 'I admire my father. He never once complained that he lost his job. He said, ok, for me it is over, I am unemployed and entering early retirement. But, you children, you can profit. This was the greatest gift he could give us children. We were very lucky.'

I asked her how she had experienced the *Wende*. I prefaced this by explaining why I was interested, that I was concerned with understanding the economic transformations that had taken place in the east, in part via the currency union and as a result of privatization. Through my research in Frankfurt and in conversations with my German relatives living in the west, I encountered the perception that easterners are always complaining. So far, I noted, I have not met any complaining persons. I wanted to let her know that I was not intent upon filtering her responses through the dominant slot of complaint and false memory. Yes, she responded, people often have the wrong idea. But oh well, it is after all almost 20 years ago.

After a brief pause, she added, that her boss from the west earned more than she did, but 'I am not jealous.' I could care less about that, she said. 'What really annoys me,



especially when I am in Frankfurt, trapped in a traffic jam for example, I think about the incredible quality of life here in Leipzig relative to Frankfurt, and yet this is unknown or goes unacknowledged. I live in the *Waldstrassenviertel* (a coveted neighborhood in Leipzig) and I think to myself how beautiful it is here. But still, large firms or global companies will not re-locate here. There are very few headquarters here. The large companies don't come, and there is hardly a firm that is prepared to make this city their center of operation. This is our main problem. We have so few leadership and upper-management positions here.'

She went on to explain why she experienced this not simply as a loss for the city, but also for the kinds of connections she could maintain in her neighborhood and circle of acquaintances. She had made many close friends with westerners who had moved here for work, wanted to move up into middle-management positions or develop further professionally, but found that they had to return to western regions for such opportunities. There are simply very few top-positions here. After 2 years, people often move away again. They don't want to leave. We have everything here and perhaps more so than in the west: schools and child-care facilities. The quality of life is actually better here than, say, in Frankfurt.

When I asked her what she thought could be done to change things, she added that, yes, there were development initiatives for the area, such as creating clusters or branding the region, otherwise known as 'Middle Germany' (*Mitteldeutschland*). This includes the nearby town of Halle, and companies like BMW, DHL and Q-Cells established branches to strengthen the region. But as to the large companies, she quipped, "why should they move to East Germany?" There is no business incentive for them to do so if they are well established where they have been for decades. But we do need to find ways to strengthen what is already here. Perhaps small businesses could grow and attract more interest in the region. But I am sad when I think of one family in my neighborhood who will leave for the west soon because Leipzig cannot offer them the position that they need. And of course, my brother will never return here. ' She added that her other brother is a musician in Dresden and so was able to stay in the region. But many leave, and even though Leipzig is considered a success story, the unemployment levels here have

remained persistently and consistently high because there are not enough jobs to support people in the region. For her, Halle still embodies the character of the GDR. Though it is less than a half-hour away by train, it belongs to a different federal region than does Leipzig. Relative to Sachsen, to which Leipzig belongs, Sachsen-Anhalt does not have much weight. She laughs, admitting that she has never set foot in Halle. I know, Sachsen is known for its arrogance. It is not nice, but true.

Historically, Leipzig was a leading city in the book publishing industry and book print technology. Many famous publishing houses had once been located here, many of which were re-founded in the west as a result of German division. But even during GDR times, book publishing continued and was an important part of the local economy. Frau Klein struggles to think of what has survived not only division, but also privatization after unification. The publishing house, Klett, is one such firm. But in almost every economic sector, firms in Leipzig are merely subsidiaries of ‘mother houses’ or companies in western cities. Leipzig has managed to cultivate its heritage as a city of music. Museums, theater, the arts, and especially the classical music scene—including the world-renowned *Thomanenchor*—are meaningful anchors for local residents and as national and international tourist attractions. There is a lot of financial support for up and coming artists, for example. All of these should be supported and preserved by future generations. What is missing, what ‘broke away’ is the industry. In reflecting on the shifting terrain of the local economy and local efforts to create and build up firms, events and technology in the region, Frau Klein referenced yet another setback and source of disappointment for the city announced only days before—the loss of the fabulously successful games convention to the western city of Cologne. This development was especially visceral because the games convention was a local inception, nurtured over several years, and finally building up to be a significant draw on visitors to the city and a significant financial boon to local shops, services, and businesses in the area. Frau Klein expressed exasperation and disbelief as she said, ‘the games convention got its start here, we built it up, and now it is gone!’

We spoke at length about the other factors that significantly shaped local and regional realities such as the prevalence of low wage jobs, shift work, and the differential

rates that applied along east/west lines in terms of pensions, wages paid for the same work and in many cases at the same level of productivity in the west. I recounted how two Bundesbank employees with whom I had recently spent time had lamented the fact that due to the Bank's restructuring, many who had been able to continue to work in the east now had to re-locate to Frankfurt in order to retain their positions. In many respects this constituted immense challenges in meeting familial obligations such as caring for elderly parents unable to move away. The doctoral advisor of a close friend also turned down university positions outside Germany because of an ailing parent whom she could not leave. In a majority of cases such as these, there are insufficient resources to pay for care facilities or in-home service providers. In the GDR one could of course not plan ahead financially for the changed circumstances of unification, and even with the conversion of pensions to the West German system and inclusion in the welfare safety net, few families or individuals were able in the 20 years following unification to build up sufficient resources for the future or to assist children in their educational endeavors or to shore up basic necessities in times of unemployment or underpaid workfare programs. Frau Klein recalled her astonishment in observing how western friends, adults married with kids, still received allowances from their parents. It was not unusual for some to receive several hundred euros a month to treat themselves to shopping or dinners, or to buy gifts for the children. 'My parents did not have any money to help us.' We were only able to study because of scholarships earmarked for talented youth. My brothers and I were very fortunate in this regard. My parents simply could not help me like the parents of fellow students. And in any case, I did not want help. I wanted to be independent and able to take care of myself. But even my kids see that the children of parents who moved here from the west, they see that their friends receive bigger, more extravagant gifts, because there is simply more wealth in the family. Addressing these differences, and in many respects, injustices, will likely take another twenty years."

I explained that it was precisely this difference that seemed to be reproduced in the practice of maintaining lower wages in the east, and in assigning different points toward ones' retirement on this east/west basis. That is, even young people who had never lived in the GDR were assigned a different status and this could only contribute to,

rather than bridge the gap between, the ‘structural’ differences between east and western regions. Frau Klein nodded, saying, ‘you are right, but I have no good answer for it.’

U: I have been interested in the logics of the 1990 currency union and its relationship to the euro, especially ideas underlying the convergence criteria, for example. In researching the details I have been astounded by the magnitude of decisions made ‘over night’ as it is often stated.

Frau Klein: The East Germans wanted the D-Mark.

U: of course

FK: Everyone wanted the West mark. The logic was that politically and emotionally, we are now one people, so of course we must also have one currency. But as far as the financial technical aspects, you my brother can be of better service.

U: how old were you at the time?

FK: At that time, I was 19 at the time of the Wende. But to be honest, I was not so interested in the details. At the end of June 1990, though, I was on my way to England to study. But I have a story. It was always my dream to see the musical, *Cats*, in London. I remember very distinctly that it cost seven pounds, which was 21 West Marks. That was simply an unimaginable amount to me, that one could spend 21 West marks when here in Leipzig it had only cost 2 Marks (east) to attend the opera. But then in no time I was buying tickets for *Mama Mia*, so you adjust quickly. But I just wanted to say that it was unbelievable then, to hold west marks in your hand, and between yesterday and today everything you bought changed—not the same yoghurt, not the same butter. For our generation it was no problem, but for the older generation...everything changed from one day to the next. Everything was new. One suddenly had to learn everything. You had to *look* at everything. It was most difficult for my grandparents.

U: How is it when you look back and think of everything that people accomplished and learned, and yet it does not seem to be a source of pride or recognition in the dominant perception?

FK: In Leipzig we have definitely profited, the infrastructure, everything that has been rebuilt, it is more beautiful here than in many places in the west. But in Germany, we don’t think of the positive. Everything is immediately criticized. This is a German mentality.

U: It seems to me that given the difficulties of privatization and the way many feel that the west took over through the decisions of the *Treuhand*, that western companies did not want competitors. Perhaps there is something to work through on both sides? I am thinking of this because there is so much emphasis here in Leipzig that people here work through the past. Isn’t it important to also learn from this history of unification?

FK: Yes, there is a lot to work through. So many businesses were bought up. And even now, as soon as something is successful, it moves away. There are entire regions that are dying out. No children, dying cities. The other day my daughter’s

teacher told me that she rediscovered the alphabet writing books from the GDR. These are really good so why not use them? But still I would warn against nostalgia—no one wants to have the GDR back.

I would soon be meeting with her brother in Frankfurt. She said of him, ‘my brother does not show off.’ I had explained my research at the Bundesbank and public encounters with expertise. ‘Of course that is too much to expect of people here. But isn’t it important, if one is always hearing that such decisions should be democratically legitimated, to think about what this might mean for understanding economic decisions? Well, she replied somewhat wryly, the *Ossis* haven’t learned to think democratically. I countered, ‘or perhaps more than one might think. She replied, ‘but they don’t put it into practice.

### **Market pasts and futures**

**Frankfurt:** During my fieldwork I was surprised to learn the extent to which the Bundesbank and the ECB led separate lives. That is, many of my respondents rarely had contact with or had never been to the ECB. While certainly some divisions in both institutions engaged in daily contact, this was not true for the majority of the communications work in which I could participate. Indeed, there was an underlying rivalry or competition that I often sensed with regard to the ECB. And in my fieldwork I had very little to contact with top officials or staff in either institution. Thus it was with great anticipation that I arrived for my interview with Herr Klein. After clearing security procedures and heading up in the elevator to Herr Klein’s office on the second to last floor, I could even feel the altitude change given the height of the building. The view of Frankfurt from that height was equally stunning, and it was our first point of conversation as I made it quite obvious I was not used to conducting interviews in such settings. I must admit that securing an interview with Herr Klein felt like an enormous achievement, not only because of its juxtaposition with my work at the Bundesbank, but because it connected my field-sites and concerns as a result of my unlikely ethnographic encounters. Given the eclectic way in which I proceeded with my ‘excavations’ of the 1990 currency union, it afforded yet another productive link to thinking about its afterlives.

Herr Klein: The decisions made in 1990—everyone was flying blind. Before the opening of the wall the GDR was listed as the 10<sup>th</sup> biggest economy in the world. What an idea. This was certainly not visible in the numbers. The mechanisms used to read the information about the economy was regimented, so there were no incentives or resources to aid in this process. There was simply zero experience with such a transition. No proper numbers or data and there was political pressure. No one really knew what sort of object they were analyzing. Bundesbank President Pöhl said that the 1:1 exchange rate was suicide [for the economy]. The price signals had been disabled, so the rate was a 350% overvaluation. Absurd! It was a choice between pest and cholera. The East Germans simply didn't have the patience. The unions fought for West German wages, but people did not understand that it became a choice between a wages and having a job at all. They could not use the cost-advantage that might have saved some of the industry and workplaces. They priced themselves out of work. But in all fairness, the employers just sat by and watched it happen. The state of knowledge about what is true or false in this story is very difficult. Politics decides. You have to bend to people's will. It was a historical decision and so the Bundesbank had to agree.

I think we should discontinue talking in terms of east and west. Other regions are also doing badly. The data doesn't show that the East is doing worse relative to other problem regions. A way was found through supply side economics to address soft and hard location factors. A middle-Germany (Mitteldeutschland) has been developing. As an economist, I have to recognize that some regions in the East have never been densely settled. The GDR tried to create artificial industrial areas. Now things are simply reverting back to normal. It is not nice. I say this only as a 'disinterested' economist. Now things are returning to how they were before. It is too bad, but it is a very normal economic process.

People stay where they are because Germany is more social. Equalizing the wages between west and east would be wrong. There are regional differences that depend upon different costs of living. These are very normal differences in an economy. The east/west difference simplifies but does not reflect economic reality.

### **Accounting for the value conversions of the past**

And yet, for many of the people I talked with in Leipzig, the process of naturalizing structural inequalities as the inevitable outcome of regional difference continued to be interrupted, sometimes necessitating the reminder of past boundaries and

territorial identities. Decisions in 1990 contributed to the reordering and yet intensification of power relations that had characterized 'state difference.' But it is also important to note that such interruptions drew on market models for their critique.

For instance, Herr Peters emphasized that there are fewer growing businesses in the area. The large supermarket chains moved in right away in 1990. "I can't even recall that there is still a carpentry workshop here in Leipzig. Most of the small businesses have been forced out. It was a great rupture. People no longer bought the East German products. I asked him whether he bought local products, those that are advertised in the store as, 'from our region' [*aus unser Region*]?" Linked with the rising prices attributed to the euro, he felt that he did not have the income to support small business. "If products from the area are similar or the same, then I buy from the region. But it is usually the case that behind those brands is outside capital [from the west]. But there are other reasons to buy since those products are not being transported across such large distances." Likewise, the Ostalgie products, like the Ampelmänner, he saw as supporting western interests. "They only want to earn money. It has less to do with the east. They just want to earn money and there is no larger idea behind it."

Frau Bergmann attributed the lack of development in the region to poor EU politics. "No, I don't think that the euro protects us from globalization. I don't think this is the case. Many fields are unused because we are told that we are not allowed to produce because we are part of the EU. That crop is now being produced in Ireland or Portugal, we are told. A local mayor in a nearby town cultivated grapes for country wine. It was very successful and brought in money to the town. But then she was told that it was not allowed. There is a lottery which decides who can produce where in each EU country. The EU regulates production quotas and this means the EU decides what can be produced in Leipzig."

Repeating her sentiments about the failures of unification to build up the productive industry, she complained that in general she was not happy with the situation, because she didn't see any changes in the economy. "It really bothers me terribly, these big corporations. Here in the east we have become consumers—people who consume, and not producers. At first I thought, if I can use the example of solar technology, which

was developed here in the east, it was doing well. But then the production was moved to Asia, now they produce 80% of the solar technology. But it was developed here. ... New things are developed here, but we are integrated into Germany, and the EU. Technology is developed here but then it doesn't stay here. Sachsen used to be a wealthy region, before the war. But many firms went to the FRG, like the book printing industry. The westerners think they invented everything. We are still poor people. Many in the west act as if the east is like Russia. This unspeakable war! Before we were industrialized, but everything was destroyed. In 10 years, I thought, and now it is 20 years and still there is little change. No flourishing landscapes to be seen. I am sad to see this development. The western regions profited from all those who left here after the war.

### **Reckoning accounts against 1990**

I visited Herr Werner at the Bundesbank in Leipzig again in 2010, just as the crisis in Greece was beginning to unfold, and European leaders were convening at the inter-governmental level about what should be done. This was also the 20-year anniversary of the 1990 currency union. I wondered at the time if it was just a coincidence that euro-zone was in crisis exactly twenty years after the end of the Cold War.

Herr Werner felt that there was no better solution and that the currency union was necessary. Evoking the oft-used trope that people would have run away, otherwise, the currency union is here again tied to the force of mobility. Savings were so minimal, it did not matter, he repeated. There was no other solution. What is important to note here, again, is that this form of argument neither unambiguously embraces nor entirely rejects the decision to pursue the rushed currency union. If there had been nothing to lose, regret, or wish differently, why otherwise would the currency union be repeatedly invoked as 'no alternative'? What is at stake here is not simply a matter of the expense of this policy decision, but more importantly, how the GDR's productive 'potential' was valued in this process. Was it treated in a future oriented mode that viewed it as a resource to be preserved, or was it simply a form of dispossession framed as something 'without value'?



What ‘might have been’ had other modalities of re-valuation been pursued or demanded? In considering the effects of revaluation in 1990, retrospective narratives cling fast to no alternative convictions precisely because there were alternatives, but more to the point, because something more is at stake in rendering power asymmetries locked in place invisible.

Recent discussion on the occasion of the anniversary emphasized how those products that were good survived. “Lower prices and lower wages would have made no difference. East Germans wanted the West German products. Price made no difference, even if East German products cost less. On the other hand, so much has been built up, that has to be said. But because there are no big companies here, things will stay the way they are for some time.”

When I asked him if companies could have invested more in the region, he responded in much the same vein as Frau Klein above, that after division many companies went to the West, and after 1990 they did not have a reason to return. There is no incentive (*Anreiz*) to come to the east. Why should they come, he asked? One had hoped that smaller firms would grow. But with the demographic decline, even that possibility is threatened.

East German regions have more debt than western regions. That is the price we had to pay. With the solidarity pact coming to an end in 2019, we have to cut budgets. More than infrastructure is needed due to the demographic decline. Highly skilled workers continue to go the west. These are in fact threatening developments for some regions. Yes, there are economic lighthouses. But these are essentially markets on the Autobahn. All along these areas near the lighthouses, there are businesses, but 50 km further there is nothing, it is dead.”

But the rest...no one could see ahead. During the first 10 years after the D-Mark, localities thought of everything. But they didn’t think of trying to attract productive industry. Only in 2000 did economic investment pick up. But unemployment is very high in Leipzig, higher than other cities. There are no jobs. 100,000 jobs in industry were lost. That is a huge amount, it is too much to handle. You can’t replace what has broken away. No one thought about this, and these are the results.

Many of the westerners who came here worked in public administration. They

were often young. They did not have a focus on economy. They were building a bureaucracy. There was a lot of confusion with land registers and property rights. All of this took up so much energy. Then they were gone. And the banks bore no risk and profited immensely. There was no interest in developing anything. Those were wild times.

When I was fifteen or sixteen, I was interested in finance. Around the Wende time I got a visit from a relative, from the west. He was a bank director. He recommended that I do a bank apprenticeship. Then you have something. So that's what I did, even if I am not now exactly at a bank. When I asked him what he thought then about the deindustrialization and privatization after unification. 'I was too young then, I did not really see how things were. I did not have a business perspective then. Even with the massive employment, we had the nice new west money. People could buy a car. But then they found themselves in reduced hour positions, even zero hours, and then no work. My mother lost her job. My father was able to work until retirement. He worked in construction. He worked for 30 years and was able to hold up through that whole time. But friends, and friends' parents were what you might call the losers of unification. Many retrained but it often was not quite sufficient to secure a new job. Many never did regain their footing. It is always double-edged. It is wonderful to have freedom but, (trails off).

Herr Werner characterized the technical training in the GDR to be very good. He knew an instructor who used books from the GDR because they were didactically better than in the west. "With technology there is no ideology. A society needs inventions, but also good business people." In the GDR salesmanship was not cultivated. So one pillar essential in putting inventions to work fell away. The GDR invested a lot in technology, or at least placed great value on this through poly-technical and vocational schools. Students were required to work one day a week in the industry as part of their schooling. Herr Werner noted that an emphasis on technology was key means of compensating for the GDR's standing relative to the west. Car prototypes were even built, but then the party leadership decided not to build them.

The problem was that East Germans had a right to [west German] citizenship. Theoretically separate states could have worked. Many families would have used arbitrage, worked in the west and sent money back. A well-trained specialist could have lived better in the west than with lower wages in the east. People would have run away. But then you consider Slovenia and Austria. Slovenia did not share a language with Austria. Slovenia did not receive any transfers, but yet they now have the same living standards as here. It does make you think about

what could have been better or done differently here. Well, as Kurt Biedenkopf once said, at the next Unity, we will do everything better. All of the models that existed, they did not really help.

With the recent developments in Greece, it was clear to me and to Herr Werner that the challenges of integrating radically different 'regions' in 1990 had relevance for the imbalances arising in the Eurozone:

The euro (model) has also not really been tried before. The economist Hans Werner Sinn wrote a book, *Jumpstart*, back then (1991). He foresaw many developments. But he was attached. He suggested ideas about how to improve investment in the East, but the politics did not follow. No one really knew or could measure how high the productivity of the GDR was relative to the FRG. It was very difficult to measure. How can you compare a Wartburg to a BMW? What price do you take for comparison? Social assistance was more generous in the west than in the east. In the West they really did not know the state of things (conditions) in the GDR. In 1989 the GDR was considered to be the 10<sup>th</sup> largest industry in the world, and the GDR was certainly the best in the East-Block. The west really believed we were the 10<sup>th</sup> largest industry. But machines were old, and only poor models could be built. In 1990 only a few clever people could see ahead. Some in the GDR leadership, some knew, but they also did not know how to compare in precise terms. And in any case, no one wanted to listen to them. They were now the evil socialists from yesterday. The enterprise directors, many became insurance salesmen. They had no influence on politics.

The economic ideology of measuring value and addressing the specific circumstance of diverse regions come into view.

### **New Markets. But for whom?**

Herr Nord explained that the directors saw to it that many of the employees could stay on. He described the mill as very social, with childcare and hearty and cheap lunches for the workers. The mill consisted of three facilities, each of which had different ownership claims and which were separately privatized. The facility where Herr Nord had been the director was the only one to survive privatization. A joint-venture option with a western company was pursued. At first, 98% of the workforce was able to remain. He describes the devaluation of east German products before and after the 1990 currency union. People were now only buying West German rolls [Brötchen], which lead to a

collapse in the production at the mill. Herr Nord contrasts the East German rolls with the western ones in what some would call 'nostalgic defiance'. But it should certainly also be possible to consider how these products reflected the autarchic aspects of production for the local market. "Our rolls were made with very few chemicals, he explained. They were made relatively naturally, like the old-style German 'Semmel.' They were smaller and moister inside." In contrast, West German rolls were like balloons, puffed up, attractive on the outside, but inside dry and crumbly. That always bothered me." During GDR times, rolls were extremely cheap as it was considered a staple good and necessity, and thus heavily subsidized. The fact that rolls were bought up and used as feed for livestock is an oft-cited story. It suggests waste and inefficiency and highlights the irrationality of the party's price politics as well as the ways in which the low-cost of products were taken for granted by the populace. Herr Nord suggests, though, that people did not buy into the ideology and in fact wondered about the real costs of things. Bread and rolls should have cost more, he maintained. A lot was thrown away because it was believed that these products had no value. So production fell dramatically as western providers came to sell their products in a new market.

Herr Nord describes the period after the Modrow law allowed for the establishment of joint ventures with companies in West Germany. He explained that it was the Red Army that had expropriated his plant after the war. In the Unification treaty such expropriations would fall under the category of properties not subject to restitution to an original owner. The German Wehrmacht had used the facility for their food distribution program and much of the work was done by slave labor. The owners of the other plant facilities had fled to the west. This part of the mill was reduced to 30 people. They then established talks with large West German mills. Their first choice was the largest mill, located in Hamburg. With this company a joint-stock company was established, managed by the Treuhand (Trust). The western company seemed appealing because it was financially sound and its future prospects seemed secure. "We approached them because we had personal contacts already before 1989, and their references were good. But over time, it became clear that the western company was involved in a number of failed investments. They had bought other firms and spread themselves too thin across

different areas of specialization, from consulting, to the purchase of a chicken farm, to mushroom cultivation. When these ventures fizzled out and the company strapped for cash, they were forced to declare bankruptcy. The East German plant had no way of knowing this. Different parts of the company were then sold off, but this did not satisfy the creditors. They forced the western firm to settle its obligations. They descended on the dispersed facilities with a helicopter, as Herr Nord described it with a calm but dramatic flourish. ‘They thundered down and threw the workers onto the street,’ he shrugged. He described the logic of the parent company, ‘We will just do away with the eastern plants, because they are more likely to cost us money than bring in profits over the next ten years. So we had to go. We had been building things up until 1998. We were finally ready to face the market, millions had been invested, and we were almost at the point where we could raise our prices. But for the parent firm, we were not bringing in enough profits. It also had something to do with restructuring of this market nationally and globally. They looked for a new owner so that our plant could be dispensed with. With that we were finished.

He book-ended this difficult story with a sigh, stretching back in his chair. “That is my professional story. So then in 2000 I became self-employed, and decided to start my own consulting business in alternative energy. So I have been here since 2001” I asked him if business was going well. “It is not bad,” he responded. “But last year there had been some problems, technical in nature. The sales tax or vat had been raised 3%. He ran into problems with the tax administration for listing this as a turnover tax and not a value-added tax in his billing correspondence. ‘I studied with a business professor who said he could not recognize any ‘value-added’ in this tax. For him, value-added tax is simply a turnover tax. And since I do not recognize the value-added (Mehrwert) in many things, I therefore call it a turnover tax (Umsatzsteuer). Surplus value does not arise through taxation. So I have an iron will there. The term Umsatzsteuer is printed on all of my correspondence. My customers pay sales and not value-added tax. So where a German will put his foot down and has courage, he will. So in my field, I pay the value-added tax but for my customers, I call it Umsatzsteuer. So my customer does not see it, and so I construct some harmony there.”

The historicity of value can be seen in this small gesture of defiance.

## **Economic Futures**

No matter how much East Germans might insist upon ascribing value (economic or otherwise) to their lives, labor, and objects of production during socialism, all things economic remain in the negative, or have a non-identity. In the capitalist context, no matter how much some may insist that our economic means and ends are similarly confused, where the relentless priority of profit is literally eating away at the long-term foundations of any possible economic system of the future (Goodchild 2009), capitalism *is* the best we have, and what “works.” Meanwhile, within the (capitalist?) economic landscape of the present, questions about where the gaps between the substance of the *Real economy* and the competing economic theories that define policy and rhetoric might lie require new analytical purchase.

It is more than an ironic twist that political elites’ efforts to make the European project contingent upon the single currency—in German Chancellor Angela Merkel’s recent plea, “if the euro fails, then the EU also fails”—reinstates the socialist desire to fix money within a rigid social political vision. Thus, I believe that the question of what constitutes “qualitative difference” between socialism and capitalism remains an important one in contemporary debates about the “what” or “where” of the *Real economy*, and underscores why the ontological struggles that are part of the socialist experience are more relevant than ever. On what terms exactly did socialism fail? Is it appropriate to salvage everything possible from the socialist past, *but* the economic? And how is it that we come to use largely contradictory and opposed standards for evaluating the successes and failures of our present financial landscape?

I want to end this chapter by thinking about the implications of this discussion for the euro, especially at the current moment of crisis. With mounting debts across the euro-zone posing a significant threat to the stability and

sustainability of the currency union binding the 17-member nations that use the euro, calls for greater fiscal union are growing. The incomplete project of economic integration between West and East Germany haunts the problems facing the euro, ranging from terms like “transfer union” to proposals that the *Treuhand*<sup>43</sup> might serve as an appropriate model for privatizing sectors of the Greek economy. But how much fiscal union is possible, and how might substantial differences in the economies of members take root in new inequalities? Let’s revisit the problem of equal wages.

A recent *Tagesschau*<sup>44</sup> report bore the title, “*Gleiche Löhne in Ost und West ab 2019*. (Equal wages in East and West beginning 2019)”<sup>45</sup> The article details a new and binding agreement between building cleaning staff and their union representation, beginning in January 2012, to begin raising the wages for East German workers by larger percentages over the next years, with an eventual *Angleichung* (harmonization) of pay rates between East and West by 2019. Beginning in 2012, the minimum wage in this industry will be West 8,82 and East, 7,33. However, the report ends by explaining that five rounds of negotiations almost came to a halt over the question of aligning East/West pay, and that both sides agreed to an option of termination in 2015. The farcical nature of this is not lost on a number of the readers who posted comments, some of which drive home the point of unfinished business “at home,” and the lingering problems with the euro to come. As one reader put it,

“Now we just need Germany bonds and can do away with the regional financial equalization scheme! It’s about time. It is already inconceivable how when tinkering around with the EU the critique is raised that German national interests are not being protected, although here in this State there is no recognizable Unification (Unity) (24. August 2011 - 12:38 — Hertha).<sup>46</sup>

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<sup>43</sup> Treuhandanstalt: the institution that was given the legal mandate for privatizing the East German economy after Unification (1990-1994).

<sup>44</sup> The name of the news show televised by the First Broadcasting Network in Germany

<sup>45</sup> <http://www.tagesschau.de/wirtschaft/gebaeudereiniger120.html> ;

<http://meta.tagesschau.de/id/52250/gebaeudereiniger-gleiche-loehne-in-ost-und-west-ab-2019>

<sup>46</sup> Translations mine. “Jetzt brauchen wir nur noch Deutschlandbonds und können auf den Länderfinanzausgleich verzichten! ;-). Wird allmählich auch Zeit. Es ist sowieso manchmal nicht

Another refers ironically to the walls that refuse their constant relegation solely to East German heads (*Mauer in den Köpfen/ Wall in the heads*):

“How nice... a famous politician once said, “The Wall will stand, 50 even 100 years from now” [this is a well-known quote from Erich Honecker]. ... Well, we have reached 30 years” (24. August 2011 - 17:20 — Marco197) <sup>47</sup>

While the currency union of 1990 may have converted East German to West German wages at a rate of 1:1, the distinction (and difference) between West and East German wages remains. This is another example of where East/West difference is folded into arguments about regional cost of living and lingering productivity. At the same time, policy makers argue that there will one day be a convergence between East and West. But as some West and many East Germans point out, you don't have to be an economist to see that according to this logic, either West German wages must decline for the “catching up” to be feasible, or the real economic differences between the old and new Länder will simply linger on as the cumulative effect of low wages, depopulation, lack of investment, etc. Almost 30 years after German unification the possibility of receiving the same pay for what is already the same work may then be on the horizon! What temporal scales might European economic convergence among 17(+) economies require? What qualitative difference will the euro enable in making sense of the Real?

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nachvollziehbar, wenn an einer EU gebastelt wird, Kritik kommt, dass D. Interessen nicht gewahrt werden als Nationalstaat, obwohl in just diesem Staat keine Einheit zur erkennen ist”

<sup>47</sup> “Und wie schon.....ein berühmter Politiker gesagt hat: "Die Mauer wird in 50 und in 100 Jahren noch stehen" [this is a well-known quote from Erich Honecker]... Naja. 30 Jahre hätten wir ja dann schon”



## Chapter 7:

### **Re-reading the Socialism/Capitalism Divide: Currency Unions and the Circulation of Economic Alternatives in Germany.**

In this chapter I sketch in broad strokes the central problem that this dissertation has been tracking: how to think about the agency of money, and the economic system it both reflects and produces, in both socialist and capitalist contexts. More precisely, I am searching for coordinates through which we might think about monetary or economic value in ways that open up space for East German experiences of economic rupture and transformation. The analytical register of indeterminacy in measuring economic value is largely missing from public and academic discussions of both German and European projects of currency union and economic integration.

By indeterminacy I mean both money's materiality (how currency is both a pragmatic quality and signifier) and the meanings money accumulates in different contexts (such that signifieds) may not be as easily translatable across historical/cultural divides). Simply, there are as many, often contradictory, arguments about **what** money is, and **how** it should be understood **as part of** economic systems of exchange as there **are different monies**. I suggest here the possibility of thinking about both capitalist and socialist money systems' potential for efficacy and failure. This approach might allow us to reflect on the potential as well as limits of the single currency, the euro, and the larger project of European integration.

Importantly, what is at stake here is not only how one might view the socialist past on its own terms, but also the nature of critique and the posing of new economic visions in the present. Are all economic alternatives bound to fail because they reinstate the terms of capitalist logics? This seems to be an implicit conclusion one might draw from framings of economic collapse in the GDR on the one hand (Zatlin 2007b), and from critical analyses of alternative currency initiatives in diverse contexts on the other (Maurer 2005; Peebles 2011). Alternately, a line of analysis I will pursue in subsequent chapters draws on Kant's idea conception of *transcendental illusion* to consider money beyond both capitalist and socialist

systems. Kojin Karatani writes, “ The implication is...that money is a transcendental illusion that one cannot easily get rid of” (Karatani 2005). As will become clearer below, one lesson of real-existing Socialism’s ambivalence to money may well be that its complete illumination is not the basis upon which alternatives can take hold (Graeber 2011).<sup>48</sup> For my purposes here, however, I focus on the question of substance in defining (and distinguishing) socialism in contrast to capitalism.

As Benjamin Robinson has pointed out in his analysis of Franz Fühmann’s visions and ontological concerns, a project of enacting some qualitative difference must come to terms with the system logics to which it is Other (Robinson 2009). Robinson frames the dilemma as follows:

“Capitalism, in principle as susceptible as socialism to the question of whether it is ‘the thing itself or its simulacrum,’ seems to be free of demon doubles. Never a ghost for itself, never suspected of being only a simulacrum of capitalism, really existing capitalism is now no longer haunted by a rival either. Spectral nonidentity turns out to have been a terminal problem only for real socialism, which was always its own scariest ghost. While the stake through socialism’s undead heart sent it firmly to the grave, for capitalism it meant only that its gaze in the mirror revealed a fleshier and more robust self” (Robinson 2009)

Thus, how one explains the failure of real-existing socialism matters not only in terms of explaining the past, but also in interrogating questions of value in the present.

I examine money as part of a particularly intractable context that belies theoretical emphasis on empty signifiers alone: currency unions. A currency union implies a joining together of materially and theoretically distinct currency spheres (or separate economies, each represented by a particular currency). Thus, evaluating what value transformations occur in a currency union imply some kind of substantive difference about currency regimes that must be *translated* or reconciled in a project of integration. The analytical emphasis on money’s role as universal

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<sup>48</sup> David Graeber takes yet another radical approach by arguing that human relationships are not reducible to relations of exchange. He is bold enough to reclaim communism as a “baseline” human condition.

value would miss precisely that which is most crucial: the violent measures that are part of these conversions. This is especially significant in the context of German Unification, in which not only economies, but also *different economic systems* were joined under a single monetary signifier.

I approach currency unions as an especially privileged site for excavating in the ruins and remainders of what later may emerge as a final and settled measure of value. A currency union acquires this apparently stable vision of value only by marking off its temporal agency as residing in a singular past moment. A conversion takes place, multiple equivalencies are worked out, and a “price” is settled. But the effects of currency unions, despite prescient predictions, are understood fully only in hindsight, their impact ongoing and long lasting even as they are rendered something “past.” A currency union is a synchronic act of translation—it takes a snapshot of an image of some economic real, yet its causal effects reach back to the past while delimiting the future of economic possibility.<sup>49</sup> Precisely such movements and multiple temporalities are missed by social analyses that emphasize one aspect of modern fiat currency (money): how lack of substance or content allows money to carry universal value. The efficacy of currency is dependent upon the substantial difference it produces and yet simultaneously erases (Robinson 2009).<sup>50</sup> In other words, money’s shifting identity as substantive one moment, empty the next captures something of the tension that underlies money’s legitimacy in economic experiences.

A currency’s efficacy depends in large part on its claim to inevitability; people must *trust* in its backing (its *value*). In monetary terms this is defined as a currency’s ability to function as a medium of exchange, a store of value, and a unit of account. Whether in substantive or ideal form, a currency’s efficacy lies in its very “taken for granted quality” in times of economic prosperity as well as hardship. That a currency can also fail is nowhere more evident than in Germany, where family histories are marked by series of financial crises over the last 100 years. No experience is more vivid than the

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<sup>49</sup> This applies especially to the case of German Unification

<sup>50</sup> This argument is informed by Benjamin Robinson’s ontology of socialism.

hyperinflation of the Weimar period after World War I, when stacks of currency notes signified not wealth, but a complete absence of monetary value (Widdig 2001a).

However, the failure of socialist currency and the East German economy poses a new set of problems in understanding this relationship. Did socialist money “fail” on capitalist or on socialist terms? In Germany, judgments about a currency’s efficacy lie between two competing economic systems, in which economic failures can be cast outside the West German social market economy. For this reason, my dissertation analyzes currency unions as one of the most contested, but also transformative sites for understanding problems of money and economic measures of social justice. Long after the Cold War has ended, the ghostly presence of socialism intrudes and asserts its alternative visions while pointing to the limits of capitalist boundaries and models in redefining the social (Robinson 2009).

In my discussion below I aim to convey something of the material and medial landscape in Germany through which economic evaluation is delimited and constrained. Precisely because the boundaries between capitalism and socialism are continually reinstated, the efficacy of grounding one’s critique in social (or socialist) alternatives is disrupted. My concern is less one of reclaiming a socialism past “as it truly was,” than it is one of prying open socialism, like capitalism, to further analytical reflection. Money acquires powerful, even contradictory qualities in explanations of socialism’s collapse on the one hand, and capitalist dominance on the other. Whether in scholarly analysis of post-socialist transformation, or heated political debates in unified Germany, experiences of real-existing socialism take on a schizophrenic circuit of signification, or drop out altogether. I aim to make them re-appear.

### **Money’s gaps**

Both West and East Germany tried to define which state was able to best meet the material needs of its citizens. Many argue that socialism failed because it failed to meet inherent human needs. In contrast, capitalism is seen as creating needs that did not exist before, with the promise and potential that essential needs will eventually be met. Even

with considerable evidence of capitalism's failures to conjure the market freedoms, wealth and stability it promises, socialism still seems to pale in comparison. In this view, East Germans had nothing to lose and everything to gain with the collapse of their system. Alaina Lemon argues that capitalist and socialist states shared practices and beliefs surrounding cash and the role of money in society (Lemon 1998). One could just as well argue that socialist states failed because of capitalist problems just as much as they failed internally to meet the needs and hopes of their citizens.

What is between these system boundaries? How can the weightless alu chips, the object of East German derision as much as they were the grounds for West German pronouncements of superiority, nevertheless be understood as possessing economic value? In the presumed absent presence of economic alternatives, how can we think both inside *and* outside the capitalist system at the same time?

Historian Jonathan Zatlin's important study of monetary policy in the GDR (Zatlin 2007b) focuses on the economic policies of the Honecker era, the last 20 years of the GDR. Though there is not space to talk about it here, policies shaping money and consumption did undergo shifts and changes over the GDR's existence. Zatlin is one of a very few scholars (publishing in English or German) who has taken money and monetary policy in East Germany seriously as a critical object of inquiry. The dearth of critical analyses on money and finance in the socialist context stands out all the more when compared with the overwhelming number of studies in the capitalist context (which I discuss in a broader sense below). I discuss his study at length for this very reason, and because it has provided a critical foundation for my arguments in the dissertation.

Zatlin suggests that both Marxist-Leninist theory on the one hand and political elites' incorporation of capitalist market practices on the other ultimately caused the GDR economy to break down on its own internal contradictions. Money is a key agent in his analysis. Using Marx's concept of commodity fetishism, he argues that socialist economic policy, notably *contra* Marx, conflated money with the evils of capitalism, and so tried to eliminate it (or circumscribe its role in

economic processes). Though placing much of the blame on Erich Honecker<sup>51</sup> and SED party infighting and power struggles, the failure of the planned economy had everything to do with the Marxist-Leninist intellectual antipathy toward money. Eliminating some of money's functions and imbuing it instead with socialist meaning would eliminate structures of capitalist exploitation.

At the same time, however, the GDR political establishment embarked on economic measures of funding national consumption through foreign debt in hard currency, and foundered on a lack of complementarity in production, with the intrusion of the West German Mark into many market domains in the GDR becoming the proverbial nail on the coffin. The currency of the contested Other, in Zatlín's analysis, both undermined and pre-determined the trajectory of German Unification and economic union with West Germany. Before analyzing the implications of Zatlín's argument for reading across the socialist/capitalist divide, I want to provide some further context for understanding the unusual interrelationship of West and East German currencies in the GDR.

First, East Germany was, from the very beginning, in competition with a West German, capitalist counterpart. Many scholars have pointed out that both German states had to convince their citizens that they were the better, and more legitimate state. Some scholars argue that this played a significant role in imbuing Germany's social market economy (seen as not socialist and not capitalist, "a third way") with a well-developed and generous welfare state. East Germany, then, was always in a mutually defining relationship with the West and could never quite define, on its own terms, what a German socialist alternative might become in any true sense of the word. Similarly, despite the sense of victor's justice felt by West Germans at embodying the better model of a social market democracy, many of the gains experienced by West German workers during 40 years of division would likely not have become reality were it not from the pressure to out-do the East German State. It is also important to note that East Germany started off with far worse economic conditions than did the West because of the Soviet policy of

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<sup>51</sup> Erich Honecker was the "Head of State" in the GDR from 1976-1989.

extracting war reparations from East Germany. This included not only high taxes, but also the actual dismantling of the industrial base. Even train tracks were dismantled and shipped to Russia, where, paradoxically, they were stored and never used. East Germany also did not have the kind of assistance provided by the Marshall Plan in West Germany (though the offer of Marshall Plan assistance was extended to, but rejected by the East Germany/Soviet occupation authority).

Second, after the building of the Berlin wall on August 13, 1961, most East Germans could not travel to West Germany, or anywhere in the West for that matter. There were different exceptions to this rule, and the rules changed over time. For example, seniors were allowed to visit the west, or part of the family could visit West German relatives for family events like funerals, or special birthday or wedding anniversaries. So, unlike the villagers in Francis Pine's study of money in the Polish highlands (Pine 2002), East Germans did not have the experience of fellow East Germans working in the west and returning home with hard currency. In East Germany, access to Deutsch Marks and West German goods came through family connections in the West, through gifts or through the famous "west packages." And, though East Germans were limited in their ability to travel to West Germany, West German family members did visit East German family members. Importantly, most East Germans had (illegal) access to West German television, with the exception of the area around Dresden. Daphne Berdahl's discussion of US television series, *Dallas*, and the significance television played in exposing East Germans to the world of consumer goods, is highly illuminating on this point (Berdahl 1999). Moreover, this became an important means of measuring the claims made by the socialist state in providing for its citizens. This was one important reason why the gap between East and West Germany became very visible. Iconic in this regard is the car. Not only the quality of the car was at stake, but also its accessibility (one had to wait for 10 years or more!). Here the gap between West Germany and East Germany could not be more visible.

However, it is also important not to forget that while the East German consumer goods produced for East German consumption were viewed as being, in

part, sub-standard, and often not even available in the first place (shortage economy), many of my respondents remember working in factories which produced high quality goods for export to West Germany, sometimes under west German labels. For example, some Villeroy and Boch porcelain was produced in East German *Kombinate* and sold to the West. One respondent remembers her West German relatives looking for ways to spend their East German Marks (Even family members were required to exchange a set amount of money per day for the entirety of their stay). West Germans were often in a better position to buy high quality East German products that were unattainable for many East Germans (my respondents often use the phrase, “not for us mere mortals” to describe their own status). Books and woodcarvings and handicrafts were well known quality goods from East Germany. Meißener Porcelain was especially prized, but there were very strict rules about where it could be bought, and by whom. Dresdener Stolen even served as a form of currency.

Though the quality of East German consumer goods could not, as a whole, compete with West German goods, it is also definitely not the case that East Germans produced nothing of value. In the post-socialist context, even 20 years later, not a few of my respondents still used items, like dishes, bed linen, even some appliances, that dated back to GDR times. In contemporary Germany, the quality and steadfastness of East German products, or their lack thereof, has become a kind of battlefield in which competing definitions of value continue to be fought over in the struggle to reclaim the right to self-definition (*Ostalgie*). But this battle is not just one between East and West Germans, but among East Germans themselves. Over the course of my research, I experienced the many ambivalent responses to the *Ostalgie* cult, and to politics of remembrance.

To return to the question of money in the GDR, West German currency acquired significant agency, as different currencies circulated in GDR national space. Honecker reversed the economic policy of his predecessor, Walter Ulbricht, by privileging consumption (at any cost, it would seem). Shops for foreign tourists known as *Intershops* were created, where western goods could be bought with



western money. At first, only Western tourists were allowed to shop in these stores, but were later accessible by East Germans possessing the necessary hard currency. Other shops known as *Delikat* or *Exquisit*, were also created, where higher quality East German products and some western goods could be bought with East German Marks, but obviously at very high prices. These different consumer spaces are significant for concretizing the ways in which different currencies were in competition with each other as these shops often required that East Germans first convert West German Marks into *Forum Checks* before they could buy a product in an Intershop. Change was also not given in West German marks, but in forum checks. Because the prices charged for the western goods did not correspond with bill and coin denominations, consumers had to make up the difference by spending more on a piece of chocolate or candy (Pine describes a similar phenomenon in her article mentioned above). While these may seem like trivial inconveniences, East German consumers fortunate enough to have access to western money came to see the contradictions inherent in socialist attempts to redefine money as separate from capitalist market practices.

Citizen petitions (mostly written by women) are one key source of documentation for East Germans' growing frustrations with the growing contradictions between socialist ideology and practice. Zatlin's analysis of the petitions ascribes a great deal of reflexive agency to East German consumers. Citizen petitions are a key element of resistance as letter-writers take ever-increasing account of the growing and visible gap between the moral imperatives of socialist policy and the material realities and inequalities faced by ordinary citizens.

Indeed, *the gap between ideas and material realities* is central to Zatlin's arguments. The mismatch between ideas and practice carve out a gap between socialist economic ideals and the material hardships and economy of decline that ended in the GDR's collapse. Arguments in the petitions, though politically ineffective according to Zatlin because of their textual dependency and the counter-intuitive measures used by party bureaucrats for representing the petitions' implications, were nevertheless instrumental in making the public legible to the

SED. Moreover, citizens staked their counter-claims on precisely the terms through which socialist ideology sought to re-inscribe new meanings to money, production, and exchange. The difference that matters, then, if one follows Zatin's argument, is the space of competition between the Deutsch Mark and the Mark der DDR within socialist boundaries. This approach resonates both with anthropological studies of alternative currencies and multiple-currency zones in Western and non-Western societies (Bloch and Parry 1989; Maurer 2005; Peebles 2011; Roitman 2005), and with historical research on black market activities during wartime, to name a few examples. Moreover, it certainly reflects on many levels East German experiences during the late years of the GDR.

Nevertheless, one implication of this explanation for understanding whether and if there was a qualitative difference between capitalism and socialism is once again that money has efficacy then, when it corresponds to specifically capitalist logics that stand outside cultural and political contexts. Zatin explains, for example, that money lost its informational quality, that is, the way in which money as "price" indexes supply and demand in the economy, or in other words, soft vs. hard budget constraints. The truly perfidious practices of Honecker and Co not only made little economic sense, but more importantly, they robbed the socialist alternative of any real economic consequence. Zatin emphasizes this point less out of any sense of loss for socialism and more to make the point that the discrepancy between political claims and economic realities has causal force in explaining the economic failures of socialism.

To summarize in overly simplistic terms, socialist economic failure is somehow reducible to the recognition of a gap between the ideal and the real with political consequences. The gap, which is ultimately sustained solely by coercion, eventually ends in real material collapse, but also somehow generates inner (and effective) resistance to the system, i.e. the Monday demonstrations in Leipzig and what is now known as the Peaceful Revolution (in the German case). This corresponds quite well to the dominant narratives we know, but also to philosophical efforts to think about the implications of real-existing socialism for

questions of being and transcendence. Here I am thinking of Robinson's discussion of the sovereignty literature in which difference and other depends on a negative third-term (Robinson 2009), as well as A. Kiarina Kordella's compelling analysis of surplus, which, however, also depends implicitly upon a diagnosis of real-existing socialism as a bad copy of capitalism that can only be maintained through coercion (Kordella 2007).

The arguments above sound quite reasonable in explaining what everyone knows to be socialism's economic failures until you begin to compare how critical scholars of capitalism and financial markets explain the agency of money, the efficacy of economic theory and models, and the causal relations enabled by the powerful ontological claims of capitalism. To generalize from otherwise diverse projects emerging out of various disciplinary spaces—from the anthropology of finance to science studies—economic models are produced and enacted in ways that make markets, and market actors, align their expectations and practices with said models (Ho 2009; Holmes 2014; MacKenzie 2007; Mitchell 2002).<sup>52</sup> While economic models and technologies continually fail, exceed their boundaries (externalities both material and subjective), the models nevertheless work and create virtual economic realities from which we as subjects find it difficult to escape. Resistance, contestation, even transformation is possible. Yet virtual economic “scapes” continue their momentum, and however visible to citizens the gaps between market claims and some “economic real” may become, these discrepancies

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<sup>52</sup> For a discussion of virtualism and debates about this in anthropology, see Karen Ho (2009). Arguments about virtualism are inherently about the relationship between theory and practice (economic reality). Within the capitalist context, analysts disagree about this relationship—that is, to what extent economic theory merely represents the real or whether it creates reality in its image. If one brings into focus these same terms for analyzing the economic realities of socialism, then the predominant framing is one in which reality never corresponded to the ideal, indeed that this very gap undermined socialist economic legitimacy. It is very difficult to imagine socialist economic theory as creating the real, forcing it to correspond to the idea. Thus, it seems to me that one applies very different assumptions to questions of success, failure, and the correspondence to the real. Do different systems generate new relationships between the ideal and the real, or is capitalism better at creating illusions that disguise the real? When do theories work or not work, and why? Why is it that under capitalism theories are present that can neither be proven nor disproven, whereas the socialist economy can be proven without a doubt to be an unviable alternative?

seem to support rather than undermine larger claims about “what is working and what is needed” for economic stability. While most of these studies highlight the multiple and surprising means through which the meanings and practices of even expert economic practices become dissonant with, or escape the narrow significations contained by any one model (or statistical representation), the excess seems to disappear in the many other modalities of consumer behavior and economic desires.

If we return to Zatlin’s analysis of the Deutsch Mark and East German Mark circulating in the same national economic space, with one enacting capitalist logics and the other arguably socialist alternatives, then the somewhat contradictory conclusion that must be drawn is that capitalist currency corresponds (is adequate to) its theory, whereas socialist currency is not.<sup>53</sup> So, while each currency stands on its own terms in reflecting its respective economic contexts, socialist money is nevertheless defined by lack, capitalist money by plenitude. Here I index both Zatlin’s argument about what I would call the competing “substances” of capitalist vs. socialist currency, as well as larger anthropological discussions about how different currencies become tied to boundary-making or consumption practices. How money relates to the economy as a whole—its functions and capacity to represent the economy, is a subject of much theoretical debate. More importantly in the context of Zatlin’s approach to socialist currency specifically, one is left with the unanswered question of why socialist plans necessarily fail to transform or “make” their economic space, whereas capitalist oriented market models enact and close the gap between theory and reality. *What is at stake in insisting upon the self-sameness of the real and the ideal in one, and the non-coincidence of difference in the other?*

East German citizens are accorded agency during socialism, whether in their petitions or consumption practices, in calling critical attention to the gap between material and ideal economic circumstances. However, many years after the treaties

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<sup>53</sup> My analysis of Zatlin’s argument is informed by Bill Maurer’s discussion of adequation: Maurer, Bill

2005 *Mutual Life, Limited: Islamic Banking, Alternative Currencies, Lateral Reason*. Princeton, NJ: Princeton University Press.

were signed, conversions made, jobs and livelihoods lost but new challenges undertaken and mastered in post-unification Germany, East Germans, in Zatlin's assessment, still somehow do not know the difference between money and wealth, and are enmeshed in a "subsidy mentality":

"...East Germans find themselves fighting old battles. The majority struggles to defend the expansive welfare state that the west wants to trim, while an entrepreneurial minority argues for drastic limits to state intervention in the market. Under the thumb of western cultural hegemony, East Germans retreat from history into memory—a commodified past available in stores and online" (Zatlin 2010)

Efforts to call attention to gaps are no longer welcome and are presumably drained of efficacy in the capitalist moment of no alternative. However, one might compare the assessment above with the words of East German journalist and author, Christoph Dieckmann:

"What advantage might East Germans have over West Germans? —The experience of failure, the upheaval of every aspect of life. Having to start over in the middle of your life, could, for others mean the end of their professional lives"<sup>54</sup>

In working through this parallel reading, a number of counter-arguments can and will be made. The first counter argument against a parallel reading of monetary practice in capitalist and socialist market contexts is that while one marks of the economic from the political (independent central banks), the other is governed by political corruption and interests. If one is analyzing similar issues in the capitalist context, however, such claims are far from certain for most critical theorists studying expert formations in financial institutions. A second argument is one that posits real-existing socialism as outside modernity or at least on some prior evolutionary stage. Benjamin Robinson offers a salient diagnosis of this problem in

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<sup>54</sup> Presseclub, Im Osten was Neues, Nov 2009 "Was haben die Ostdeutschen den westdeutschen voraus? Die Erfahrung des Scheitertens," des Umbruch alle Lebensverhältnisse. Mitten im Leben noch mal anfangen zu müssen, können, für andere war das die Beendung ihres Berufslebens gewesen."

the German case. A third argument even more prevalent in the dominant discursive space of post-unification Germany is to conjure the GDR in terms of everything West Germany *is* and the GDR *is not*. Most striking in this regard is the view that the GDR was an *Unrechtsstaat*, or a “Not-Legal State.” (Bickford 2011). Thus, the GDR is allowed little positive difference in defining any shared terrain of value and meaning between the competing political systems.

A particularly vivid example of this last argument, which highlights the impossible place from which East Germans are allowed to speak about the socialist past could be seen on the German talk show, *Hart aber Fair* (Hard, but Fair), with host Frank Plasberg, on the 20-year anniversary of the Fall of the Wall. With the title: *Einigkeit und Recht auf Fremdheit: Wann fällt die Mauer in den Köpfen* (Unity and Right to Foreignness: When will the Wall in the Heads Fall) (air date: Nov 4, 2009),<sup>55</sup> two West German and three East German panelists, all public figures, were asked to provide commentary, a kind of “state of the nation.” While there is much to be critical of in assessing how such talk shows are framed and organized, the panel discussion vividly reflected the open wounds that unfortunately always get relegated to the status of “different mentalities.” The East German cabaret artist from Dresden, Uwe Steimle, when pressed multiple times to *speak* to the question of whether the GDR was an “*Unrechtsstaat*,” was forced to say yes, but: “...*natürlich war die DDR ein Unrechtsstaat—in dem es aber auch Gerechtigkeit gab. Und wir hier leben in einem Rechtsstaat mit viel Ungerechtigkeit* (... of course the GDR was a not-legal/unjust State—in which justice was also present. And we live here in this *Rechtsstaat* where there is much injustice).”

For East Germans who lived in both “systems,” there is now a greater urgency to show that the same qualitative differences must belong to both systems. Yet the West German response of relegating ethical relations under socialism to the status of non-identity ironically re-inscribes a substantial difference to socialism after the fact. There is a kind of inversion in insisting upon difference, where the policing of system boundaries has become the critical concern of the West, with the

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<sup>55</sup> Transcriptions and translations mine

socialist Other—those who lived “real-existing socialism”—forced to both affirm the absolute difference of their past while aspiring to sameness in the present.

Crucially, East Germans find little possibility for inhabiting an analytic voice of economic evaluation. To return to the panel discussion introduced above, the following exchange between West German author Wolfgang Herles and East German journalist Andrea Elis is illustrative of the way in which East German experiences of economy are disqualified. Particularly striking for me was the toxic nature of the exchange, especially on the part of Wolfgang Herles, as both authors have worked together in the past on a book about West/East German stereotypes. The argument circles around the question of a “right to work” which the Round Table of the New Forum<sup>56</sup> wished to add to a collective constitution between East and West Germany—had the formal route of political union been taken as outlined in the West German *Grundgesetz*. Instead, the accession option was used, and East Germans adopted the West German Basic Law.

**Herles:** it is a good thing that we did not create a new collectively written constitution then, at least not with such demands that would have destroyed this (our) economic system, especially considering that it was the GDR that fell apart, and not the Bonn Republic.<sup>57</sup>

**Elis:** *Jetzt kommt es...* (Here we go...)

**Herles:** It was important that the Bonn Republic was the guiding model, not one to one, but still the guiding model. You reinforce my point that there are differences in mentality, you have a completely different mentality than we do [referring to the other West German panelist], this is unfortunately observable).<sup>58</sup>

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<sup>56</sup> The New Forum (*Neues Forum*) was the grass roots political movement of East German citizens that emerged out of protests against the socialist state in 1989. Former members who remained politically active after 1989 eventually became part of the Green party in Germany (*Bündnis 90/die Grünen*).

<sup>57</sup> “*es war gut das damals keine gemeinsame Verfassung gemacht würde, jedenfalls nicht mit solchen Forderungen die dieses Wirtschaftssystem zerstört hätte, und da wo die DDR zusammengebrochen ist und nicht die Bonner Republik*”

<sup>58</sup> “*war es wichtig das die Bonner Republik das Leitmotiv war, nicht eins zu eins aber doch das Leitmodell. Sie bestätigen mich, es gibt Mentalitätsunterschiede, eine ganz andere Mentalität als wir beide, es ist leider festzustellen*”

**Elis:** I think that a collectively agreed upon constitution would have given East Germans the sense that they were taken seriously in the unification process and I don't believe-<sup>59</sup>

**Herles:** -If you had begun the process of reform in the GDR before you smashed it at the feet of the West<sup>60</sup>

(– A taken-aback exclamation from audience member in background)

**Elis:** I don't believe that [our contribution] would have only consisted of nonsense and I personally—and perhaps this does have something to do with my past in the GDR—find that a right to work and an obligation to do so not such a bad-<sup>61</sup>

**Herles:** That is nonsense and has no place in a constitution. You have no clue about economics, sorry<sup>62</sup>

**Elis:** ... in a third labor market that ensures that the unemployed do not sit neglected in front of the television and that they occupy themselves is a better option. But what your stance shows is, true to the motto that these small, pokey<sup>63</sup> East German citizens should be happy they were even permitted the opportunity to accede to the West, and this is an attitude that is unacceptable 20 years after-<sup>64</sup>

**Herles:** I didn't mean- (*so hab ich gar nicht*)

.... The discussion moves on, other panelists involved. But Andrea Elis returns to the subject discussed above:

**Elis:** I would like to make a minor addendum, this is important to me, you said just now along the lines that the GDR was bankrupt and what more do you want—and this is a great problem, and why East Germans still feel frustrated or **devalued** (*entwertet*) because that means—the GDR was bankrupt, true, but all the people who lived and worked there are at the same time losers and those who

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<sup>59</sup> *“ich denke eine gemeinsame Verfassung hätte schon den ostdeutschen oder den ehemaligen DDR-Bürgern das Gefühl gegeben dass auch sie in diesen Vereinigungsprozess ernstgenommen werden und ich glaube nicht-“*

<sup>60</sup> *-hätten sie doch die DDR erst mal reformiert bevor sie sich einfach so dem Westen vor die Füße geknallt haben wie sie es getan haben*

<sup>61</sup> *“ich glaube nicht dass nur Unsinn darin gestanden hätte und ich persönlich— und das hat vielleicht mit meiner Vergangenheit in der DDR zu tun—finde ein Recht auf Arbeit und eine Verpflichtung dazu gar nicht so schlecht”*

<sup>62</sup> *das ist doch Unsinn in einer Verfassung da haben Sie keine Ahnung von Marktwirtschaft, sorry*

<sup>63</sup> The term *punzlig* is used in conjunction with a Christmas saying about the Dresdner Christmas Market, and seems to be a word from the Saxony dialect. I have not been able to locate a direct translation of this yet.

<sup>64</sup> *“in einem dritten Arbeitsmarkt die dafür sorgt das man nicht vom Fernsehen verwahrlost und dass sie eben beschäftigt sind ist für mich die bessere Option aber was sich schon zeigt es zu dieser Haltung so nach dem Motto diesen kleinen punzlichen DDR Bürger können mal froh sein das sie uns irgendwie beitreten durften und dass ist eine Haltung wie finde ich geht überhaupt nicht 20 Jahre nach-”*



are clueless about the economy and so on, still this is how [your stance] comes across...<sup>65</sup>

Andrea Elis's use of the term *entwertet* (devalued) is telling here, especially in the context in which she uses it—to refer to the conflation of East Germans with economic bankruptcy and lack of economic value. The term is typically used when referring to stamping one's ticket, but is also used in association with invalidating coins (cutting/marking them to show they are no longer legal tender).

While this discussion on public television may give the impression that such sentiments are easily and often expressed in Germany, whether publicly or privately, this was definitely not the case during my fieldwork. That is what makes this interaction literally knife-like in its abandonment of political correctness and the far more typical state silence. During my fieldwork and interviews, it was extremely difficult for East German respondents to articulate their sense of second-class citizenship in terms that either completely embraced or entirely rejected dominant notions represented here about West German economic superiority.

To bring together once again the arguments about money's gaps and how these are understood and analyzed differently in socialist and capitalist framings of economic agency, on what new grounds can critiques of capitalism take root? This dissertation may likely not produce the definitive answer to this question. I do, however, aim to make a case for arguing that the case is not yet settled, nor can it be if we continue to relegate the socialist project to a failed past. In other words, (post) socialism is not a mere problem of area studies, but must be re-theorized in relationship to larger discussions of capitalism, liberal democracy, and modernity.

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<sup>65</sup> “*ich möchte eine kleine Ergänzung noch machen, es ist mir auch sehr wichtig, sie sagten eben so nebenbei nach dem Motto die DDR war bankrott und was wollten sie überhaupt und das ist ein großes Problem warum viele Ostdeutsche immer noch frustriert sind oder sich entwertet fühlen weil das nämlich heißt dass die DDR war bankrott richtig aber alle die da gelebt und gearbeitet haben sind eben dann gleichzeitig die Verlierer und diejenigen die keine Ahnung haben von Wirtschaft und sowweiter, doch so kommt es an...*”

I end this section of by quoting at length A. Kiarina Kordela's central argument in her book, *Surplus. Spinoza, Lacan*, which I believe is quite relevant for thinking through what alternatives might mean:<sup>66</sup>

“If metaphysics, as Zizek rightly complains, is marked by the inability to make the transition from the epistemological deadlock to the ontological, this is precisely because, even after Marx's analysis of the commodity and his articulation of commodity fetishism, metaphysics remains reluctant to draw the conclusion that Thought and Being share one and the same form. Thus, metaphysics has also always failed to understand that a formal restructuring in economy goes hand-in-hand with a formal epistemological and ontological restructuring

To be sure, at least since the Enlightenment, no political revolution ever omitted reference to a concomitant cultural revolution. But I do not know of any revolution, however Marxist in its conception it may have claimed to be, that ever took into account the surplus—except, of course, for the resolute intention to eliminate it. But you can eliminate surplus-value only if you also eliminate surplus—enjoyment, which also means to substitute hegemony and ideologically based modes of noncoercive coercion for straightforward coercion. (Stalinism was a historically necessary consequence of the Bolshevik determination to eliminate the surplus). Given that, as I have shown, capitalism is not an ontological necessity but one of the theoretically infinite manifestations of being and thought within the realm of the possible as determined by them, the only other alternative for Marxians, therefore, is to rethink communism as an economic, political, and cultural system that includes the surplus on all levels” (Kordela 2007).

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<sup>66</sup> For now I leave to one side the question of “negative differential substance,” which may contradict the possibility of “positive substance” important to Benjamin Robinson's analysis of socialist ontology. Kordela's diagnosis of the problem also suggests that both capitalist and socialist systems have so far shared the same intellectual problem, and that socialism as it came to be manifested in a place like East Germany could not transcend the capitalist system, or truly become other, because it never relinquished capitalists practices, despite its ideological claims to the contrary. This is in fact Jonathan Zatlín's argument, though in making it he ascribes an efficacy to liberal economic theories of money and economy that many anthropological analyses of economy call into question!

## Capitalism's new Crises: "Injunctions of Marx"<sup>67</sup>

In the fall of 2010 the German broadcasting network *ZDF* aired the second of its popular history series, *Die Deutschen* (The Germans), with prominent host and resident historian, Guido Knopp. It is not going too far to say that Guido Knopp has become the face of history on German television. The series aims to reinforce both a factual engagement with history while also reinserting some elements of pride in key figures that have contributed to German history on a broad scale. The largely unspoken subtext of the whole series is that now, finally, it is possible to revisit German history beyond the Holocaust. Many Germans tend to feel ambivalent rather than celebratory of the German past. Episode seven, *Karl Marx und die Klassenkampf* (Karl Marx and Class Conflict), was devoted to Germany's arguably tmost controversial figure Karl Marx.

In my discussion below, I analyze the concluding five minutes of the episode, most of which is devoted to tracing Marx in his own time. The entire episode warrants analysis. Especially notable throughout the episode is a favorite German representative trope: Marx is a theorist of money who is himself always in debt, while Engels is the practical business man and benefactor of Marx and his family, making Marx's work possible financially in the first place. For my purposes here, however, I want to call attention to the absent presence of the GDR and its larger meaning for German experience (beyond dictatorship, Stasi, and a failing economy).

Much as Derrida foresaw in his 1994 book, *Specters of Marx*, the series tries to separate Marx the philosopher and intellectual from the outcome of his ideas in real existing socialism. At the same time, however, the suggestion is made that the horrible outcome of the Cold War is somehow immanent to Marx's ideas. The episode sums this up as follows:<sup>68</sup>

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<sup>67</sup> This is also the title of a chapter in Derrida's book, *Specters of Marx*, which anticipates precisely the kinds of narratives about Marx and Marxism analyzed here. Derrida, Jacques 1994 *Specters of Marx: The State of the Debt, the Work of Mourning, and the New International*. P. Kamuf, transl. New York and London: Routledge.

<sup>68</sup> Transcriptions and translations are mine.

**Narrator:** ‘His name will live on across the centuries, and so too, his work,’ his friend Friedrich Engels writes in Marx’s obituary, and in this was correct. Long after the death of their creator, Marx’s words bear fruit, there where Marx least expected. In the Russian agrarian province Marx’s admirer Lenin establishes in 1917 his dictatorship of the proletariat. Borrowing from Marx’s texts, of which he possesses little knowledge. Fragments of theory become the seal of approval for a tyranny of which Marx would never have approved.<sup>69</sup>

Here Marx is invoked as a German scholar worthy of respect whose ideas will (and have) outlive Marx himself. Marx’s ideas are taken up piecemeal by others (Lenin) in problematic ways, but this is framed in terms of “bearing fruit,” and thus underscoring the immanence of totalitarianism in Marx’s ideas. Marx biographer, Rolf Hosfeld, hints at this while also reclaiming Marx:

**Rolf Hosfeld:** Marx is a figure of the European Worker’s Movements of the 19<sup>th</sup> century Soviet and Chinese communism are products of the great Catastrophe’s of the 20<sup>th</sup> century and if these had not found the Marx label, they would have found another.<sup>70</sup>

**Narrator:** In the end the monstrous experiment fails that nevertheless bears Marx’s name.<sup>71</sup>

**Rolf Hosfeld:** In Marx there are aspects that point in an undemocratic direction, but that doesn’t mean that certain questions raised by Marx and that preoccupy us even still and that is the question about the instability of our economic system, and it is this question that drove Marx and continues to drive us today.<sup>72</sup>

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<sup>69</sup> German Text: “Sein Name wird durch die Jahrhunderte fortleben, und so auch sein Werk, ruft Friedrich Engels sein Freund nach und sollte damit Recht behalten. Lange nach dem Tod des Urhebers geht die Saat seine Worte auf, dort wo Marx es am wenigsten erwartet hat. Im russischen Agrarland errichtet sein Bewunderer Lenin 1917 eine Diktatur das Proletariats. Entlehnt von Marx dessen Schriften den er nur zum geringsten teil kennt. Fragmente der Theorie werden zum Gütesiegel für eine Gewaltherrschaft wie Marx sie niemals gebilligt hätte”

<sup>70</sup> German Text: “Marx ist eine Figur der europäische Arbeiterbewegung des 19. Jahrhunderts. Der sowjetischen und auch chinesische Kommunismus sind Produkte der großen Katastrophen des 20. Jahrhunderts und wenn sie das Etikett Marx nicht gefunden hätten dann hätten sie wahrscheinlich ein anderes Etikett gefunden”

<sup>71</sup> German Text: Am Ende scheidet das monströse Experiment dass gleichwohl seinen Namen trägt. Ist es mit dem Fall von Mauern und Ideologien auch der Vordenker erledigt?

<sup>72</sup> German Text: Es gibt Aspekte die in einer undemokratischen Richtung verweisen bei Marx was aber nicht heißt das nicht bestimmte Fragen die Marx gestellt hat uns heute nach wie vor beschäftigen und dass es in erster Linie die Frage nach der Instabilität unseres Wirtschaftssystems... das diese Frage ihn umgetrieben hat und sie treibt uns heute immer noch um.

In between these remarks, the narrator has placed the socialist experiment in the context of the great regimes:

**Narrator:** Follower and inhuman tyrant Stalin also understood himself as inheritor of Marx. After Mao's rise to power in China half of humankind was governed by regimes that invoke Marx, who himself once said slyly, "I can only say one thing, that I am not a Marxist..."<sup>73</sup>

Images of Stalin and Mao flash by, with some iconic images of the GDR mixed in, such as a sign of Marx with thumbs up pronouncing one of those ubiquitous socialist aphorisms, "*Weiter so! Eure Bilanz ist gut. 1818-1978* (Keep it up! Your balance sheet is good. 1818-1978)." An iconic image from the peaceful revolution in Leipzig flashes by, where young demonstrators hold up a self-made transparency calling for *ein offenes Land für freie Menschen* (an open land for free people), only to have it brutally ripped away from plain-clothes Stasi agents.

In the documentary, the GDR is notably absent from the narration and the entire contextualization of Marx's legacy, despite it very clearly comprising the sub-text for the narrative frame. For better or worse, the GDR is written out, a few images marking its absence. No attempt is made to place Marx explicitly within the larger socialist project in the GDR. The humorous quote from Marx, "I am not a Marxist," performs a double function; the philosopher is once again separated from the presumed historical outcome of his ideas, and more importantly, the contemporary concern with who (and what) is "left" is hinted at, can be read much in the same ambivalent way as the graffiti discussed above. Economic critiques of capitalism in Germany, and of unification in particular, straddle this line of a shared intellectual legacy with Marx, yet are continually re-located within the left (especially the political left as embodied by the far-left German party, *Die Linke*).<sup>74</sup>

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<sup>73</sup> German Text: Auch Nachfolger Stalin der Menschen verachtender Tyrann versteht sich als Erbe von Marx. Nach Maos Machtantritt in China wird die Hälfte der Menschheit von Regimen regiert die sich auf den deutschen Denker berufen Doch der Einmal listig vorgebeugt, "Ich kann nur eins sagen ich bin kein Marxist...."

<sup>74</sup> The party, *die Linke*, is a union of the East and West German socialist parties.

Predictably, perhaps, the episode ends by invoking the ghosts of Marx (and the GDR?). The scholarly experts can't dismiss Marx's usefulness for the present, but remind us at the same time that Marx supplies no substantial answer to our crisis-ridden present.

**Rolf Hosfeld:** Much of what Marx analyzed sounds more timely than ever. [a quote from Marx: "Every stock market cheat knows that the storm will hit sometime, but each hopes it will only hit the head of his neighbor."<sup>75</sup>

**Eva Weisweiler, (Historian):** Marx has no answers to our crisis, but he shows us that it makes sense for us to fundamentally reflect on the problems of our crises—and Marx shows us how to do this. Marx is the method, not the answer.<sup>76</sup>

**Narrator:** And so it seems that Karl Marx will remain with us as explainer of the world and specter.<sup>77</sup>

Taken on its own, this historical treatment of Marx engages with many of the important intellectual debates surrounding Marx's critique of capitalism, and does so by arguing, even if ambivalently, for Marx's continued relevance. However, it does so by foreclosing any possibility that experiences of socialism in the GDR, or the economic ruptures caused by Unification, might contribute something meaningful to the analysis.<sup>78</sup> By now the reader might ask whether, and to what extent East German contributors were involved in the production of the documentary. That is an important question for further investigation. What I can say here, based on countless other such public panel discussions, exhibitions, and media representations I encountered during my fieldwork, East German involvement in the production would likely not preclude any nuanced East German inflections from ending up on the cutting room floor.

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<sup>75</sup> German Text: Vieles was Marx analysiert hat klingt aktueller den je. [quoting Marx] 'Jeder Aktienschwindler weist das das Unwetter einmal schlagen muss aber jeder hofft das es das Haupt seiner nächsten trifft. Nach uns die Sintflut ist der Wahlspruch jedes Kapitalisten.'

<sup>76</sup> Marx hat keine Antworten auf unsere Krise aber er zeigt uns dass es Sinn macht uns mit unseren Problemen mit unseren Krisen fundamental Auseinander zusetzen und Marx zeigt wie man sowas macht. Marx ist die Methode, nicht die Antwort.

<sup>77</sup> Und wie es aussieht wird Karl Marx uns weiterhin erhalten bleiben als Welterklärer und als Schreckgespenst.

<sup>78</sup> Also notable: Rolf Hosfeld and Eva Weisweiler are both West German scholars. I don't want to belabor this point, or read more into it than necessary. However, it is a prevalent pattern in the German intellectual and academic contexts.

## Chapter 8: Conclusion

### On being untimely: Accounting for Europe's remainders

#### Currency Anxiety (a view from 2012)

In his recent book, *Europe's Unfinished Currency: The Political Economics of the Euro*, former chief economist of Deutsche Bank, Thomas Mayer (Mayer 2012) highlights a certain paradox. The euro was supposed to bring and ensure peace in Europe. But peace had in fact already arrived long before the euro. For Mayer, the euro in its current form is bringing about the opposite. In other words, the logics have been overturned. "Peace arrived too early," so to speak. Or did the euro arrive too late to the 'end of history'? The end of the Cold War was thought to be such an end. Or was it?

Mayer prefaces his discussion of the end of the Cold War with a quote made in 1987 by French presidential advisor Jacques Attali, in response to German officials:

'Let us now talk about the German atom bomb.'

[German response]: 'You know we don't have the atomic bomb—what do you mean?'

'I mean the D-Mark.'<sup>79</sup>

Mayer characterizes the end of German division as a "watershed event for the world [that] also fundamentally changed the nature of European integration." One key reason, according to Mayer, is that "the prospect of re-unifying Germany opened the door for the country to give up its beloved D-Mark—a symbol of its post-World War II economic and political achievements."<sup>80</sup> Mayer deploys an oft-cited trope (for some, of mythic status), whereby the Deutsch Mark had to be bargained away in exchange for international permission to unify East and West Germany. Scholars have offered different assessments of this narrative. My concern here is not to establish the validity of the story so much as to mark the resonance of the story itself. It resonates in part, I think, because it reformulates the German national story as one of 'becoming whole again' while also

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<sup>79</sup> from David Marsh 2009, cited in Mayer 2012: *loc*426

<sup>80</sup> Mayer, *loc*426

undercutting that gesture by sacrificing the symbolic resource that made this most visibly possible.

Similarly, historian Andreas Rödger also refers to Jacques Attali's statement in his 2012 LSE lecture, 'From Kaiser Wilhelm to Chancellor Merkel: The German Question on the European Stage.' It sets the tone of European politics on the eve of the eastern European revolutions in 1989. In Rödger's assessment, the German question in Europe has revolved fundamentally around (West) German economic strength. He notes:

“...the German economy performed by far the strongest amongst European economies in the 80's...while Germany managed to create economic prosperity without comparable social collateral damage, the Bundesbank fought the risk of inflation by applying high interest rates, thus putting pressure on other European economies. Kohl realized that German economic success revealed a formidable reverse, as he said in 1989, serious, very serious psychological dislocations. Francois Mitterand's advisor Jacques Attali put it even more clearly. German power relies on its economy, Attali wrote, and the D-Mark is Germany's nuclear bomb. Thus, the founding of the European monetary Union became a pivotal moment in the history of Germany and Europe.” (Rödger, LSE Lecture, 2012)

At a time when the euro is in crisis, both Mayer and Rödger offer a symptomatic reading of German understandings of the euro project. The specter of German hegemony appears on the very scene that was supposed to banish it for good. By invoking Attali's metaphoric link between West German currency and apocalyptic warfare, Mayer and Rödger therefore signal how German participation in the single currency project resides in the logic of the double bind: 'doing too much may do as much harm as too little.' The euro project oscillates between deferral of and insistence on German priorities in shaping it.

German Unification is clearly crucial to the European project, both within and outside Germany. As is well known, Germany 'becoming' one again generated considerable anxiety among West Germany's allies and co-participants in the European



project during the events of 1989/90. For them, German Unity equaled economic hegemony, while from the German perspective, I would argue that the immense costs of unification could be used to deflect resentment and demonstrate commitment to deepening integration within Europe.

I would also like to add another dimension to this ‘national’ narrative, from the vantage point of the present, and grounded very much in my own research. In many descriptions of the effects of the 1990 currency union on the struggling East German economy, the force of the D-Mark is conveyed in similarly catastrophic terms: an atomic bomb, the big bang, a currency storm. It is as if the fears of Attali were visited upon ones’ own people. But in 1990 East Germans were effectively citizens of a different state and society. Economic collapse was the ‘collateral damage’ of altering the socio-monetary order of the GDR ‘overnight.’ This dimension of unification has often been blurred. It nonetheless could provide an important reference for understanding how the painful aspects of this social reordering and economic rupture were differently (and disproportionately) experienced in the former east and west.

## **Hauntings**

A story recounted by the German investigative journalist Dirk Laabs in his recent book entitled, “The German Gold Rush: The Real Story of the Treuhand” resonates here (Laabs 2012)<sup>81</sup> The place is East Berlin. The time is the 6th of October 1989 (a month before the fall of the Berlin Wall). A group of dissident scientists and citizen activists met to discuss where the German Democratic Republic might be headed, and what could be done to make necessary reforms. A banker in this group is reported as saying:

"Let's see how long the Soviet soldiers would maintain order when a 100 Deutsch Mark note takes command. We imagine an army invasion. But it could also be that the soldiers are Deutschmark coins and the sergeants are 10-Mark notes. Then there are the Officers: they are the Fifty,- Hundred,- and Five Hundred notes. This army is already at the border and GDR citizens will call, 'come to us.' What if the Deutsch Mark army really

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<sup>81</sup> Translations mine.

does take command? How do we protect ourselves against such an invasion?" (8)

According to Dirk Laabs, the research group documents these observations in a report that "predicts exactly what would happen to the GDR in the next years." The group also comes up with the idea of an institution (a Treuhand) "that would protect the People's property in the GDR from the Deutsch Mark Invasion army."

This story references and foreshadows the German currency union of 1990 and its unruly remainders, which, as I argue in my larger project, haunt the European monetary project. Questions of sovereignty, local sustainability, and the financial transfers that manage asymmetries between regions that share a common currency have been internalized as a project of national reconstruction because West Germany subsumed the East German state. As a threshold event, the currency union of 1990 and the setting of the exchange rate between west and east German currencies at the rate of 1:1 re-staged longstanding philosophical problems in thinking about money's adequacy and its mediation of value. In a terribly ironic fashion it performed Marx's insight about the equivalent form as also a relation of inequality. By overvaluing and suggesting an appreciation in value it paradoxically served as a form of devaluation and delegitimization at the same time.

Moreover, the currency union is understood as a site of East German agency which, like a Greek tragedy, was its own undoing. It set into motion many other problems of setting a value to an entire economy that quite literally came to an end. It was a settling of accounts. It became caught up in the question of how a currency represents and enacts a particular value of what is understood as the "real economy." It is this fraught relationship that the logics of currency unions presuppose and materialize.

What is at stake here is not the familiar opposition of money to the social; rather it is how money is always already a basis from which the potential of local sustainability is part of a complex financial infrastructure made up of multiple agents and consequences. Like many other ironies, the Treuhand was an East German creation that, in a radical reversal, became the institution that (privatized) or auctioned off East German assets, leaving only 6% in East German ownership. How to understand the value of those assets exceeds narrow categories and distinctions between credit and debt, the temporality of

value as process.

Why is this story relevant to the current euro crisis? German Unification in 1990 ended the Cold War and propelled the European project of integration forward. The currency union that effectively joined Capitalist West and Socialist East German economies has been narrated as a singular event. Politically it signified Germany's redemption and re-inclusion into the community of European nations. But from an economic standpoint, the 1990 currency union has been analyzed as Unification's most profound failure. As many have noted about post-war West German identity, the West German Mark embodied economic stability and substituted for a discredited national identity. East German desire for the Deutsch Mark served as a powerful recognition of the West German success story and superior economic status. However, many in the West anticipated that the introduction of the Deutsch Mark to the East would be a destructive force, since it exposed a closed economy immediately to the world market. The currency union set into motion an economic shock from which the East has not recovered, more than 20 years later. It erased the very basis through which a locally sustainable recovery would be possible. Thus, the Deutsch Mark revalorized post-war German identity, but paradoxically it also repeated the history of monetary trauma in the East, for which it was understood as also the remedy.

This story is absent from current discussions of the euro crisis and German elites responses to it. Let me now turn to what I view as re-stagings of these ambivalent histories as they are playing out in the German discursive landscape in which the euro crisis is debated.

### **Euro re-stagings: Marking Monetary Crisis**

Since 2009 the euro sovereign debt crisis has dominated international news and the speculative energies of financial markets. How are the conflicts and tensions underlying experiences of German Unification mapped onto otherwise diverse economic problem spaces of other member states that use the euro? For elite proponents the euro is a project that must be ardently defended as the basis for future economic stability and

intra-European peace and cooperation. Elite detractors, and not a few economists, argue that the euro in its current form is undermining that very possibility. In the eyes of the European public at large, it seems as if the monetary logics are reversed. It is the euro, and not the human subjects who use it, that must be saved on a daily basis. Instead of subsuming and deflecting national differences, the euro is re-inscribing these into new discursive repertoires of particularizing money.

Based on my earlier research, new explanatory modes of arguing about the euro are entangled in and constitutive of economic policy proposals and expert knowledge practices. For instance, Euro banknotes were supposed to materialize European and not nationally specific iconography. As subjects use monetary media, such iconography may be taken for granted, thus seeming irrelevant to monetary policy. Nonetheless, both European and German central banks design extensive communications campaigns to reach the broad public by building trust in the euro through the security features of banknotes, literally built in to the iconography of bridges and gates. Thomas Malaby made a related argument in his ethnographic study of the euro changeover in Greece: “The appearance of the euro necessitated particular practices of knowing, handling, and using the new currency, and these practices led to the proposals of certain truths” (Malaby 2003). Specifically, negotiating new prices denominated in euros led to a “refiguring of value” in relation to commodities. For Greeks, practices of indeterminacy (rounding up or down) in making change were replaced by precise reckoning in daily transactions. Malaby viewed this as a form of demonstrating euro competence, and thereby belonging in the EU. Situated practices such as these may now be met by some with skepticism given the media representations of Greek corruption and financial profligacy. Here I want to make the case, then, that in moments of crisis it is not surprising that the euro is a medium through which new rhetorical repertoires of marking difference might materialize. To paraphrase one German politician from the CDU/CSU coalition (Volker Kauder), who recently remarked in frustration, ‘we don’t refer to the US financial crisis as a dollar crisis, why are the sovereign debt problems in Europe a euro crisis?’ (Maybritt Illner, 13. 09. 2012) Below I trace some of the discursive repertoires through which monetary value is being marked and particularized in public

discourses in Germany. It should be noted that such tropes circulate within a well-worn terrain in which East Germany has become an object of accounting.

Greece has the wrong money, it is said. It is now unlikely that its own strength can generate a repayment of debt. The debt grows exponentially by the day. What is the solution? Will a return to the Drachma return Greece to strength? Will it instead cripple the country even more? Tropes abound. 'It is a choice between pest and cholera.' 'Better an end with terror, than terror with no end.' Old stereotypes have been reanimated. Greeks want Germans to return the national wealth brutally expropriated by the Nazis. Germans must pay for Greeks who have lived beyond their means. Low wages and the social depreciation of Hartz IV are the wages of Germanness, applying pressure elsewhere, creating the new economic miracle at home. The solution to the euro crisis has an uncanny presence: the German model universalized to all. The euro is system-relevant. It is too big to fail. Saving the euro is a bank bailout in disguise. Aid packages do not reach the people, while austerity cuts like a knife. The public believes they are paying for the debts of foreign others. But are these credits, payments, or unending future obligations? It is a "cup without a bottom." It is no longer a union of transformation, but of transfers. The language evokes an eastern Other that is strangely absent. Whether present or absent, the currency union of 1990 puts one in a double bind. New debts were changed into old ones. Potential value collapsed into its void. There was a surplus, but no one quite knows where it went. But westwards is the most probably direction.

The euro is a currency 'created out of nothing.' It is without a past. Old national currencies in their anteriority entice. An untroubled unwinding of present monetary entanglements is imagined to shift the past into the future. The EU worked just fine before the euro, it is remembered. The EU can persist in a post-euro world. For others, though, the end of the euro is the end of Europe (does it coincide with the EU?). An exit from the euro bodes the unexpected, the incalculable, a financial collapse of unimaginable proportions. It was once said that plans were made to transform capitalism into socialism, but no one thought about how to turn socialism back into capitalism. Many plans have led to the euro, but no plans exist on how it might retreat. A currency

union unwound the socialist plan, but it posed uncomfortable questions of how capitalist value comes to be in the first place.

Many outside Germany resent the dogmatic morality tales dispensed to member states perceived as resisting reform. Most have forgotten the troubled history inaugurating *Aufbau Ost* (building up the east). Then, order was unraveling and a currency union was the subject of intense debate. Asymmetries were evident and would only be intensified with the introduction of the Deutsch Mark to the East. The 1990 currency union was undertaken without convergence. According to monetary logics, the GDR posed problems. Greece was not the first.

Technical and legal measures such as the European Stability Mechanism (ESM) have recently captured lay and expert ponderings alike. Heated discussions about the obligations that lurk behind parliamentary language and macro-economic models create division even as new and unlikely alliances are formed. The broad public demands a voice in the crisis management. When asked if they understand the matters to be decided upon, language falters. Experts interpret the same data in different and contradictory readings. Expert critiques of the euro in Germany resound in uncanny repetition of old essentialisms that both frighten and compel (Hankel 2007; Sarrazin 2012)<sup>82</sup>. The economic arguments might be sound and exude disinterested intentions. Yet they also imagine an unproblematic severing of intra-European entanglements. Moreover, the trajectory of revitalizing East German regions is uncertain in these visions, even as a Unified Germany signifies its power and dominance externally. Those who wish to safeguard and preserve the euro at all costs trouble even more as austerity and morality are cloaked in the language of peace, security, and futurity. Might these future visions also reroute the European vision to the scarred terrain of the past? If saving the euro is a bank bailout in disguise, then it brings to the fore the non-neutrality of financial instruments as measures are resisted on national terms.

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<sup>82</sup> See also Olaf Henkel

## **Ambiguous Debts, Temporal Conjunctions**

The euro debt crisis has reactivated visions of closer political and fiscal union between European member nations. Current tensions of national citizenry in EU member states highlight the crucial absence of a European public space. Topics like monetary policy or labor mobility are framed in largely national terms and explained to the public by national politicians and media venues. Thus, rather than leading to a decline of the nation state, the European Union has only served to reconfigure national sentiments and prejudices. Anti-German sentiments in Greece are growing, just as German frustrations about paying for other EU-member states must be placed in the context of extreme social inequalities that have arisen within Germany, and between East and West German regions in particular. Precisely because of decreasing wages in relation to labor productivity in Germany, other EU member states have struggled to compete with Germany in the European single market. Germany's export boom is the inverse of economic decline in countries like Greece, Spain and Portugal. The need for tighter fiscal and social union between member states to solve the debt crisis must therefore be critically and collaboratively unpacked.

German proposals for Greece and Greek responses have (in my view) invoked intra-German debates about the costs of Unification. Given the complexities and disjunctions of integration within Germany, a comparative perspective on German and European monetary logics seems in order. While not losing sight of their historical and geographic particularity, analysis of the monetary visions that have animated such ambivalent inclusionary projects might illuminate competing visions of the euro's future.

The economic and monetary logics surrounding both the German Democratic Republic and Greece's inclusion in currency regimes is believed by many analysts to have deepened rather than remedied existing asymmetries. For instance, it is often remarked that Greece should not have been allowed membership in the euro since it was only through accounting trickery that it appeared to meet the necessary criteria of convergence. However, East Germany's accession to the Federal Republic of Germany offers an important parallel given that this also meant membership in the EU, and thus

immediate inclusion in a hard-currency regime for which no necessary steps of economic convergence had been met. As my historical and ethnographic research on German monetary union brought into focus, one of the few and deeply marginalized modes for reclaiming monetary value has been through the lens of moral arguments of equivalence (Bahrman 2005; Laabs 2012; Most 2009; Wenzel 2006 (2000)). Precisely those domains that are felt to escape narrow accounting and the setting of exchange rates, such as reparations and external historical contexts in which some economies thrive and others decline, have been the basis of such arguments.

References to East German payments of reparations were already deployed in the 1990 Monday demonstrations in Leipzig. As a moral argument about value it has generated critique and sympathy alike, in west and east. Whereas West Germany could rebuild in 1948 with the aid of the Marshall Plan, East Germany paid the entirety of German reparations to the Soviet Union, which included the dismantling, not reconstruction, of industrial infrastructure. Because East Germany's economic failure is viewed primarily through the lens of socialism and dictatorship, such subaltern analyses, though supported by West German sources, tend to be minimized and dismissed. Whereas East German respondents have deployed reparations to revalorize their labors in the GDR, Greeks have called attention to unpaid reparations by Germany as a moral reminder of national asymmetries and their historical causes, paradoxically fracturing the post-war peace rhetoric in which the euro continues to be authorized. Reparations are a site of contestation and evidence precisely because they highlight the irrationality of capitalism, in which peace and war can be equally justified by monetary projects of inclusion. The shared currency regime has thus re-opened old wounds, as Greek anti-German sentiments materialize.

In both German and European projects, analysts have argued that a strong currency further intensifies existing divergence in the economic areas to be joined. In this sense, the relative value of currency is thought to reflect and index the "real" economy. In cases where a strong currency joins structurally strong and weak economic areas, currency becomes a destructive and inflexible agent of disequilibrium. While East Germany was unified with the West in the absence of any convergence (as mentioned



above), criteria for euro membership aimed, in theory, to prevent such cases. The presupposition was that convergence would remain stable if member countries followed the rules set out by the Maastricht treaty, thus creating what is called an “optimum currency area.” The sovereign debt crisis has been seen by some as the outcome of disavowal and manipulation of these rules. For many economists, the crisis brings to the fore the pragmatic difficulties of a one-size-fits-all monetary policy that fails to account for divergent internal developments within the currency regime. Proposed solutions to the crisis have been multiple and contradictory: expel weaker member states, form different euro-blocs (such as calls for a north or south euro), impose reform through ever more austerity measures (that only seem to accelerate the crisis), or to deepen integration through banking and fiscal harmonization.

Where national currencies no longer index difference, expert commentators resort to new rhetorical strategies to qualify the euro. Exchange-rate risk has only resurfaced in the bond spreads of sovereign debt, where national differences are once again perceived as legible (rightly or wrongly) and subject to speculation. Experts argue that euro is undervalued in Germany and overvalued in Greece. Interest rates cannot be adjusted through revaluation of currency, thus the euro’s interest rate is appropriate to none. Such arguments are gaining efficacy by evoking the possibility of a return to prior national strength through a re-introduction of national currencies, or conversely, a potential shield from the imbalances within the euro-zone. Whatever the claims, an unwinding of the euro poses problems of knowledge; preservation or unraveling suggests an uncertain outcome.

From an economic standpoint, many parallel arguments circulated in policy disagreements about the effects of a currency union on the East German economy. These were not only problems of conversion but also pragmatic concerns about future regional sustainability. Among other crucial factors, the currency union and the asymmetries it intensified undermined the very economic basis from which East Germans could have become participants in a shared German and European project. One of many crucial materializations of failed integration can be seen in wage differences between West and East German regions. More than 20 years after German unification, unions and companies still have the legal backing to determine pay-rates on an East/West basis.

Some argue that wage differences are necessary and reflect regional differences in cost of living. Others warn that wage inequalities will only inhibit any efforts to “catch up with the West” (*Angleichung*), and that cost of living differences are not so divergent. More importantly, low wages in the East will continue to reproduce elder poverty and the need for government assistance. East Germans have been forced to move to, or shuttle between jobs in the West German regions and beyond. Over twenty years of laments about the financial burdens of paying for the East have occluded how deindustrialization, dispossession, and demographic decline shape and also erase East German contributions, work biographies and economic futures. Many analysts have concluded that the economic project of creating equivalent standards between East and West German federal regions has failed. Recent studies suggest the goal may soon be abandoned with the end of special subsidies in 2019 (Ostdeutschland 2020, Friedrich Ebert Stiftung). Avenues for making structural differences between East and West an ongoing collective commitment seem few.

### **Concluding Thoughts**

The euro and the single market have so far been envisioned and promoted by elites as a mere technical instrument that unites, but which simultaneously allows for national economic priorities and subjectivities to remain intact. Now, in the light of austerity measures and proposals for tighter fiscal union, national states must make policy decisions to save the euro, with diminishing avenues for addressing local economic imbalances. Citizens across Europe have turned to the streets to protest the growing undemocratic interventions that the unifying euro is now inscribing into the very fabric of the European projects. National stereotypes and historical traumas have been re-animated as moral commentaries on cultural economic Others. Greece’s continued membership in the euro is now at stake, with contradictory justifications being made for its exclusion, and for its necessary inclusion, so that the European project will remain in tact. Within member nations nests a similar dynamic as wealthier federal regions mobilize claims to autonomy in resistance of financial redistribution. Even within Germany, the region of

Bavaria has mounted a campaign for independence. Viewed widely as an electoral spectacle, it nonetheless underscores the difficulties with which a Europe-wide fiscal union would be met.

The structural problems of German unification are covered over by the new financial instabilities emerging in Europe as a whole, even as new problem spaces of economic integration between West and East Germany foreshadow likely struggles to emerge between euro-member states and regions. Aimee Placas has been following consumer debt practices and the financialization of daily life in Greece since 2003. She has recently drawn attention to a crucial interface between sovereign and consumer debt<sup>83</sup> Namely, proposed solutions that view a reduction in the so-called bloated public sector as the answer have neglected a crucial implication of such downsizing measures. Her analysis is worth quoting at length here:

“Most press mentions the enormity of the sector, the issue of political hires, the trading of jobs for votes, the favorable retirement ages, and other “costly benefits.” While I don't have room here to address why that image is problematic, I do need to point out one “privilege” that never gets talked about. In the midst of the job cuts and wage reductions that austerity measures have required for this group, there's been no coverage of the time bomb caused by a lesser-known perk civil servants have had access to: namely, they've been considered low-risk borrowers. In a credit market where credit scoring is brand new and still under formulation and where access to credit history only began in 2003, banks have relied on civil servants as the most stable category of “salaried” consumers, offering special loan products and remarkably large credit lines to this group. I've met individuals who had been lent three times their annual salary in consumer loans and credit lines – that's unsecured debt, not mortgages on homes or property. The nature of their employment was considered to be security enough. Austerity measures have eradicated any such notions of security; the debts, however, remain.”

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<sup>83</sup> (Cultural Anthropology, Nov 31, 2011; <http://www.culanth.org/?q=node/433>).

Moralizing discourses within Germany that sharply distinguish between creditor and debtor nations risk creating the impression among the German public that further austerity measures in Greece, or its expulsion from the euro will un-problematically return Germany to stability and certainty. Another more complex issue is the status of “Target2 imbalances.”<sup>84</sup> The intense discussions leading up to the German currency union on July 1990 should remind not only of transfers and payments, but the tangled web of unwinding what has been predominantly, though problematically viewed as a bankrupt socialist economy. Based upon my ethnographic and historical analysis of the German currency union, and notably, how competing monetary hierarchies of value continue to divide within Germany, the unanticipated consequences of either saving or discarding the euro project will remain for some time to come.

Frank Plasberg: How likely is it that Greece will be able to ‘get back on its feet’ economically?

Dirk Müller (otherwise known as ‘Mr. Dax’<sup>85</sup>): I would place the chances of Greece getting out of this mess at zero percent as long as they have this wrong currency. The currency that is legally valid in Greece right now is [valued] 100 percent over the productive efficiency of the country. No country on this earth can establish a reasonable economic foundation that is self-sustaining on such terms. If we want to maintain this situation then we will have to be prepared to counterbalance the difference between Greece and its currency annually with transfer payments in the billions”

German Talk Show, ‘Hard but Fair,’ 06. 08. 2012

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<sup>84</sup> (<http://seekingalpha.com/article/701601-why-everyone-should-pay-attention-to-target2-imbalance>).

<sup>85</sup> The DAX is the German Stock exchange, Deutscher Aktien IndeX. Dirk Müller is a well-known, plain speaking stockbroker who regularly appears on news and media outlets to give commentary on current developments in the financial markets. His mission is to give the public a clear and honest assessment of global financial interconnections while also providing investment advice. He is widely respected as a financial professional who raises awareness about the need for developing a more sustainable financial system and speaks out, for instance, against exploitative commodity speculations on the markets of the global south. More recently, he made a documentary on the impact of austerity measures in Greece.

‘The Greek Elections’: Instead of an End with Terror, now Checks without  
End?’<sup>86</sup>

In the example above, Dirk Müller attempts to make intelligible the dis-junctures arising from different economies sharing a single currency and monetary policy in the euro-zone. In the absence of separate currencies, he particularizes the euro by referring to it rhetorically as the ‘wrong currency’ and substantializing a relative value that he believes does not reflect Greece’s economic circumstances. Like other financial observers, he argues that Greece’s situation would improve if the country left the euro, returned to the drachma, and once again had the possibility to ‘devalue’ its currency. This leaves aside the question of Greece’s euro-denominated sovereign and private debts. It also suggests that an exit from the euro and a return to a former state of affairs is possible and desirable. That scenario animates multiple debates and positions about the nature of the euro crisis and proposed solutions to it. These include dismantling or reconfiguring euro-zone membership, as well as calls for a completion of the project’s ‘architecture,’ from minimal approaches such as a banking union to measures that would create a so-called European ‘super-state’ with fiscal and political union. All of these suggestions pose immense challenges, multiple points of disagreement and resistance, and ultimately a limit to knowledge about the future of the project and its outcome.

In my initial reading of the example above, I began to reflect on two dimensions emerging out of the euro crisis relevant for my own research and anthropological

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<sup>86</sup> **Frank Plasberg:** Wie wahrscheinlich ist es, dass Griechenland wirtschaftlich auf die Beine kommt?

**Dirk Müller (“Mr. Dax”):** Ich würde es bei null Prozent ansiedeln. Griechenland hat nicht einen Hauch von Chance irgendwie wieder aus dem Schlamassel rauszukommen, solange sie diese falsche Währung haben. Die Währung die in Griechenland momentan gültig ist, ist um etwa 100% über der Leistungsfähigkeit des Landes. Damit kann kein Land dieser Erde irgendwie auch nur eine halbwegs vernünftige wirtschaftliche Grundlage schaffen, um auf eigenen Beine zu stehen. Wenn wir das so erhalten wollen, dann müssen wir bereit sein, diese Differenz zwischen der Wirtschaftsleistung der Griechen und ihrer Währung auszugleichen mit hohen Milliardensummen, die wir jedes Jahr nach Griechenland überweisen.

Hart aber Fair, ARD 8.06. 2012

“Die Griechenwahl-statt Ende mit Schrecken jetzt Schecks ohne Ende?”

perspective on currency union projects. First, the above example is interesting in terms of the lingering horizon of nation-state-currency distinctions that the euro was imagined to transform and render unnecessary in the new monetary community of Europe. Rhetorically, then, financial experts must resort to new forms of marking and conceptualizing the interrelations of money, economy and persons in this new configuration of obligation between euro member states.

The second is the way in which this form of explaining the harmful effects and imbalances created by a currency ‘mismatch’ are analogous to the dilemmas that animated debates in 1990 about the introduction of the D-Mark to East Germany. Not only did many at the time argue that the linking of very different ‘economies’ to the same currency pose immediate problems for the economic future of what would become the East German federal regions. In subsequent years a minority of scholars and analysts have reflected upon how the lingering structural differences between east and western regions, and hence the need for financial transfers to the regions of the former GDR, can be attributed in part to similar imbalances not unlike those emerging between euro-member states. This is not explainable entirely as a regional difference but must also include its history as a separate and differently organized ‘state’ and economy as a pragmatic and symbolic problem-space. There is some consensus that the shock effect of introducing the D-Mark abruptly to the east contributed to the loss of its industrial base. However this aspect is often downplayed in the politics of attributing the majority of the decline to the problems of the socialist planned economy.

What some scholars have tried to show, however, is that the monetary and fiscal policies designed for the West German economy did not properly target the specific economic circumstances in the East in the years that followed unification (Collier 2011; Collier 1997; Zatlin 2011). Instead of facilitating convergence and equalization, then, asymmetries between ‘old’ and ‘new’ regions were conserved. The reasons for and explanations of the nature and extent of these asymmetries are complex and by no means a perfect analogy to the structural differences between euro-member states. But they do suggest how this form of integration through monetary union is reflected in the ‘real’ economic circumstances of regions, and that monetary and fiscal policies may intensify

rather than minimize these differences. Moreover, political union may provide a formal-legal means of transferring resources between strong and weak regions, but these may continue to be politicized and contested if they are understood as transfers of wealth across different kinds of borders (financial, cultural, territorial). If such transfers are debated within ‘nation-states,’ then finding new ways of authorizing and imagining these relations between member-states may likely pose greater resistance, as the euro crisis has shown quite viscerally.

What sets the European monetary ‘architecture’ apart from other state-money-person relationships is the separation of money creation and governance from the *fiscus* or fiscal policies. Economists and political scientists refer to this split in terms of ‘levels’ of governance. That is, monetary policy is at a level above the state (an intergovernmental relationship) whereas fiscal and social policies remain at the state-level). Member states are therefore not in a position to issue debt or coordinate fiscal policies through the management of separate currencies. According to the rules set in the 1992 Maastricht Treaty on European Monetary Union, member-states were obliged to follow strict budgetary and fiscal discipline according to a set of key criteria. Along with a stability pact and no-bailout clause (no mutualization of debt across member-states), it was felt that if the rules were followed, the system would work without fiscal and political union. While many EU planners had in mind that fiscal and political union would follow and would indeed be forced upon member-states ‘organically’ through the pressures and constraints of a shared currency, others have been far more skeptical about how deep European unification should extend, or is feasible.

The causes and implications of what has been called the ‘euro-debt’ crisis are the subject of ongoing debate, re-definition, and revising. A number of key elements should be teased out here for context, and as the basis for further revision. It is widely felt that the ‘origin’ of the crisis in Europe lies in the US financial crisis, beginning in 2007-08, and which significantly impacted industry and banking in Europe. As in the US, European states intervened to prevent key financial institutions and industries ‘exposed’ to the so-called US toxic assets from defaulting and bankruptcy. Just as in the US, European banks and sovereign states viewed membership in terms of a system ‘too-big-

to-fail.’ With membership in the euro zone, the interest on sovereign bonds converged, with southern states like Greece and Spain able to borrow at interest rates like that of Germany. As many authors put this, the southern ‘periphery’ could borrow ‘as if ‘they were Germany. These new circumstances fuelled export-growth in the north and borrowing and consumption in the south. The reasons that countries from Ireland, (celebrated as the Celtic tiger) to Greece (seen from the beginning as having used accounting tricks to adopt the euro) became ‘crisis states’ differ in important ways, further highlighting the challenges and complexities of euro-zone membership. These will merit further unpacking and explanation as a way of highlighting some of the key logics of the euro currency union project, and the important ways in which the citizens of member states underwrite the system (Dodd 2010; Hall 2012).<sup>87</sup>

For my purposes here, however, what I believe is significant is the way in which persons and states have become part of the logic of fixed exchange rate systems, a kind of ‘currency reserves’ backing the project. For this reason, political elites are going to great lengths to prevent member states from exiting, even as states and citizens endure hopeless austerity programs effectively to save the currency. Both German and European currency union projects and histories highlight is the way in which money and society depend on

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<sup>87</sup> To develop the arguments in this dissertation further for future publications, especially using the 1990 currency union project as a metaphor for thinking about the relations, logics and meanings of euro-membership, I would like to make use of the following scholarship. The work of Nigel Dodd on the euro offers a way to think about other forms of theorizing and describing the ‘systemic’ dilemmas of the euro architecture, predominantly analyzed in economics and political science. For instance, in 2010 conference paper, ‘Money, Law, Sovereignty: Where does this crisis leave the State?’ Dodd draws on Agamben’s writings on the ‘state of exception’ (as do other international political economists), Balibar’s use of popular sovereignty and the *fiscus*, and Bataille’s theory of general economy (contrasted with restricted economy) to analyze the split between monetary and fiscal policy. Dodd makes a further distinction between money and finance. These are forms of addressing the tension between a unified monetary system and how debts should be circulated among member-states. This is the key argument animating policymakers, with Germany notably resistant to any form of debt sharing (such as euro-bonds). Those familiar with the details of financial crises in German history have explained German resistance to euro bonds in terms of war financing in the first and second world wars through selling bonds to the German public, many who lost their entire savings when the currency had to be reformed. Peter Hall’s (2012) work with a varieties-of-capitalism approach is also instructive for considering different histories of “coordinating” economic, fiscal and monetary policy in northern and southern Europe. These different social traditions, he argues, are being targeted in expectations of structural reforms.



this suspension and trust. What we perceive to be objective and impenetrable structuring forces upon which we depend existentially and symbolically are fragile and can be thought and made 'other.' Money systems are ongoing attempts to think the potential of social justice and equity, just as these often produce the opposite, producing new inequalities and pragmatic tasks for the future.

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