

nineties. China and Vietnam are particularly striking examples.⁴⁴ The establishment of market economy in these countries did not lead to comprehensive democratization. Does this mean that post-communist capitalism can work without democracy? Russia, in spite of its structural problems and high dependency on oil and gas exports, seems to point in this direction. Authoritarian state capitalism has certainly become a serious rival to the West since the crisis of 2008–9 (see chapters 5 and 10).

Transitologists have approached their core fields of interest—political system change, the adoption of market economy, and the transformation of statehood—almost exclusively from a nation-state perspective. Journals such as the *Economist* and various think tanks have orchestrated a kind of international competition between nations battling toward democracy and market economy. Points are awarded for the degree to which the respective governments have achieved the targets advocated by the IMF and neoliberal think tanks. In the early nineties, the Czech Republic and Hungary were considered model transformation countries while Poland was criticized for its reliance on agriculture and general backwardness. Hence a country's level of modernization or perceived lack of sophistication was a second, rarely overtly expressed criterion for evaluation. Ironically, this continued a tendency of state socialism. The communists had made great efforts to catapult Eastern Europe to a Western level of development by forced industrialization, collectivization, and other means.⁴⁵ After 1989, “catch-up modernization” remained the primary goal, but without the utopian promise of communist paradise. The ideal now was wealth and consumerism.

At the Copenhagen summit of 2002, the European Union candidate countries were commended for having achieved the transition to market economies and democracies. This success, and European Union enlargement in the years 2004–7, posed a problem for transformation studies. It rendered a number of its research objects irrelevant, insofar as it adhered to the old backwardness paradigm. In terms of gross domestic product per capita (which is of course only one of many indicators), the wealthiest post-communist countries had already overtaken the poorest old EU

member states by 2002–3. Taking only capital cities into consideration, the East caught up at an even faster pace. Far less scholarly attention was paid to this upswing than to the previous transformation crises. Perhaps contemporary academia had internalized the journalistic rule of thumb that only bad news is good news.

With the crisis of 2008–9 came the anticipated bad news. Some postcommunist countries went into recessions almost as deep as the economic collapse of 1990 or 1991, with negative growth rates of up to 18 percent. The former Eastern Bloc countries managed to overcome the crisis faster than the Southeastern European countries, albeit at the cost of more radical social cuts. The IMF now exemplifies states like Latvia as crisis-beaters to be imitated by countries such as Greece. Whether neoliberal reforms actually generated any economic growth is a question that runs through this entire book, and is discussed by the example of a number of case studies in various periods. Germany felt the impact of the second wave of neoliberalism not only from without—in economic competition from its easterly neighbor countries—but also in its adjoined Eastern half, the former GDR. Postcommunist reforms here created many new problems for the unified German state and its social security system. Strangely, this cotransformation in Germany and Europe as a whole has been very little researched. Transformation research has by and large remained a field of “area study,” restricted to Eastern Europe. Even if one were to regard postcommunist transformation as completed by certain key years, such as 2004 or 2009, neoliberal reforms and post-welfare state transformation continue to be topical issues, pertinent to Southern Europe and the entire eurozone.

In this book, elements of cotransformation, or East-West transfer (terms such as “influence” and “diffusion” are too simplistic since they suggest the straightforward adoption of foreign models), are discussed predominantly in the context of contemporary German history and three main points of inquiry: political transformation discourses before and during Germany’s pension and labor market reforms of 2001–5; academic and public debate on the concept of “civil society”; and the role of politicians from the former GDR (such as Angela Merkel), whose political identities

were formed during German transformation. Transfer history is not only made up of “successful” transfers, in which one culture adopts and adapts elements from another, but also processes of demarcation. They occurred not only in postcommunist states, especially Putin’s Russia, but also in the West.

As mentioned above, transitologists as well as traditional historians of Europe tend to adopt a nation-state perspective. There are certainly plausible arguments for this: Nation-states steer macro-economic development, adopt reforms, organize social security systems, and are the most important framework for democratic decision-making. But as is shown below, there can be tremendous intrastate divergence—growing gulfs between rich and poor, large cities and rural regions—which has a particular impact on the everyday lives of the populations.⁴⁶ Research on urban transformation after 1989 has focused on the geographical and social metamorphoses of cities and urban areas.⁴⁷ This book will further zoom in on the cities, because they bear striking witness to the rapid changes of the past twenty-five years. Literature, information, or source material on individual urban districts, villages, or streets, and the groups, families, and individuals who inhabit them is hard to come by. But social anthropologists and ethnologists have begun to close this gap with studies of factory communities, small social groups, and specific environments, which are of great interest to historians.⁴⁸ The state of literature on the transformation era is low (with the exception of the aforementioned short book by Padraic Kenney). Tony Judt, Hartmut Kaelble, Harold James, and most recently Konrad Jarausch have discussed the 1990s in the respective last chapters of their major surveys of twentieth century or postwar European history.⁴⁹ But there is still no book conceptualizing the quarter-century since 1989 as a distinct historical epoch.⁵⁰ Neoliberalism was the guiding ideology of this epoch, so it deserves to be the center of attention. Knowledge of its history is the precondition for understanding the present, in Europe and beyond.