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Eric E. Rowley. *Hyperinflation in Germany: Perceptions of a Process.* Aldershot: Scolar Press, 1994. 183 pp. $69.95, cloth, ISBN 978-1-85928-039-3.

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Published on H-German (April, 1997)

Until the 1970s it was accepted that inflation and unemployment stood in an inverse relationship: that increases in the rate of inflation were primarily signs of tightness in labor markets and associated skill and labor shortages. Hence the decline in real prices during the 1930s in Britain was related to the existence of widespread unemployment, the management of the U.K. wartime economy was directed to the control of inflationary pressures under conditions of overfull employment and the limited availability of goods, while the postwar story was one of virtually full employment with episodes of labor shortage duly reflected in inflationary pressures. This view was formalized in the Phillips Curve which expressed the rate of inflation as negatively related to the rate of unemployment. The moderate level of price inflation registered in the European economies in the years before 1973 was thought to have been kept in check by internal labor transfers and migrant labor. The new phenomenon of stagflation that appeared in the 1970s destroyed this view of the world, for it became apparent that one could, in a modern economy, have both widespread unemployment and, in Britain's case, a rate of inflation of around twenty-five percent.

Since then, the neo-liberal consensus which has governed international economic policymaking has treated inflation as an economic evil greater in importance than unemployment. As European economies prepare for the introduction of a single currency, the *Maastricht* convergence criteria impose a clear deflationary pressure upon governments already laboring under persistently high levels of unemployment, and the principal benefit that a single currency is thought to confer is price and exchange rate stability. It is taken as a given that inflationary pressures have serious adverse effects upon domestic expectations and international competitiveness, giving rise to upward pressures on money wage on the one hand and a short-term investment horizon on the other. Inflation, in short, is bad because of the manner in which it distorts the behavior of economic agents.

This is of course self-evident, to such a degree that hitherto the accounts of great inflations that have been written have focussed principally upon the movements of prices, their relative impact upon social groups, the relation of money creation to movements in prices, and the attempts of governments to rectify an increasingly hopeless situation. In the German case, the hyperinflation of 1923 is generally thought to have been a major contributor to the political instability following the end of the war and to have made possible the rise to power of National Socialism. Costantino Bresciano-Turroni examined the descent of the German economy into hyperinflation in his *The Economics of Inflation* (1937), which carried a foreword from Lionel Robbins describing Hitler as "the foster-child of the inflation." More recently, Carl-Ludwig Holtfrerich has published a detailed analysis of the structure and impact of the German inflation in his ***Die deutsche Inflation, 1914-1923*** (1980). Eric E. Rowley's book begins from the other end--inflation as experienced by ordinary people and as written about in the daily press. This approach is intended to lend insight into the formation of popular attitudes.

Rowley places due emphasis on the food shortages arising from the war, and the dislocation of trade and production resulting from the partial occupation of Germany. He presents elementary analysis of the relation of price movements to money supply, and illustrations of the various money forms that came into circulation in the course of 1922 and 1923 as money appeared to be in ever shorter supply. Curiously, however, he never deals directly with the differential impact of price rises on occupational and social groups, nor does he direct attention to the fact that prices of different classes of goods did not rise at a uniform rate, or that they varied by region. The popular impact of this was in fact already touched on by Bresciano-Turroni, while Holtfrerich drew attention to the lack of uniformity of wage protection even across those in public sector occupations. There were, therefore, a variety of dimensions to the impact of the inflation, and public perception of these differences, well-founded or not, would obviously give rise to social tension.

The charting of popular consciousness in this way is a risky strategy, since it requires an analytical approach which goes beyond the anecdotal level, and is usually associated with "thick description." Rowley's book is bereft of any such methodological sophistication. He draws upon local newspapers in Cuxhaven and Hildesheim, for example, without offering any reason for their selection, nor does he consider the possible regional variations in reporting or even the nature of the readership for the newspapers in question. All such extracts and quotations are given in German with a following translation, but here again no effort is made to examine the language employed by protagonists, making it difficult to understand why the original German is supplied. Whether this book therefore adds anything to our understanding of the German Inflation of 1923 is doubtful.

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Citation: Keith Tribe. Review of Rowley, Eric E. *Hyperinflation in Germany: Perceptions of a Process.* H-German, H-Net Reviews. April, 1997.

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