

Introduction

When the Berlin Wall fell in the autumn of 1989, the competition among political and economic systems, which had determined the course of the twentieth century, seemed decided in favour of the market economy. The end of central planning, following decades of stagnation, generated new enthusiasm. It produced hope and optimism, inspiration and excitement. To workers and employees in the companies of East Berlin it conveyed a feeling of unlimited possibilities, of joy in action, and in the regained meaning of life, awakening utopian visions for the near future. Once the power of the regime seemed to have withered away, workers openly criticized their managers, blamed them for errors in administration, for their incompetence and political dogmatism. They openly voiced criticism that had long been circulating covertly, and they made plans for how everything would be better and different in the enterprise.

What, however, were working people able and willing to change in the enterprises following 1989? How did they reflect upon their actions and upon the possibilities that now opened up to them with the collapse of the old authoritarian social structure? I have tackled this question since 1990 by looking at three enterprises in East Berlin. In this book I attempt to unveil some of the myths and promises of the free market economy, by looking at them from the viewpoint of those who experienced the collapse of the planned economy in their day-to-day working lives. At the centre of this book stand the daily lives and the personal experiences of those working amidst the confusion of the political and economic upheavals. The central argument engages the issues of power and personal autonomy in the enterprise before and after the *Wende* (turnaround). The political and ideological mechanisms of influence and power in the planned economy are contrasted with the ways in which those mechanisms work in enterprises of the market economy. I will demonstrate by which informal and institutional means the management and the workforce renegotiated their relationships, and

in so doing how they redefined concepts of solidarity, responsibility and public welfare. The brief historical moment of the German *Wende* from autumn 1989 to summer 1990 became for the workers a crucial experience that called into question ideas about the rationality of the market economy, the legitimacy of ownership, and democratic control. Their ideas of 'market', 'private property' and 'democracy' became objects of my research, and are questioned as to their ideological nature.

The book consists of three parts. The first part is dedicated to the 'memories of the planned economy'. Power relations conveyed by the plan, socialist competition and the party are reconstructed in this part of the book from life stories, memories and written material from the time of the planned economy. The second part analyses the strategies of the individual in the enterprise following the collapse of the macrostructures of the planned economy. New everyday practices developed during this period of collapse. However, they have little in common with a rational economic environment, which was supposed to take shape with the market economy in East Germany. The third part analyzes how the business strategies and management philosophies of a multinational firm were received in a former 'people-owned enterprise' (*Volkseigener Betrieb*). The book finishes with a comparison of the mechanisms of ideological power and material control in the socialist planned economy and the globalized market economy.

The institutional transformations taking place within the enterprises make power relations visible, which in the everyday running of the enterprise are generally embedded in routine and habits (Clegg 1979). Staff in the East Berlin enterprises were able to perceive the power relations in the companies of the market economy differently and more keenly than their colleagues in the West who already lived with such relationships in their everyday lives. Since the old structures of control no longer appeared natural and the new ones were not yet anchored in routine behaviour, these power relations could be clearly observed (Clegg 1979: 147). This study provides an insight into the micromechanisms of power (Foucault 1975, 1977, 1986, 1987) and how they are interpreted by the workers themselves (Scott 1990; Herzfeld 1997). In previous studies of the *Wende* in Eastern Europe 'large' institutional changes have been considered, rather than these micromechanisms of power, although they help to explain these changes and both of them are mutually dependent.

In order to analyse how forms of power and control differ in socialist enterprises and in the market economy, Foucault's concept of power is

useful. Foucault does not perceive power as a thing, possession or chance, but as a resource for everyone in his or her sphere of action:

Power comes from below; that is, there is no binary and all-encompassing opposition between rulers and ruled at the root of power relations, and serving as a general matrix – no such duality extending from the top down and reaching on more and more limited groups to the very depths of the social body. One must suppose rather that the manifold relationships of force that take shape and come into play in the machinery of production, in families, limited groups, and institutions, are the basis for wide-ranging effects of cleavage that run through the social body as a whole. (Foucault 1977: 115)

Foucault explains historically how direct violent forms of exerting power in sovereign societies were discarded in disciplinary societies, where social discipline was implemented through other means, such as physical drill and total surveillance (Foucault 1986: 241). Modern industrial societies are disciplinary societies in which social discipline is internalized and accepted by the social participants as the norm. Therefore it no longer has to be imposed from outside. The relationships of control in the enterprises of the market economy emphasize individual self-discipline far more than would have been the case in socialist enterprises. This brings us to the central issue of this book: in the transition to the market economy, has the workforce gained or lost in personal autonomy and self-determination? Has the market economy brought them the freedom they had hoped for?

The exertion of control is always a mutual process between those who exert it and those who tolerate it and more or less demand it. To show this relationship, I examined to what extent the workforce in East German enterprises attempted to change the mechanisms of control and discipline within the enterprise and to influence economic decisions. Nonconformist discourse about power and justice in the workplace already existed in the planned economy. The hidden transcripts (Scott 1990), which were circulated during the time of the GDR, took on the form of jokes and anecdotes about poor socialist planning and inefficiency. There were also rumours about corruption and embezzlement, all of which would be whispered within intimate circles of confidants and colleagues. At the time of rapid social change they came to light as collective interpretations of social reality (Scott 1990: 204ff.). Above all, they were directed against the directors of enterprises, *Kombinate*¹, and against representatives of the party hierarchy. Shortly

after the fall of the Berlin Wall they were translated into actions that were 'difficult to categorize and even more difficult to institutionalize' (Engler 1995: 76).

The basis for my analysis of the micromechanisms of power is ethnological field studies undertaken in three East Berlin enterprises: a lamp factory, an enterprise building roundtable assemblers and an enterprise constructing lifts. The initial period following the fall of the Wall (1990–91) is predominantly documented in the first two, and it was among the workers there that the debate about the planned economy, which had just recently become part of the 'past', was at its liveliest. The third enterprise was purchased by a multinational corporation that also owned a branch in West Berlin. In all three enterprises, I spent most of my time on the shop floor, observed the interaction there and had prolonged conversations both during and after working hours. In the four years from 1990 to 1994, I pursued the dramas about power, ownership, and worldviews that unfolded and fed on past occurrences, present concerns and ambitions for the future.

The radical changes following November 1989 affected all levels and dimensions of life in socialist enterprises: the production and distribution of goods, social support for the employees and for their families, party political events, socialist competition, social organisations, work routine, holidays, and the individual psyche. Without making the enterprise into the object of research, I investigated *within* the enterprise how constellations of power were dissolved and reconstituted, how preconceptions of order and social justice were turned upside down, how the use of time and space changed, as well as the ways of coping with machines, products and colleagues in everyday life. The usual and unusual events, along with employees' comments explaining these to me, made it possible to observe their individual and collective strategies and to become familiar with their perspectives, dreams and plans. I was interested in the extent to which they could bring influence to bear on the fundamental transformation that took place in their enterprises, either by supporting, tolerating, or fighting it. To what degree did the people in the enterprises after 1989 shape the social and political structures?

The political *Wende* in the GDR that surprised observers and participants in 1989 happened at a time when the Western world had also entered a phase of rapid social and economic transformation. From the 1980s Western industrial nations were being shaped by the consequences of a new technological revolution occurring primarily in the area of communications. Information can be sent right round the

globe at the speed of light through optic fibres, and the smallest electronic elements now enable worldwide networking of production and planning processes together with decentralised control of them.

At a time when decentralised planning and the complex networking of groups and individuals were being made technologically possible, GDR society collapsed under the burden of its centralist and de facto arbitrary administration by elite party members. Technologically, especially in communications and computers, the GDR had missed out on the decisive years of the 1980s. The East German economy had to prepare itself after 1989 for a quantum leap out of a closed system into the globalisation of relationships both in production and in the market. Overnight its products had to rank among others in worldwide competition. Not only was production in East Germany no longer secured by the socialist state but the protection through borders, customs duties, exchange rates and subsidies also became increasingly fragile in the 1990s due to international treaties on free trade and the lifting of currency barriers in the European Community.

With the disappearance of central state control, the security of a closed and narrow view of the world disintegrated too. From an age of duplication using matrices and carbon paper, and of direct face-to-face communication, as was usual in a GDR enterprise prior to 1989 – particularly at a time when it was better if the state did not overhear what was being said – East German society entered into the age of the internet. Continuous communication is now not merely desirable, but demanded. Communication and mobility, both conveyed through the omnipresent medium of money, turned into a ‘must-have’ of the new society.

The planned economy had been accompanied by a code of conduct, which was tied to the moral system of values in socialism. This code was not identical to the publicly disseminated ideology; it even contradicted it in many respects. Whereas the socialist ideology demanded competition and achievement, it was in fact a levelling out of performance that gained acceptance in enterprise practice. In spite of collective and individual bonuses, which were often granted not only for performance at work but also for good political conduct, the differences in income between the managing director and the average worker were small. Money, too, had little appeal because of the scarcity of goods that could be bought.

Along with the end of the planned economy came a change in the function and meaning of money for social and economic relationships. Social domains, which could be regulated by money, expanded, rendering the close-knit personal networks for exchange and mutual

services unnecessary. Members of society became dependent on money for solving numerous everyday problems. High income promised high social status. Social distinctions emerged that had not existed in the planned economy of the GDR.² The social code of conduct that demanded individuals keep themselves in check, remain unnoticed and not stand out from the collective, abruptly lost its basis after the fall of the Wall. With the collapse of the planned economy a process of selection began that quickly threw unproductive, inflexible and passive employees onto the scrapheap. Being noticed and standing out positively from the masses now became essential.

Whereas in the GDR the production of goods for society was held in high moral esteem and the enterprise was regarded as the 'nucleus' of socialist life, the new demands of the market economy no longer appealed to a social mission. Successful competition in the marketplace turned into an aim in itself. Products were manufactured worldwide in those locations that were cheapest, where wages and social benefits were low and the organisation of trade unions weak. Companies in industrial nations of the West demanded that their workforce be willing to adapt to the conditions of competition, accept closures and redundancies and at the same time develop creativity and quality awareness.

The consequences of rapid institutional reform and of changing the legal framework for all economic and social activities exceeded any expectations that employees could have had before 1989. Were they ready then to use their own ideas and initiatives to flesh out the institutional framework, which the laws and institutions of the Federal Republic of Germany put forward? Or did the institutional establishment of power and ownership stifle all the approaches and initiatives that blossomed shortly after the fall of the Wall?

From 1 July 1990 the West German Deutschmark became the medium of exchange for enterprises in East Berlin. During the privatisation of the people-owned enterprises through the 'trust fund', *Treuhandanstalt*, the decision makers of the planned economy negotiated with the economic and political decision makers of West Germany. This left little leeway for experiments and for the hazy preconceptions employees had had of the changes that should take place in their society. However, East German society did not only change from the top down. It was everyday action both inside and outside the enterprise, often without any intention of reform, which shaped and changed East German society. West German institutions had to find a certain degree of recognition, acceptance, or even support among East Germans and be in keeping with their norms and values in order to be

able to influence society in the long term. There were tensions present in day-to-day life between values and norms that had arisen, on the one hand, from everyday life in the planned economy and, on the other hand, from the expectations about the market economy. These tensions also included those values and norms that the West German reformers anticipated. They often found expression indirectly through endless comparisons contrasting characteristics and behaviour attributed to *Wessis* and *Ossis*.³ Attitudes also developed, changed and became differentiated in the transformation process, not least because of the individual success or failure people experienced in the new social system.

After unification, in conversations on the shop floor and in offices, the employees constantly analysed and commented on the consequences of and conditions behind managerial decisions, trying to understand the reasons for their actions and for their nonaction. Yet, the results of these actions did not necessarily correspond to what was originally intended (Giddens 1987: 61). Such undesired consequences of everyday decisions made at the time of the *Wende* are a focal point of this book.

Since West German institutions regulated the process of transformation in East Germany, any undesired consequences of this transformation could in everyday discourse be blamed on the 'West Germans'. This, however, concealed the fact that the directors and staff actually made the West German institutions their own and did not merely put up with them passively. Who were the people who welcomed the West German institutions and profited from them, and who were the ones to be surprised and overwhelmed by them? Did those who had wished for the West German institutions to take over actually manage to profit economically? Why were some workers in the GDR in favour of institutional innovation, while others resisted it? Which experiences and at least semi-official rights of status did they appeal to? How did they link these to the experiences and perceptions of the new enterprise regime?

The starting point of my analysis of power relations was the sentiment many employees shared that since the demise of the GDR they had become more solitary and less capable of collective action. For the people I talked to, this came as all the more surprising as in their eyes the legal situation had changed considerably: in the Federal Republic of Germany they now had free choice of workforce representatives and the right to strike, neither of which were available to them under socialism. The right of workers' participation in privatised enterprises was laid down in the legislation of the Federal Republic. Nevertheless, the employees rarely made use of this. They were unaware of their rights and mistrusted the trade union leaders, who led the organisations that

succeeded the old socialist trade unions. In the privatised enterprises they initially recreated the structures of communication that they had been familiar with in the planned economy.

Although in the first period of radical social change after the fall of the Wall, the rigidity of social structures seemed to relax, it then hardened again in the years that followed. The very first critics in the period immediately after unification demanded changes and brought their managers to account, but it was mostly those who formerly wielded power who now exploited the opportunities of the new system to their advantage and bolstered their positions of power. Since the power that the directors exerted over their subordinates at the time of the planned economy was of a political rather than economic nature, how were they able to maintain their hold after the party structure in the enterprise had been dissolved? What motivated these directors and how did they gain acceptance and legitimise their actions towards a workforce to whom they had preached Marxism-Leninism for years on end?

The complex mechanisms of cultural adaptation and refusal in the enterprises differed depending on whether their former director privatised the enterprise or whether West German firms or multinational corporations purchased it. In the latter case, a 'corporate philosophy' was offered to the employees as a model for identification, which was to explain and legitimize the new power relations and principal values. How the mechanisms of 'corporate philosophy' compare with those of 'socialist competition' exposes the link between work and ideology in both political systems.

Methods of Field Research

The perspective of the anthropologist arises from the tension between proximity and distance, from the close interaction with the people one is working with, and from the essential requirement to maintain the capacity for reflection and self-reflection. The rationale of the research and the methods employed are mutually dependent. In this way, social anthropology faces the challenge of absorbing the subjectivity of the researcher into the analysis. At the same time, the research has to be methodologically transparent. When analysing their own society social anthropologists face an even greater challenge since the link between their own ideas and the subject is all the more complex and the social anthropological self-analysis of the researcher is even harder to achieve

because the individuals who are the focus of interest are neither necessarily different, nor alien.

In this respect, the social anthropological research in East Berlin had many traps set for me. Upon beginning my research, I saw the employees of the enterprises as 'others'. In the summer of 1990, when the structures of the people-owned enterprises were still predominant, they were unfamiliar to me as were the employees, who seemed eager to explain the planned economy and the special patterns of behaviour that went with it. They virtually insisted that a culture of its own had developed in the GDR, one that the West Germans would have to understand and take into consideration. All the same, this seemingly clear distinction between East and West became less evident as the research progressed. The construction of the other as a subject of research stood in direct contradiction to the process of the unification that was taking place during the same period. East German society received the institutional framework from the West Germans. They both adapted to it and adapted it to suit them. The 'others' lost their separate social context – the context in which I would have been able to enter, as a well-meaning social anthropologist, in order to understand and get to know them. They developed their own dynamic for dealing with the past and changed their rhythms of work and life, along with their cultural references. West German society changed too – this occurred in West Berlin considerably more rapidly and comprehensively than in the rest of West Germany. The points of contact, where the two societies met, shifted constantly. The enterprise was the point of distillation of these social developments, which were unfolding rapidly.

I had begun my research with simple categories, but these soon disintegrated. An example is the category of the 'East Berlin worker'. In 1990 the category 'worker' still retained strong ideological and political connotations in East Germany. It continued to be burdened by the memories of the 'workers' and 'peasant state'. Then, only one year later, this had almost completely disappeared. A whole new category crept in: 'the unemployed'. People who, in 1989, were certain of remaining workers all their lives, became traders, representatives, self-employed craftsmen and taxi drivers. 'East Berlin workers' who after 1989 had begun to work in the West Berlin firm Hochinauf, returned to East Berlin as 'West Berliners' with the merging of West German and East German production. During the course of this long-term study, not only did my relationship with the workers in the enterprises evolve, but I was also affected by fundamental political and social changes, which

occasionally placed us, as West Germans and East Germans, in different political camps.

Thus, the results of the research do not attest to 'neutral' objective findings, but rather to the process of how these changes came to be interpreted. Through observing workers in action, through being constantly present even in moments of tension and conflict, participating in birthday parties, work conferences and staff meetings, I could see how their stories and explanations related to their actions. At the same time, however, I became a sounding board for the workers' self-portrayals, which enabled them to position themselves in this new reality.

There is much discussion in social anthropological literature about the first time contact is made in the field, and how the people who make this access possible have an impact upon the development of the research. I chose a path through the hierarchies that was typical for the old GDR – from the Ministry of Light Mechanical Engineering downwards – in order to gain access to the people-owned enterprises. The most difficult part was getting past the barriers and checkpoints at the entrance to the ministry at the beginning of May 1990. Once the barriers had been passed, it turned out that the ministry had already ceased to function. The employees still sat in their rooms – but they no longer worked. I had penetrated into the control centre of the GDR economy, but its power had come to an end. The employees of the ministry had no need to guard any secrets from me. They made time for me, looked up addresses and telephone numbers of enterprises they believed were successful enough to survive in the market economy, and recommended me to friends who were enterprise directors there.

The fact that I had been sent from the ministry ensured the doors of the first two enterprises, Stanex and Taghell, were wide open to me. The directors permitted me to move freely around the enterprise and to talk to employees. It certainly was not any great interest in my work that motivated them to admit me into the enterprise, but as a social anthropologist, I was in their eyes nothing more than quite simply a sign of the times: a Westerner, whose intentions they could hardly fathom, but to whom they did not want to bar access because they wanted to avoid the impression of having something to hide.

When I visited the lamp factory Taghell and the manufacturer of assembly machinery Stanex for the first time, in July 1990, the workforce and supervisors met me with real openness. I was able to have long conversations and take notes. The conflicts, alliances and antagonisms in the enterprise were gradually brought to light. Although members of the workforce and the management each tried to convince

me of their respective positions, they did not prevent me from hearing contrasting accounts. The supervisors of the people-owned enterprises did not know yet whether they would be able to hold on to their jobs once the enterprise had become a limited company. On the other hand, the workforce still questioned the political past and the present economic decisions of their managers, but they had by this time already given up the idea of taking over management themselves. This stalemate was essentially ideal for ethnological research: memories of the socialist past still retained enough conflict potential in the present, so that the managers and the workforce inundated me with reports and accounts about the planned economy, while at the same time the power structures from the past had become temporarily ineffective.

Research became increasingly difficult during 1991 when, in light of the growing economic difficulties, management began to cover up its decisions and company policy. The socialist directors had become managing directors and tried to become owners of the enterprise. They no longer wanted me as an observer in the enterprise. Access to the first two enterprises became harder, forcing me to interview the employees mainly outside of the premises. Therefore, in the summer of 1991 I extended the field to a third enterprise, Hochinauf, which had become part of a multinational company. A member of the board from West Germany had acted as an intermediary to put me in touch with the senior management in West Berlin.

The issues that arose from observations in the workplace and from the interviews moved beyond the realm of the enterprise. The trivial matters, the everyday changes, the banal commentaries and observations, which were often only made offhand, all reflected the greater social context. These daily occurrences and accounts can be subjected to a variety of perspectives (Rosenthal 1996: 142). Social interactions such as conflicts suggest different meanings depending on whether I consider them in a 'microscopic' sense in all their details, or whether I regard them from a broader 'macroscopic' perspective. To provide just one example: the difference in pay between the East Berlin workers and West Berlin workers in the Hochinauf factory located in East Berlin can be considered from a wider 'macroscopic' perspective as a consequence of the unification treaty that temporarily established in East Germany an economic zone with a lower pay scale. Viewed from the 'microscopic' perspective of the workshop, it appears to be an attempt by the West German management to discriminate against East Berlin workers and became the catalyst for normative discourses about productivity and justice.

Official statistics, legal documents and reports provide valuable background information and without these a 'macroscopic' perspective cannot be adopted. This information taken by itself makes management decisions seem impersonal and almost objective. For this reason I made an effort to outline the complexity of the decisions, including those made higher up in the company, and to portray the decision makers as complex individuals. With this in mind I did not carry out interviews only within the company, but also with the management of the concern, with the administration of the Treuhandanstalt and with members of the supervisory board. Although I concentrated my research on the enterprise and made most of my observations there, the factory was merely the location where I carried out my fieldwork and not the 'natural' boundary of the research domain. The relationships of the participants in the study and their interpretations pointed constantly beyond the enterprise: to their family lives, their domestic circumstances, their political commitments, and stories of their past.

In the phase of restructuring the enterprise, conflicts from the socialist past reemerged and the members of staff attempted to settle their personal and political accounts. Some events from the past were extensively commented upon and described; others were suppressed. It was often only when we were looking together at historical documents, like brigade diaries (*Brigadebücher*), records from the party organization of the enterprise (*Betriebsparteiorganisation*), minutes from the meetings of the enterprise trade union committee (*Betriebsgewerkschaftsleitungs-Sitzungen*), that painful memories were vividly recalled. Written documents triggered interpretations of the past from the perspective of the present, which often told just as much about recent experiences as about the past itself. After as little as one year, shifts could already be detected in the way the past was being interpreted.

Following several intensive phases of field research, during which I remained in the enterprise on a daily basis during working hours, I continued to visit them regularly: I arranged interviews and kept myself informed about the latest events. When the third enterprise, Hochinauf, was closed down by the multinational concern in 1996, I finished collecting material. The bankruptcy of the enterprises or the relocation of production was of course not the 'natural' conclusion to the field research, for the people continued to exist, either going on to find new jobs or becoming unemployed. Along with the closure of the enterprises went the disappearance of a location where I could continue to observe. To go on and accompany my subjects on their new paths in life would have provided material for another project.

Introducing the Enterprises and the Participants of the Study

Stanex

Stanex developed in the 1960s from a research institute for cybernetics. In the years when the GDR economy was reformed into what came to be called the New Economic System,⁴ cybernetic ideas of systemic self-regulation were applied to a new 'scientific organisation of production'. In 1968 the engineers of the institute began to transfer the principle of self-regulation as a form of crisis management to other enterprises, and from these ideas they went on to develop their own automated products. One of the initiators later became the director of the department of assembly automation of Stanex, Dr Schöpf, a staunch party member with a doctorate in planned economics.

I chose the department of assembly automation with one hundred employees as an area for research. It had its own administrative structure and functioned more or less independently within the enterprise Stanex, which had two thousand employees in all. The employees and the directorate of this department were highly motivated and convinced that they had a product of excellence. The debate about the political aims of the planned economy and the ideals of socialism formed part of their everyday conversations.

In the first few years, the research engineers were unable to bring any of the products they had developed into production. The mechanisms of the planned economy, which considered each innovation as a new complication, put a stop to their ambitions. It was not until the mid 1970s that Schöpf, thanks to good political connections, met with success in convincing his superiors in the enterprise, the Kombinat and the party to put their invention into production.

The invention was a roundtable assembler based on the principle of twelve interconnected assembly units, which had to be adapted to the requirements of each customer. The assembly units were vibrating tables that transported components for assembly to be fitted, screwed or pressed. Machines were constructed, for example, for putting together grounded electrical plugs or, in combination with a second machine, to fit pieces into a circuit board. Since every machine was custom designed, new problems arose each time that usually had to be solved on the spot. During the assembly process, the fitters and the designers worked closely together. Their relationship was an egalitarian and collegial one because they had to find pragmatic solutions together, instead of laying emphasis

on hierarchies. At the time of the planned economy, the enterprise had successfully established a wide network of links with enterprises delivering special components that were crucial to the production of the roundtable assemblers. These machines were in great demand. The department director granted them above all to those enterprises that were prepared to deliver special parts in exchange for them.

When I began my research in the enterprise in May 1990, the department had already lost a large part of its business partners. The electric and electronic industries in the GDR were in crisis and assembly machinery was no longer required. New customers in the West German marketplace had not yet been won over.

Taghell

The small enterprise producing brass lamps in a Berlin suburb (let us call it Taghell) stood in contrast to Stanex in many respects. It produced highly desirable consumer goods for national consumption, as well as for export into other socialist and non-socialist countries. The workforce was mostly composed of non-party members. Accordingly, the level of both ideological indoctrination and political motivation of the employees was low. Most of them worked here because the job was well paid or because they lived nearby. Gossip about the directors asserted that they had come to the enterprise because there they could earn money with the lamps through unofficial channels.

Taghell had emerged from small family businesses that were producers and suppliers of lamps, which in the 1960s had gradually gone through the various phases of nationalisation. Through high taxation of profits (peaking at 80 percent) and lack of access to investment goods, the small firms became increasingly dependent on the state, acquired debt and had to surrender shares to the state. In 1972 it took over the enterprises completely in the final wave of nationalisation. Even after 1972, as state enterprises, the lamp producers continued to face grave difficulties in obtaining investment quotas to renew their machinery. It was not until 1978 that the situation of the enterprise suddenly began to improve. Although brass reserves in the GDR were low, the political decision was made to provide the enterprise with some of these resources for the production of their brass lamps.

These highly desired lamps were particularly suitable for making friends among state officials who were responsible for supplies. The District Economic Affairs Council was responsible for the enterprise up to 1984 and in return for receiving brass lamps for its members, it

granted Taghell opportunities for investment. This changed in 1984 when the enterprise was incorporated into the Kombinat XYZ, where the combine management put any investments intended for Taghell aside so that they could be allocated to the main enterprise of the Kombinat, for which the director of the Kombinat was directly responsible.

However, according to GDR standards, the enterprise continued to remain extraordinarily successful even after 1984. From the mid 1980s on, a type of lamp was developed that met with approval in the West. The economic success of the enterprise – that is the fact, it not only manufactured popular consumer goods, but that it exported too – attracted executives from other, more important enterprises. When the new directors arrived, they frequently brought along a new team of their own, who would take up managerial positions (Arndt 1997). Particularly influential was the ‘low-voltage gang’ – who were given this name by their colleagues because they had all come from the people-owned enterprise VEB-Elektrik to Taghell, where in 1978 they occupied the positions of production director and technical director.

In 1989, ten small production units for lamps, components and lampshades, which all belonged to Taghell, were spread out over the city of East Berlin and its outskirts. The primary production building, where the administration was located and where I carried out my investigation, was situated in the centre of a Berlin suburb directly by the river. Along with its headquarters of 120 employees, Taghell owned a tool factory and a department constructing means of rationalization⁵ with fifteen people; a development and prototype construction department with seven employees; a lamp shade factory with forty employees – mainly women; a warehouse storing finished products; a hand polishing plant employing three men, along with another one employing five men on the other side of Berlin; as well as a wood-turner’s workshop that was run by a married couple. In 1986 two more enterprises were added to the people-owned enterprise, although they had nothing to do with producing lamps: a metal-pressing workshop with four subsidiaries, and a factory producing variable condensers with three subsidiaries. In 1989 Taghell was now composed of fifteen enterprise parts with a total of 340 workers. An employee hit the nail on the head when he called this accumulation of enterprises a *Hüttenkombinat* (a combine of shacks) because they all used primeval technology for production.

When Katrin Arndt and I visited the enterprise for the first time in the summer of 1990, brass debris and machine parts cluttered up the yard. The machine shop on the ground floor was untidy and the machines, standing in pools of oil, were making a deafening racket. With

few exceptions, only women worked on the first floor of the rear building, where they were assembling the lamps. The room was bright and friendly, equipped with a generous kitchenette, and had a view onto the dirty yard and the river Spree below. Male machinists, paid on an hourly basis, fabricated the parts that were then passed on to the female assembly workers, who were all paid on a piecework basis. In response to their male colleagues in parts production, who had adorned their kitchenette with pin-ups of naked women, the female assembly workers had stuck a larger-than-life sized picture of a naked youth on the end wall of the assembly shop. On the second floor was a large canteen, which also served as an assembly room, and the floor above contained the surface treatment of the brass and wood parts. It was here that the brass fittings were polished by hand at small polishing grates, a task that required great skill and endurance. Afterwards they were varnished by less qualified assistants and made shinier with a nitro-diluted solution. Although the room containing the nitro-diluted solution had been fully renovated as recently as 1982, it remained the devil's workshop of the enterprise. Finally, they were polished again by other women and then packaged.

Hochinauf

During the GDR era, the lift firm VEB Lift was a showpiece project. It benefited from the apartment building programme of the 1970s, which paved the way for the expansion of lift production in the GDR. An investment programme was approved for VEBLift that enabled the construction of a main building and an assembly hall, along with a paint workshop, costing in total around 25.5 million GDR marks. Franz Oswald, who was in charge of this investment programme, had to doggedly convince the relevant political players to liberate the resources for this plan to proceed. Each year he predicted figures, which were overoptimistic and were never achieved, to convince them to continue investing.

Although VEBLift was a privileged enterprise and its main production line had political priority, it also produced a great many other products. Just like other GDR enterprises, it had to manufacture an obligatory contingent of consumer goods. The employees produced car trailers and hose trolleys for garden hoses. These were highly desired among the owners of holiday cottages (*Datschen*). In 1983 they began with the development of an escalator prototype. After it was completed in 1989, it was immediately scrapped. Another subsection of the enterprise producing trough chains for openpit lignite mines had already been stopped before the *Wende*.

VEBLift was also responsible for the maintenance of almost all the existing lift units in the GDR. Even more than the relatively good condition of the enterprise, it was access to the maintenance contracts that made VEBLift interesting for Western investors after the fall of the Berlin Wall. By the end of 1989, competing Western lift firms were entering into negotiations over a joint venture with the management of the enterprise and with the ministries, which by 1990 were becoming less and less influential. The contract was finally awarded to a large multinational lift firm, which in September 1990 acquired most of the shares in VEBLift. The multinational company Hochinauf signed the contract with the aim of opening up the market in Eastern Europe and securing the maintenance contracts.

When I began my fieldwork in July 1991, Hochinauf owned a production unit in East Berlin and an additional factory and an administrative centre in West Berlin. This is where I carried out comparative fieldwork in December 1992.

Notes

1. *Kombinat*, translated by 'combine' or 'trust' is 'a modern type of production unit in the various sectors of the GDR economy consisting of several juridically independent enterprises and managed by a director general responsible for concentrated and efficient use of all the resources at the disposal of the respective enterprise' (*Kleines ökonomisches Wörterbuch*, Deutsch/Englisch, Berlin: Verlag die Wirtschaft, 1975).
2. Even the Wandlitz villas of the high-ranking SED (*Sozialistische Einheitspartei Deutschlands* – Socialist Unity Party of Germany) party officials, which created a lot of talk shortly after the fall of the Wall, were distinguished more by petit bourgeois affluence than by real wealth. In contrast to the Soviet Union, where in the era of the planned economy considerable fortunes could be accumulated, the GDR seems economically to have been a far more egalitarian state.
3. Translator's note: *Wessis* is an informal term for West Germans and *Ossis* for East Germans.
4. In the reforms of the New Economic System (1963–70), cybernetics was used to strengthen central planning (Meuschel 1992: 188), as the subsystems were supposed to be self-regulating. The enterprise was seen as the catalyst for technocratic-systemic self-regulation that was to be integrated both politically and materially.
5. In a capitalist company, this would correspond to a department building labour-saving devices.