

Organizing democracy in eastern Germany

Interest groups in post-communist society

Stephen Padgett



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1 The emergence of civil society

As we saw in the introduction, association was initially ascribed a key role in democratic transition. The rise of Solidarity alongside the crisis of the communist state in Poland in the 1980s and the emergence of undercurrents of opposition elsewhere in east/central Europe fostered a widespread belief in the potential of autonomous associational activity for hastening the demise of communism and creating the conditions for post-communist democracy. This belief was buttressed by changing perceptions of the power structure of the communist state, as the notion of totalitarianism gave way to a more pluralist conception of group interests jostling for influence within a more differentiated political system. Perceptions of oppositional activity as the seedbed of civil society were thus reinforced by a pluralist analysis of group mobilization in the internal dynamics of the regime, fuelling the belief in association as the mainspring of post-communist politics and society.

In retrospect, the belief in opposition movements as the foundation of post-communist civil society can be seen to have been greatly exaggerated. Whilst other revolutions have come about through the mobilization of new social formations, the democratic revolutions in east/central Europe were precipitated by the enfeeblement and collapse of regimes through economic sclerosis. In some countries, democratic revolution was not accompanied by mass mobilization; even where it occurred, it was rarely much more than a sideshow to the main event. The course which the revolutions took, and the outcome, was dictated much more by the interaction of elites. A number of models have been identified (Szablowski and Derlien 1993: 307–10). The opening up of politics and society in the Soviet Union, of course, occurred through reform from above, initiated by the communist elite itself. In the Balkan countries, democratic revolutions took the form of conflict and realignment amongst communist elites. In Poland, political transition was negotiated between the communist government and the Solidarity leadership; in Hungary it was a gradual accommodation between government and emergent democratic party leaders. Czechoslovakia experienced the shar-

pest break with the past, with a new constitutional order designed by democratic party leaders following the resignation of the communist government. Although democratic elites in Poland, Hungary and Czechoslovakia had the backing of popular movements, the latter were transient actors in the drama, lacking social foundations and destined to break up once their task was completed (Waller 1992).

In this chapter I shall survey the opposition movements that accompanied democratic revolutions in some countries, explaining their incapacity to provide the focus of associational activity in post-communist society. Reflecting the concerns and aspirations of citizens under decaying communist regimes, they were ill adapted to the issue agenda accompanying economic transformation. On the other hand, in the absence of the sharply defined patterns of social differentiation which gave birth to associational collectivism in the west, new configurations of interest group activity were slow to take shape, leaving the associational order of the post-communist societies strongly marked by the legacy of the past. It will be argued, however, that the pluralist analysis of interest mobilization in communist society exaggerated the autonomy of such groups from the state. Thus, whilst business groups and trade unions with antecedents in the old regime are a strong feature of the associational order, when deprived of a supportive state apparatus they lack organizational vigour.

In the German case, the mass mobilization of anti-communist opposition played little role in regime transformation, providing virtually no foundation for the subsequent emergence of associational activity. Opposition emerged late, held back by a combination of repression and, relative to other east European countries, economic privilege. Regime transition was precipitated by the opening of the border between East Germany and Hungary, the resultant mass exodus of East Germans to the Federal Republic via Hungary simultaneously undermining the GDR regime and applying pressure on the West German government to embrace the east in a rapid process of national unification. Mass mobilization took the form of street demonstrations rather than movement formation; the New Forum movement which emerged as the focus of anti-communist opposition was largely restricted to an intellectual elite.

Regime change, of course, occurred through the incorporation of the former GDR into the Federal Republic. Institutional transfer was not confined to the state apparatus, but extended also to the whole spectrum of interest group activity. Thus, although the social foundations were as weak as in other post-communist countries, the institutional apparatus of the associational order was furnished ready-made from the west. Elite exchange was rapid and thoroughgoing. Business organization was

initially built out of an alliance between west German groups and the GDR managerial elite, but as privatization took its course the latter quickly disappeared from the corporate landscape. Organization-building initiatives in the trade unions minimized contact with GDR predecessors. Thus the associational order in eastern Germany represented a much cleaner break with the past than that of its eastern neighbours.

Institutional transfer was widely construed by observers as colonization by west Germans, but this conception conceals the weakness of indigenous associational activity, in which respect the GDR resembles other post-communist countries. Confined to a brief interlude between the breakdown of the old regime in October/November 1989 and the acceleration of the unification process in February/March 1990, group formation was singularly lacking in enthusiasm. Once the unification process took off, the opportunity-cost of autonomous organizational activity was prohibitively high in relationship to the low-cost-high-benefit potential of membership in a ready-made system of interest group representation. Only where groups based in the west failed to represent east German interests did indigenous organizations survive. Democratic revolution in eastern Germany then, did as little to catalyse associational activity as it did elsewhere in east/central Europe.

Association and democratic transformation

The attempt to identify pluralist patterns of associational activity behind the monolithic facade of the communist state originated in the 1960s, following the relaxation of Stalinist authoritarianism. It conformed also to the contemporary perception that detected a convergence between liberal democratic and communist systems. Advanced industrial society imposed its own logic on politics. Economic diversity could be expected to lead to political differentiation and the opening up of totalitarian systems. Following this logic, the proponents of the pluralist analysis sought to refocus attention, away from the rigid hierarchy of formal political institutions, and towards the informal relations which took shape around the decision-making process (Skilling and Griffiths 1971). Some went further, arguing that informal elite groups were incorporated into the state apparatus in a form of 'institutionalized pluralism' (Hough 1979), or that the politics of the communist states could be understood as a form of corporatism (Chirot 1980; Staniszkis 1984; Ekiert 1991: 215–20).

This type of analysis was subject to sharp criticism from those who argued that, whilst it was possible to accept the existence of 'opinion groupings', these groups remained dependent upon the state and lacked the defining element of *autonomy* characteristic of pluralist interest repre-

sensation in the west (Brown 1984). Nevertheless, it served as a useful corrective to the orthodox characterization of communist totalitarianism, showing that communist regimes were less monolithic than previously assumed. Pluralist analysis provides a background to the analysis of interest group activity in post-communist society. Although the liberalizing tendencies of the post-Stalin era did not lead directly to pluralist association, they nevertheless began to generate a more pluralistic style of politics. With the progressive disintegration of the party-state at the end of the 1980s, semi-organized interests began to break out of the strait-jacket of the communist system.

These developments can be seen most clearly in Hungary, where liberalization allowed the emergence of private commercial activity alongside the official state apparatus. Struggling to manage this hybrid form of political economy and the conflicting interests which it generated, the state was forced to engage in 'behind-the-scenes interest group politics' characterized by 'client-patron relationships, oligarchic and nepotistic mechanisms, [and] corruption' (Hankiss 1990: 83, 107). The 1980s saw a rapid increase in organizational activity in the private economy sector, with a proliferation of groups sheltering under the legal umbrella of the official chambers of commerce. Associational activity coexisted uneasily with the state socialist system, contributing to the erosion of the latter. Whilst private economy interests remained dependent on the state, their drive to expand the scope of their commercial activities threatened the state sector, provoking a backlash from the managers of state enterprises. By the late 1980s the capacity of the state to balance these conflicting interests was nearing exhaustion, with open struggle within the party elite and an emerging alliance between the new economic interests and reform-minded elements in the party (Cox and Vass 1994: 156–61).

Hungary was unique amongst the countries of east/central Europe in the scale of economic liberalization and the extent of the accompanying interest formation. Elsewhere, associational activity took the form of *political* mobilization, with subcultural or 'issue' groups providing the foundation for more broadly based opposition movements. These movements had diverse origins, some emanating from the subversion of official, party-controlled mass organizations, others taking a more autonomous form. Oppositional activity can be classified in terms of four main types (Waller 1992). First, environmental protection served as a catalyst to political mobilization. Although activity was spearheaded by the scientific community, it often spread to more broadly based associations like the Danube Circle in Hungary or the Slovak Union for the Protection of the Environment. Regarded as relatively harmless by the authorities, environmental action was a way of registering protest against the regime

without confronting it head on. Secondly, there were the libertarian youth movements emerging either from the subversion of official youth organizations, independent student movements or the 'alternative' subculture. A third form of opposition was the peace movement against Warsaw Pact deployment of intermediate-range nuclear weapons in the late 1970s, sometimes succeeding in deflecting the official 'peace committees' from the Soviet line. Fourthly, involved in all these forms of action were the circles of the dissident intelligentsia, who saw independent organizational activity as the stirrings of civil society against the state.

Denied a right to autonomous organization, much of this activity was clandestine, and had 'a twilight samizdat existence of endemic confrontation with the political authorities' (Hayward 1995: 238). Poland provides the only example of a vigorous mass movement of opposition, rooted in a strong sense of national identity and shielded by the influence of the Catholic Church. The emergence of Solidarity provided a focus for political mobilization, bringing together group activity in a broad social movement which transcended its trade union origins in the Baltic coast shipyards. Solidarity largely restricted itself to protest against economic hardship, stopping short of direct political confrontation with the regime. Nevertheless, with a membership of over 10 million, it constituted a *de facto* challenge to the hegemonic role of the ruling party. Driven underground by the imposition of martial law after 1981, it remained a subversive force undermining the foundations of the regime. Charter 77 played a similar aggregating role in Czechoslovakia. Originating in protest against violations of the Helsinki accords on human rights, the movement subsequently expanded its activities and influence, serving as a vanguard of the opposition. In contrast to Solidarity, however, it remained an elite circle of no more than around 2,500 signatories, and, whilst it commanded broad public sympathy, it could not be said to constitute a mass movement. In Hungary, the restrictions on oppositional activity were progressively relaxed as the dual economy undermined the political foundations of the regime. A gradual transition to democracy in the late 1980s meant that there was little need for the sort of broad anti-communist front which formed in Poland and Czechoslovakia, and the opposition remained diffuse, lacking both a unifying focus and a mass following.

Across the countries of east/central Europe, communist collapse was the result of political rot, economic sclerosis and the withdrawal of the Soviet Union from its role as guarantor of the internal security of its satellite states. Whilst opposition movements were not the primary motivating force behind democratic revolution, however, they nevertheless contributed to its momentum by expanding the scope for autonomous political activity, thereby weakening the hold of state on society. More-

over, the movements which unified the democratic opposition in the final stages of communist collapse in some countries played a crucial role in negotiating the transition to democracy in 'round-table' talks between outgoing communist governments and the forum movements: Solidarity in Poland, Civic Forum (a reincarnation of Charter 77) in the Czech lands, People Against Violence in Slovakia, the Union of Democratic Forces in Bulgaria and New Forum in the GDR.

Widely conceived, as we have seen, as initiatives in self-organization against the communist state, opposition movements were expected to play a central role in the process of democratization, constituting the foundations of post-communist civil society. The decade following the revolutions of 1989–90, however, exposed the flaws in this analysis, the movements proving to be no more than transient actors in the democratic transformation:

It fell to them to see out the old and bring in the new . . . the role they played was powerful but simple; and once they had performed it, they were bound to fall subject to differentiation and transformation. (Waller 1992: 141)

Essentially products of the old order, the movements which bore the democratic revolution were destined to break up once their principal task had been completed. Moreover, the organizational vigour taken by many as evidence of a burgeoning civil society was revealed as an illusory effect of historical circumstance.

There are a number of reasons why the organizational dynamism of the late 1980s was unsustainable. First, broadly based movements of opposition reflected the amorphous character of communist society. Articulating the voice of 'the people' in an anti-communist front transcending sectional interests, they lacked the social foundations for long-term sustainability. Secondly, the capacity of the movements for mass mobilization concealed their elite character. Attention has already been drawn to the narrow base of Charter 77. The underground existence of Solidarity meant that it relied heavily upon the prominence of top leaders to hold it together. In Hungary, a gradual transition to democracy occurred through elite accommodation: 'all types of mass mobilization were led and controlled by the old and new elites', and popular political activity was of only marginal importance (Szabó 1991: 310–14). As we shall see in the following chapter, organizational activity in post-communist society is strongly marked by the legacy of elite dominance.

This leads to a third reason for scepticism over the equation of opposition movements with an emergent civil society. Elite dominance left the movements vulnerable to 'colonization' or absorption into the political arena, as associational activity succumbed to an electoral process which

'structured political action in a different way' (Wiesenthal 1995c: 33). The 'pull' of *parliamentary* as against *functional* representation stimulates party formation and sustains a system of governance with authoritative decision-making powers, whilst emergent parties provide career opportunities that meet the aspirations of individuals looking for influence and recognition. Thus, as associational activity was subordinated to parliamentarism, civil society was 'looted' by the process of party formation (Miszlivetz 1997: 32; Lomax 1997: 51). Entering the political arena, Solidarity fragmented along lines of ideological and factional division previously obscured by the common anti-communist cause, greatly weakening the trade union wing of the movement. In the Czech Republic and Slovakia, Civic Forum and People Against Violence experienced a similar breakup. Already pluralist in composition, the Hungarian opposition constituted a ready-made multiparty system, whilst in the GDR New Forum simply evaporated in the face of an emergent party system replicating the template of the Federal Republic.

Robbed of much of its organizational strength by the process of party formation, civil society nevertheless began to reconstitute itself through a profusion of associational activity accompanying democratization. Some 6,000 civil associations were registered in Hungary by 1992. Although the majority of these were in the nature of cultural, sporting or leisure groups, around 1,000 were representative of economic or professional interests (Cox and Vass 1994: 155). Here, as in other countries, however, such groups were characterized by a high degree of continuity with the old regime.

Nowhere was continuity more apparent than in the trade unions, where the official trade unions or their successors retained their hegemony over worker organization. Although they remained passive in the process of democratic transformation, the old trade unions were nevertheless successful in adapting to system change, distancing themselves from their former masters in the party-state. Reform meant decentralization, as sectoral and occupational unions asserted their autonomy from all-embracing national confederations. Reformed or reconstituted along more pluralist lines, however, the old unions still retained much of their former apparatus and personnel. The inheritance of property holdings from their predecessors, and their continuing role in the administration of state welfare benefits gave them a crucial advantage over the new unions emerging from independent initiatives accompanying regime change. Grassroots revitalization thus proved abortive, and the trade unions of the past successfully survived system change.

In Hungary, a pluralist structure began to emerge in 1988 with the fragmentation of the nineteen sectoral federations constituting the central

trade union council (SZOT) into more than 140 occupational unions. Most of these retained their affiliation to the central council, which was reconstituted in 1990 in the form of the more loosely confederated National Association of Hungarian Trade Unions (MSZOSZ). Alongside this survivor of the old regime, a plethora of newly emerging unions formed rival confederations, the largest of which were the League of Independent Trade Unions and the National Alliance of Workers' Councils. Despite the proliferation of independent unions, however, the MSZOSZ remained dominant, polling over 70 per cent of votes in the first works council elections (Cox and Vass 1994: 157, 165–9).

In Poland, also, the official communist trade union remained dominant. Incorporation into the political arena as a party of government prevented Solidarity from reasserting its former role as an independent trade union. Weakened by internal divisions and breakaway initiatives, it was unable to regain its mass membership of 1980–1, remaining in the shadow of the All-Poland Alliance of Trade Unions (OPZZ) that had been formed by the state in the early 1980s to counter the attraction of Solidarity. Similarly in Bulgaria, Podkrepa was unable to sustain its challenge to the old guard trade union confederation CITUB.

The Czechoslovakian trade unions took a different road to democratic reformation. Here an opposition labour movement emerged in the late stages of regime collapse, taking the form of workers' committees orchestrating the protest strikes of November 1989. Lacking an organizational infrastructure of their own, committee activists positioned themselves strategically to take over the assets of the official trade unions by infiltrating the old structures, gaining a majority in the reconstituted Czech and Slovak Confederation of Trade Unions (CSKOS) early in 1990. Whilst accommodation between old and new elements eliminated the competition that divided the trade unions elsewhere in east/central Europe, it meant that the CSKOS apparatus was strongly marked by the legacy of the past (Myant 1994: 61–2).

Entangled with the breakup of the Soviet Union and the accompanying conflicts over political and economic reform, the emergence of trade unions in post-communist Russia took a tortuous road. The All-Union Central Council of Trade Unions asserted its independence from party and state from 1987, articulating a conservative voice against Gorbachev's reform initiatives. Moves towards republican autonomy began in 1990 with the formation of the Federation of Independent Trade Unions of Russia (FNPR), which became the centrepiece of attempts to reconstitute the official union apparatus from the wreckage of the Soviet Union. The FNPR inherited its predecessor's conservatism, mobilizing protest against Yeltsin's 'shock therapy' programme of economic reform.

Independent trade unions, on the other hand, were generally supportive of government reform initiatives. The incorporation of their leaders into the Yeltsin administration compromised their independence, reducing their capacity for mass mobilization and their ability to challenge old unions which, despite organizational atrophy, retained their dominance in the workplace. New unionism in Russia is thus confined largely to strategically placed groups of workers like miners and air traffic controllers.

Associational activity in business circles was also strongly marked by the legacy of the past. Economic transformation lagged behind political change. As we shall see in the next chapter, privatization often meant little more than the 'commercialization' of state enterprises, leaving existing management structures intact and allowing old managerial elites to re-group in the form of a 'nomenklatura bourgeoisie'. An entrepreneurial class with its roots in the old regime inevitably inherited modes of associational activity based on personal networking, clientelism and corruption characteristic of interest mobilization in communist society (Lomax 1997: 49). Many of the business associations which proliferated in east/central Europe have antecedents in the old regime. Thus the Russian Union of Industrialists and Entrepreneurs (RUIE) had its origins in the 'science and industry group' of the USSR Supreme Soviet, which brought together the directors of the mega-enterprises which dominated the Soviet economy. Of the nine business associations in post-communist Hungary, six can be traced to roots in the old regime (Cox and Vass 1994: 170). Associational activity amongst the new generation of private entrepreneurs was slow to emerge, since most of these tended to be self-employed rather than employers and saw little need for collective action (Héthy 1991: 351).

Emergent business organizations often conformed closely to the entrepreneurial model of interest representation, in which individuals initiate organizations for commercial profit or to provide themselves with the backing to launch political careers. Opportunities for this form of organization were particularly plentiful amidst the chaos of economic transformation. Groups like the RUIE in Russia and the National Association of Entrepreneurs in Hungary were thus subordinated to the political ambitions of their leaders. Entering the electoral arena and acquiring the characteristics of political parties, these groups tended to put the 'logic of influence' before the 'logic of membership', militating against the consolidation of a mass membership base.

The expectation that democratization would be accompanied or even driven by the forces of a dynamic civil society thus proved illusory. The illusion was based on three misconceptions of the character of associa-

tional activity in communist and post-communist society. First, it was rooted in an exaggerated perception of the scope for autonomous association in a state-managed society under communism. Although the liberalizing tendencies of the post-Stalin era generated a more pluralistic style of politics, the articulation and mediation of economic interests were confined largely to internal relations within the state bureaucracy. Even in those countries where a second economy was tolerated, private economic interests were absorbed into the state apparatus through 'clientelistic networks . . . distributing privileges and resources in exchange for political compliance' (Ekiert 1991: 226). Private economic interests remained dependent on the state, and lacking in the element of autonomy essential to pluralist interest representation.

A second source of the 'civil society illusion' was a misconception of the opposition movements of the late 1970s and 1980s. Transcending socio-economic interests, the social movements which made up the opposition in Hungary, Poland and Czechoslovakia were too amorphous to constitute the foundations of a post-communist civil society. Moreover, broad public backing disguised the elite orientation of opposition groups, which made them susceptible to absorption into politics following democratization. A third misconception arises from an underestimation of continuity amidst change, and the capacity of old elites to reconstitute themselves in the post-communist environment. Both trade unions and business associations emerged from the democratic transformation indelibly marked by the legacy of the past, and correspondingly ill equipped to ply their allotted role in a pluralist civil society.

Civil society by institutional transfer: the German case

Germany stands out as a special case of post-communist transformation. The 'German question' shaped the character of the communist regime, the forms of opposition to it and, most decisively of all, the dynamics of the transformation process. The existence of the Federal Republic as an alternative German state meant that the GDR lacked the force of national identification that buttressed the legitimacy and stability of communist states elsewhere in east/central Europe. The insecurity of the GDR's national identity placed a premium on political stability, maintained by repressive social control through an all-pervasive apparatus of internal security combined with an implicit social contract in which consent was based on a subsidized economy and a relatively generous welfare state. Political reform was seen as inherently destabilizing; only by retaining its rigidly socialist character could the GDR remain distinct from its West German neighbour. Thus, lacking the catalyst of acute economic

deprivation, and without the political opportunities of liberalization, opposition was limited in scale and intensity. Although the Protestant churches provided a roof for a constellation of opposition groups similar to that in other communist states, it was not until September 1989 that a concerted democratic movement emerged, led by New Forum. Even then, it was the exodus of migrants to the west, combined with spontaneous mass protest in the streets of Leipzig, that played the decisive role in bringing down the regime. As in the other countries of east/central Europe, opposition movements rapidly disintegrated, torn amongst conflicting visions of the future, undermined by the logic of unification and subsequently marginalized by an emerging party system with its roots in the west. In the GDR, then, the foundations of civil society were singularly shallow.

The associational order which emerged in 1989–90 can be traced to three sources. First, there were some rare cases of GDR organizations that succeeded in adapting to the liberal democratic arena, finding a niche in the associational order by establishing themselves as a reference point for those interests threatened by socio-economic change. A second type of organization was that emerging from indigenous initiatives in the first stirrings of associational activity in 1989–90. For the most part, however, indigenous initiatives were quickly overtaken by interest groups expanding eastwards from their base in the Federal Republic. This third type of organization rapidly established its hegemony in the associational order of eastern Germany.

With the progressive disintegration of the GDR in autumn 1989, the previously closed sphere of civil society was opened up. Associational activity, however, was characterized by hesitancy and disorientation, reflecting the uncertainty which surrounded the future of the regime. Whilst the old political and economic structures were fatally undermined, the outline of the new order was as yet unclear, with ill-defined conceptions of internal reform coexisting with aspirations towards confederation or unification between the two German states. Thus, whilst democratization and economic liberalization were on the agenda, there was no clear sense of the institutional forms which either would assume. Poised between state socialism and capitalist liberal democracy, the political and economic order provided no orientational reference points for organizational activity.

With the future for the GDR in the balance, there remained some scope for the reform of old institutions like the trade unions, and for new forms of indigenous associational activity. With the rapid acceleration of the unification process in February/March 1990, however, these initiatives were overtaken by events. Unification through institutional transfer – the extension of the constitutional, political and socio-economic institutions

of the Federal Republic to the so-called new German *Länder* – undermined initiatives geared to the creation of a separate system of interest representation for eastern Germany. Subordinated to the logic of unification, attempts to reform GDR institutions or to establish independent initiatives were abandoned, their adherents increasingly attracted by the organizational strength of their western counterparts. Indigenous organizations either were assimilated into the organizational life of the Federal Republic or struggled to compete. For their part, West German interest groups intensified their activity in the east, either consolidating partnership with indigenous groups or establishing organizational networks of their own, as the tempo of organization-building was stepped up in a headlong dash to keep pace with integration in the wider economic and social order. Thus the emergent associational order was decisively marked by the logic of unification, as the institutional blueprint of the Federal Republic was superimposed upon indigenous initiatives. Only in rare cases did indigenous organizations succeed in finding a niche in the liberal democratic arena by establishing themselves as a reference point for those interests that were marginalized by socio-economic change in the transformation process.

Business organizations

Business organizations reflected the disjuncture between the old social order and the new, represented by the GDR managerial elite on the one hand, and the slowly emergent entrepreneurial middle class on the other. Pending privatization, economic life remained in the hands of planning bureaucrats and the managers of state enterprises. Rooted in the economic structures of the planned economy, the managerial elite was ill adapted for the task of shaping the new associational order. Despite access to the networks of the planning bureaucracy, the initiatives on which they embarked in November 1989 were slow to take shape, and it was not until March the following year that a committee was formed in Leipzig to plan the establishment of an employers' association in the metal and electrical sectors (Gesamtmetall 1992: 4). From the outset, the initiative was oriented towards co-operation with employers' associations in the west, although the latter were initially apprehensive of contact with the managerial elite of the old regime (Ettl and Wiesenthal 1994: 7).

Organizational activity also emerged amongst those for whom the opening up of the private economic sphere signalled immediate opportunities for entrepreneurship. This group constituted former owners of industrial and commercial property expropriated under the GDR regime and seeking restitution (reprivatizers), along with retailers and tradesmen

for whom commercial independence beckoned. The interests of these prospective entrepreneurs conflicted with those of the old managerial elite, and their organizational initiative took an independent course, with the creation in November 1989 of the GDR Entrepreneur Association (Unternehmerverband, UV). The foundations of the new organization, however, reflected the weakness of the entrepreneurial middle class, and it led a tenuous existence, despite initial support from prominent Bonn patrons (interviews: UV Norddeutschland, Thüringen, Sachsen-Anhalt).

For the employers' associations in the Federal Republic, organization-building was a race for competitive advantage with the trade unions in the wage-bargaining arena. The primary purpose of organization was to provide a counterweight to the unions (interview: Nordmetall, Schwerin), and to buttress negotiating teams of inexperienced GDR managers in the wage round accompanying monetary and economic union. The West German employer and industry confederations BDA (Bundesvereinigung der Deutschen Arbeitgeberverbände, Confederation of German Employers' Associations) and BDI (Bundesverband der Deutschen Industrie, Confederation of German Industry) began to assert their presence in late February, establishing an information bureau in Berlin 'to mediate economic relations between east and west' (BDA/BDI 1990). The vanguard role, however, was played by the metals and electrical industry employers' association Gesamtverband der metallindustriellen Arbeitgeberverbände (Gesamtmetall) and its affiliated regional associations in the west. The latter had already established contact with GDR managers towards the end of 1989. As the unification process accelerated, Gesamtmetall took steps to consolidate the relationship. A month of talks culminated at the end of March in a co-operation agreement, establishing partnerships between the embryonic regional organizations in the east and their western counterparts, as a precursor to membership in Gesamtmetall. The key provision, and one that explains the haste with which the agreement was concluded, was a binding undertaking to 'work together in a strictly co-ordinated way' in wage-bargaining (Gesamtmetall 1992: 4–5).

The co-operation agreement formalized the assimilation of GDR managers into Gesamtmetall, signalling a rapid acceleration of organization-building and the intensification of activity on the part of the westerners. Gesamtmetall staff were despatched to the east to provide logistical and technical assistance in the formation of partner associations. By early May a branch of the Association of the Metal and Electrical Industry (Verband der Metall- und Elektroindustrie, VME) was established in all five of the new *Länder*, and were incorporated as full members of Gesamtmetall by the end of September. During this period, employers' associations were

established across the spectrum of industrial and commercial branches, although none matched the organizational strength of the metal and electricals sector. Consequently the VME took the lead in building confederations of sectoral employers' associations on the foundation of its own apparatus in each of the new *Länder*. With these in place by October 1990, the formal infrastructure of employer organization was complete.

Industry associations lagged behind the employers in extending their organizational networks eastward. Their primary function of political representation was less pressing than the wage-bargaining functions of employers' associations, and there were no indigenous initiatives in this arena. The principal mover was the Association of German Machinery and Plant Manufacturers, Verband Deutscher Maschinen- und Anlagenbau (VDMA), which established an organizational presence in Sachsen in June 1990. Four months later, the VDMA sponsored the formation of the Landersverband der Sächsischen Industrie (LSI), a confederation of sectoral industry associations which also served as the representative of the BDI in Sachsen. For the most part, however, the representation of industrial interests was mandated by the BDI to the BDA employers' confederations.

Thus, in the absence of an entrepreneurial middle class, employers' associations emerged out of an essentially artificial alliance between western associations and the GDR economic elite. With its strategic location in the GDR economy, and effectively playing the role of the employer, the managerial elite was an indispensable ally for employer counterpart associations in the west. As one Gesamtmetall leader put it, 'there are no experienced market economy people at our disposal; we can't rely on pastors and teachers, and we can't wait for the emergence of people who had nothing to do with the old system' (*Kölner Stadt-Anzeiger*, 23 April 1990).

Despite its artificiality, however, and despite the pragmatism which motivated both sides, the relationship was not lacking in cordiality. Despite their initial reservations, westerners now took a broad view of the political background of their eastern partners. In some cases, as between the respective leaders of Nordmetall in Hamburg and Mecklenburg-Vorpommern, professional partnerships developed into close personal friendships:

We had no reservations about contact. We welcomed the managers of the DDR state enterprises . . . they were often very able, and had done the best they could under the circumstances . . . some of them had been SED [Sozialistische Einheitspartei Deutschlands, Socialist Unity Party of Germany] members, but that was inevitable. (Interview: UVB)

The relationship developed on the basis of trust . . . we had a great deal of contact

with each other . . . we'd discussed all the problems together, so we really didn't have any difficulty relating to each other . . . the people in the west who had responsibility were *fully accepted* by the people in the east . . . the relationship went beyond the official level – we had a close personal relationship . . . we went through it all together. There were no differences between us. We were going backwards and forwards between Hamburg and Schwerin and Rostock and Neu Brandenburg . . . there were no problems. (Interview: Nordmetall, Hamburg)

Reliance on the GDR managerial elite greatly accelerated the formation of employers' associations, but it meant that the new organizations were rooted in the old economic structures. This had two negative implications. First, the privatization and restructuring of state industry inevitably led to the fragmentation of the old managerial class, creating instability in employers' associations. Secondly, the dominance of large-scale enterprises made the new associations uncongenial to the entrepreneurial middle class as it emerged slowly and hesitantly from economic liberalization. The ensuing legacy of alienation restricted recruitment amongst these elements, where the employers' association faced competition from the independent east German entrepreneur associations, Unternehmerverbände (UVs).

The chambers of industry and commerce

Alongside these *GDR-wide* initiatives, organizational activity also emerged at the level of the *local* economy, in the form of chambers of industry and commerce (Industrie und Handelskammern, IHKs). The pattern of organization-building was similar to that amongst the employers, with partnership arrangements established between spontaneous initiatives in the east and their western counterparts, leading to a system of chambers modelled on the Federal Republic. Indigenous activity began in November 1989, with initiatives aimed at the reform of the GDR chambers, which had been made up largely of small retailers (interview: IHK, Schwerin). The decisive moves, however, were generally undertaken by managers in the local state enterprises, especially those with experience in export (interview: DIHT Büro-Berlin). From the outset, the reconstituted chambers sought the co-operation of their counterparts in the west. The latter were intensively involved in organization-building, seconding key personnel to provide expertise.

As with the employers, the new chambers were built upon an alliance between GDR managers and west German interests. Indigenous initiatives were orchestrated by the German Council of Industry and Commerce (Deutscher Industrie- und Handelstag, DIHT), the umbrella association bringing together local chambers of commerce in the Federal

Republic. In view of the quasi-public function of the chambers in trade certification and vocational training, organization-building in the east was an urgent priority for both the DIHT and federal government. Mediation between the founders of the chambers in the regions, the DIHT and the governments in Berlin and Bonn was orchestrated by a state secretary in the GDR Economics Ministry. A former official in the state planning apparatus, he was personally acquainted with many of the leading figures in the new regional chambers. Together they drafted the ministerial order establishing the legal framework of the chambers, which was adopted on 1 March 1990. Identified as the key mover by the DIHT in Bonn, he was subsequently appointed to head their liaison office in Berlin, and was responsible for orchestrating the affiliation of the new chambers to the DIHT. The formation of an autonomous confederation of chambers in the new *Länder* was never seriously considered by the founders (interview: DIHT Büro-Berlin).

Between February and April 1990 the old chambers were wound up and new ones established, affiliating with the DIHT in October. Supported by state subsidies and with an income derived from compulsory membership subscriptions, the new chambers quickly developed an organizational life of their own, under the leadership of elected bodies and salaried staff recruited almost exclusively from the new *Länder*. As quasi-state bodies, however, and originating out of the alliance of the old managerial elite and economic interests in the west, their roots amongst entrepreneurs were insecure.

Trade unions

Relative freedom from the burden of political association with the old regime enabled the managerial elite to adapt to economic change quite quickly, although their longer-term future was uncertain. For the trade unions, adaptation was much more problematical, due to their inseparability from the apparatus of the party-state. The central trade union organ, the FDGB (Freier Deutscher Gewerkschaftsbund, Confederation of Free German Trade Unions, GDR), was part of the state apparatus, its leadership intransigent in its refusal to recognize the consequences of democratization. Impervious to the opposition of autumn 1989, it was only after the collapse of the state that reform got underway, with a special congress of the FDGB at the end of January 1990 to introduce democratic statutes and a new leadership. Little more than an attempt to retain its organizational integrity in the face of political change, the reforms failed to establish any semblance of popular legitimacy.

In an attempt to free themselves from the dead hand of the FDGB,

industry unions were established in the spring of 1990, orienting themselves towards reform based on co-operation with their western counterparts (Bialas 1994: 6–9). Totally ill adjusted to the representation of employee interests, however, their workplace structures were incapable of adaptation to new socio-economic circumstances. Without workplace representation, and lacking any confidence in the centralized union apparatus, the membership turned increasingly to trade unions in the Federal Republic. Union structures thus collapsed from below as much as from the failure of reform from above (Kirschner and Sommerfeld 1991).

Initially, the position of most trade unions in the Federal Republic was one of support for reform initiatives in the east. From November 1989, the engineering and electricals union IG Metall dispatched advisory personnel to assist its eastern counterpart in building a democratic organization. This was followed between December and February by measures geared to establishing an institutional framework for co-operation and, in the medium term, confederation. This strategic conception was built on the assumption that the unification of the two German states would take the form of a progressive confederation, allowing time for the reform and consolidation of union organization in the east as a precursor to its assimilation into all-German structures (Schmid and Tiemann 1992; Tiemann, Schmid and Lober 1993). With the acceleration of unification, however, the foundations of this strategy were fatally undermined. Bolstered by polls indicating a huge store of public confidence invested in the DGB (Deutscher Gewerkschaftsbund, Confederation of German Trade Unions) unions (Fichter and Kubjuhn 1992: 162), IG Metall undertook a strategic reorientation, abandoning the reform of existing structures in favour of institutional transfer from the Federal Republic (Bialas 1994: 12). The new course meant a complete legal break with the past, winding up the GDR union on 31 December 1990, and requiring members to rejoin IG Metall from 1 January 1991. A further implication of this course was the termination of contractual commitments to the staff of the GDR union.

IG Metall was unique in that it shifted abruptly from very close co-operation with reform initiatives in the east to root-and-branch organizational transfer. The other west German trade unions pursued one of three strategic models (Fichter 1993: 29–31). First, a number of unions took the road of *reform and incorporation*, steering reform initiatives, shaping new structures in their own image and subsequently assimilating them into their own organization. A second strategy can be described as *co-operative organizational transfer*: abandoning reform initiatives, western unions extended their own organizational structures eastward, but continued to co-operate with their GDR counterparts, without the strict

severance of legal succession in membership and employment characteristic of IG Metall. The third strategic option prevailed in those sectors where GDR unions were irredeemably entwined with the state apparatus; the police, education and science, and public administration. Here a strategy of *non-cooperation* entailed institution-building initiatives based in the west, with a minimum of contact with predecessor organizations in the GDR.

The motives behind the strategic decisions of trade unions in the Federal Republic were varied and often conflicting. On the one hand, initially at least, organizational transformation through internal reform appeared to offer the most rapid and cost-effective way of establishing democratic trade union activity in the east. It might also have endowed the emergent structures with social roots. On the other hand, such a course risked the taint of political association with the past, and raised unpredictable issues of inherited legal responsibilities. Amongst the smaller unions with limited resources, financial considerations were predominant. For most other unions, it quickly became apparent that the burden of organizational decrepitude, legitimacy deficit and legal uncertainty outweighed the advantages of the reform and incorporation of the GDR unions.

For IG Metall, all these considerations entered the equation. In view of its status as the locomotive of trade union wage-bargaining, however, the decisive consideration was how best to secure a position in the emergent structures of industrial relations in the east. As in the case of the employers' confederations, once the trajectory of the unification process became clear, a strong presence in the collective-bargaining arena became an urgent priority:

We had to be in a position to support . . . workplace initiatives and to co-ordinate these at regional level. For this purpose the established structures in the west were of great importance . . . we had to be in a position to lead wage negotiations. (Interview: IG Metall, Verwaltungsstelle Erfurt)

Under these circumstances, established organizational structures in the west provided a firmer bridgehead than reform initiatives in the new *Länder*. In the interim, however, the close co-operative relationship which the union had established with its eastern counterpart proved useful, enabling IG Metall to shape wage-bargaining from an early stage. In the pay round of spring 1990 which established a provisional wage structure in readiness for economic and monetary union, it was able to exert a backstage influence, steering the official GDR negotiating team.

Whilst the employers' associations and chambers were built on the basis of co-operation with the GDR managerial elite, the trade unions for

the most part avoided reliance on the structures and personnel of their eastern counterparts. Having abandoned its initial strategy of reform in favour of organizational transfer, IG Metall proceeded with the installation of its apparatus and staff. With one exception (Sachsen), the new *Länder* were merged with existing *Bezirke* (regions) in the west (see chapter 2). A network of local offices was established, based on the liaison bureaux set up in the early stages of democratization. From these offices a massive campaign of recruitment and shopfloor activity was launched, culminating in membership registration in January 1991 and the election of local management committees three months later (interviews: IG Metall, Verwaltungsstellen Erfurt, Dresden, Magdeburg, Schwerin; IG Metall, Bezirksleitung Berlin-Brandenburg, Dresden). Thus, despite its origins in institutional transfer from the west, the organizational network of IG Metall at the local level now provided a framework for indigenous union activity.

The Federation of German Trade Unions (DGB) was obliged to delay its formal establishment until the apparatus of its constituent industry unions was in place. Informally the DGB had been laying organizational foundations since early 1990, often in conjunction with those of its member unions – ÖTV in the public sector (Gewerkschaft Öffentlichen Dienste, Transport und Verkehr, Union of Workers in the Public Sector) and GEW (Gewerkschaft Erziehung und Wissenschaft, Union of Teaching and Scientific Workers) in education and science – which shared its aversion to contact with the GDR unions. By the middle of the year a network of regional offices had been established, offering assistance in organization-building and legal advice. Formal organizational structures were established at *Land* level in December 1990, but structures were not in place until the end of the following year, and did not begin functioning normally until early 1992. The relatively slow pace of organization-building gave the DGB time to recruit quite a high proportion of its officials from the east. Attempting to avoid hiring FDGB officials, it sought those with organizational experience elsewhere (often in New Forum, the citizens' movements in Alliance '90 or the SPD).

Professional organizations

Organizational activity in the professions exhibited a variety of patterns, corresponding to variations in the impact of socio-economic transformation from one group to another. Ultimately the decisive factors were the marketability of professional skills, issues of professional status and the recognition of qualifications. The medical profession and engineering represent two contrasting patterns of organizational development. Medi-

cal qualifications were unreservedly recognized, and the profession was integrated relatively easily into the structures of health care in the Federal Republic. Robbed of their *raison d'être*, the tentative organizational initiatives of GDR doctors either collapsed or were assimilated rapidly into professional associations in the west. For engineers, on the other hand, the recognition of qualifications was problematical. Their alienation from professional bodies in the west enabled the pre-existing GDR engineers' organization to establish a role in the new associational order.

Amongst doctors, the initial response to the opening up of the GDR was one of spontaneous solidarity within the profession. Organizational activity remained, however, at the level of informal social networks, 'mutual support groups' and discussion circles (Erdmann 1992: 327). The most important centre of activity was the Charité hospital in Berlin, which had been the flagship of medical science in the GDR, and was consequently in the forefront of the struggle between medical ethics and the political and ideological goals of the state (Stein 1992). The Charité thus had a strong professional and institutional ethos which served in some measure as a foundation for organizational activity. It was here that initiatives began on 8 November 1989 with a meeting of twenty doctors which concluded with a call to form a professional interest association (interview: NAV-VB, Berlin). Conceived in terms of the reform of GDR medicine, the group's main purpose was 'to exert influence for the improvement of doctors' working conditions in the interests of better health care' (Gebuhr 1993: 10). Similar developments occurred elsewhere, especially in cities like Leipzig and Dresden with large medical establishments. By the end of 1989 around 8,000 doctors had signalled their readiness for association membership (interview: NAV-VB, Berlin).

As in other spheres, organizational activity in the medical profession was transformed by the logic of unification. Professional associations in the Federal Republic now began mobilizing for recruitment in the east. Faced with this threat, indigenous initiatives sought to establish a firmer organizational base. Once again, the first steps were taken by the Charité group, culminating on 3 February with the formation of the VB, the Rudolf-Virchow-Bund (interview: NAV-VB, Berlin). The founders' aspiration that it would form the basis of a GDR-wide association was quickly dispelled. Whilst similar initiatives in Brandenburg and Mecklenburg-Vorpommern affiliated to the VB, Sachsen doctors preferred a looser form of co-operation. Elsewhere, the attraction of the west German associations overpowered autonomous initiative (Gebuhr 1993: 13-14).

The failure of the VB's aspirations was symptomatic of deep differences which emerged amongst doctors as unification became an immediate