Tayloristic rather than Taylorists: The Influence of Taylor on the East German Communists, 1945-51

Wayne Geerling* and Gary B. Magee#

Abstract
Perhaps the most unexpected of Frederick Taylor’s legacies is the alleged influence his ideas had in the Soviet world. This paper explores this contention by examining the introduction of differential piece rates and ‘scientific’ norms—both key aspects of the Taylorist and Soviet systems—in East Germany between 1945 and 1951. As elsewhere, these measures faced stiff opposition. What made this experience different was that their introduction took place in the context of extreme economic and political uncertainty. As this paper outlines, the party’s various attempts to impose workplace control laid the foundations for the Sovietisation of East Germany. This paper uses a variety of primary sources to tell this story. It concentrates its attention not just on worker resistance to change, but also on how the interactions between party and worker, between different organisations within the occupation zone, between the Soviets and German communists, and within the party itself came together to see piecework entrenched within the East German workplace. While Taylor’s ideas influenced the party in this process, they did so only after they had been fed through the prisms of Leninism, Stalinism and Soviet experience. East Germany’s communists were Tayloristic, not Taylorist.+

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* School of Economics and Finance, La Trobe University, Victoria, 3086, AUSTRALIA. Tel: +61 39479 1148, Fax: +61 39479 1654. Email: w.geerling@latrobe.edu.au
# Associate Dean (Graduate), Professor of Economics, Faculty of Business and Economics, Monash University, Victoria, 3145, AUSTRALIA. Tel: +61 3 9903 1307, Fax: +61 3 9903 1412. Email: Gary.Magee@monash.edu
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In the hundred years since its publication, Frederick Winslow Taylor’s *Principles of Scientific Management* has had a profound impact on how we understand work and the management of the shopfloor. Perhaps the most surprising of its legacies, though, is the influence it has had on those who Taylor himself would have least expected to have embraced his ideas, namely, the stridently anti-capitalist communist parties of central and Eastern Europe.¹ What excited them about Taylorism was its perceived scientific basis, modernity, and emphasis on practical outcomes. Combined with its strict top-down management style—in many ways not dissimilar to the Soviet’s own notion of one-man-rule—and promise to resolve shopfloor tensions and unleash productivity growth, these attributes of Taylorism ensured that it would be actively explored by the Soviet state right from its inception.² Thus, finding means to implement effective differential piece rates, determine norms scientifically, and organise workflows more rationally became tasks that were to preoccupy the communist world for the next seven decades. If, in the first half of the twentieth century, Taylorism was the wave of the future, then communists were desperate to be perceived to be riding on its crest. And the authority to do so came from the very top. As Lenin wrote, not long after taking power, “the Taylor system represents the tremendous progress of science, which systematically analyses the process of production and points the way towards an immense increase in the efficiency of human labour”.³ He urged that “every


use should be made of the scientific methods of work suggested by this system. Without it, productivity cannot be raised, without it, we shall not be able to introduce socialism”.⁴

Despite these auspicious beginnings, the contribution of Taylorism to the Soviet world turned out to be far from clear cut. Indeed, many have argued that it failed to take root at all or, if it did, was quickly corrupted. Numerous reasons have been put forward for its inability to gel: the rise of the human relations approach to labour sciences,⁵ the ardent opposition of the left communists,⁶ the emergence of mass activist movements that placed the heroics of workers before rational organisation of the shopfloor,⁷ the political opportunism and insincerity of the communist leadership,⁸ and the fundamental realities of the Soviet economic system⁹ and its political economy,¹⁰ which literally made the introduction of scientific management impossible.

Of course, in May 1945, when Berlin fell to the Red Army, these and many of the Soviet system’s other inherent weaknesses were either not known or had not yet been fully grasped. In fact, at the time, communism had never appeared stronger. As a victorious occupying power, the Soviet Union now assumed control over large swaths of Eastern Germany and assumed responsibility for the region’s economic management. At first, this duty amounted to little more than ensuring that the local population was fed, but once it became apparent that

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its presence there was not going to be short-lived, attention shifted to longer term plans, including the rational re-organisation of workplaces.

The East Germans communists, who were to lead this process, of course, did not work with a blank canvas. In addition to having Soviet expertise on piece rate and norm determination on tap, they had significant home-grown experience to draw upon. As in many European countries, scientific management became popular in business circles in Germany in the 1920s. This interest soon became institutionalised. In 1921, the Association of German Engineers (AGE) established a Committee for Economic Production (CEP), from which a subcommittee with a distinctly Taylorist bent was formed. This subcommittee devoted its attentions to investigating ways to save work time, reduce the tiredness of workers, detect mistakes, and calculate and calibrate all dimensions of work. When, however, the CEP broke from the AGE in 1923 to merge with the National Board of Trustees for Economic Efficiency in Industry and Trade, this subcommittee did not follow its parent committee, but instead reconstituted itself on 30 September 1924 as the National Committee for Determining Work Times, or Reichsausschuss für Arbeitszeitermittlung (REFA). REFA quickly established itself as the most important and enduring of the Taylorist organisations in Germany, acting as consultants to a wide range of German businesses during the Weimar Republic. During the Nazi period, the organisation was integrated into the German Labour Front, where, together with the more human relations-orientated German Institute of Labour Science and German Institute for Technical Labour Training, it continued to undertake time and motion studies and provided advice on the rationalisation of German workplaces, now, though, in a manner consistent

with the Nazi’s vision of a Volksgemeinschaft, or people’s community. This engagement and association with National Socialism, however, would prove problematic for REFA—and Taylorism more generally—in post-war East Germany.

Given this background, how then did the party go about reorganising East German workplaces in the years following the Second World War? What problems did they encounter, and how were they resolved? In particular, what role, if any, did Taylorism play in this process? This article addresses these issues by focusing specifically on the introduction of one element key to both the Soviet and Taylorist workplace: differential piece rates.

Most previous work on the establishment of piecework in East Germany has concentrated on the resistance it faced. Either because piecework challenged the tradition of the German labour movement or because it upset the perceived social contract between the worker and boss, the East German labour force opposed its introduction on the shopfloor wherever possible. In the words of Kopstein, this “everyday resistance” to piecework gave rise to a

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13 Link, “From Taylorism to Human Relations: American, German, and Soviet trajectories in the interwar years”, pp. 5-9. For an overview on German interwar labour policies, see: David Meskill, Optimizing the German workforce: labor administration from Bismarck to the economic miracle (New York: Berghahn Books, 2010).


“cat-and-mouse game” between the state and the working class, a game where the state was constantly forced to put aside its plans to appease the workers.¹⁶

Compelling as these arguments might be, it seems unlikely, though, that the party’s changes of direction with respect to wages were just reactions to worker resistance alone. Such resistance was, of course, an important part of the scenario, and we are indebted to those whose painstaking research has re-discovered it. Yet, resistance was surely only one part of the story. It, and the decisions and actions of all the actors involved, need to be integrated and placed in a broader context. This article uses a wide range of party, union, and state archives as well as contemporaneous newspapers, magazines and personal memories in an attempt to tell this fuller story. In the pages that follow, the focus is thus not just on resistance but also the interactions between party and worker, between the different organisations operating within the occupation zone, between the Soviet military and the German communists, and within the party itself.

**Uncertain beginnings**

Following the defeat of Nazi Germany, a Sowjetische Besatzungszone (SBZ), or Soviet Occupation Zone, was set up to oversee most of the eastern German territories, which would later become the German Democratic Republic (GDR). A military government better known by its German acronym, SMAD, was created in an environment marked by utter chaos and confusion. Nobody knew what lay in store. Initially, SMAD concentrated on security considerations, extracting reparations, supplying occupying Soviet forces, and feeding the local population. While SMAD did reshape the East German political order by breaking up the large estates of the Junkers and merging the German Communist (KPD) and Social Democratic (SPD) parties into the Socialist Unity Party (*Sozialistische Einheitspartei*

¹⁶ The quotations come from Kopstein, “Chipping away at the state”, pp. 391, 411.
Deutschlands or SED) in April 1946, at this stage it had no intention of building a Soviet-style economy in the SBZ. Indeed, despite the private urgings of leading German communists for the immediate introduction of socialism, Stalin favoured a united, democratic Germany, which was disarmed and denazified. Such a position limited the power of SMAD to intervene in an economy significantly already weakened by war damage.

Nor was there clarity as to who was responsible for the management of the economy in the SBZ. SMAD’s central administration remained unregulated and largely without the means to implement measures. Economic authorities meanwhile had emerged in each of the different States within the zone. Their focus was naturally regional and practical. Undesirable SMAD instructions were sidestepped, limiting any chance of policy coordination within the SBZ. Competing with each other for scarce resources, state policies and plans also often conflicted and heightened the economic confusion of the time.

The lack of clear economic direction was compounded by what was occurring on the ground. Workplace councils formed spontaneously in the final days of the war, often with Soviet acquiescence. In thousands of workplaces throughout the SBZ, employees took advantage of their new-found freedom and abolished detested symbols of Taylorism, such as clocking-in machines and piecework. An egalitarian, cooperative spirit permeated the shopfloor.

Wages—either monetary or in kind—were equalised, and any profit shared among workers. Economic necessity guided developments. No work meant starvation for people suffering from both the deprivations of war and ongoing reparations. The SBZ had no clear policy towards workplace relations. As Pritchard has noted: “If an economic catastrophe were to be averted, the authorities therefore had little choice but to work with the councils, for they

17 Steiner, The Plans that Failed, p. 17.
18 Steiner, The Plans that Failed, pp. 31-32.
constituted the one active and constructive force in East German industry.” As long as they did not interfere with political considerations or reparations, workplace councils were left alone. By the end of 1945, councils existed in most enterprises across the SBZ. The communist movement, whose leaders had been advocating strong, centralised control of the economy, therefore, decided to harness the influence of these councils for its own ends. In a speech given on 29 August 1945, Walter Ulbricht, at the time deputy leader of the SED, acknowledged that workplace councils had a central role to play in reconstruction. This embrace of egalitarianism and worker management was pure pragmatism. In an environment, where many owners and managers had been tainted by their association with Nazism and, hence, driven out, someone or something needed to fill the void in the short term. Workplace councils were thus expected to shoulder great responsibilities: overseeing appointments and dismissals, monitoring prices, setting norms and wage rates, and guarding against sabotage.

Not surprisingly, wage policy in the zone remained confused. Egalitarianism co-existed alongside wage differentiation and the sporadic maintenance or reintroduction of piecework. Early SMAD orders reinforced the “egalitarian” push of the workplace councils: an 8 hour day (48 hour working week) was regulated in February 1946; confirmed paid holidays offered in May 1946; and in a move designed to encourage people to move back into industry, equal pay for equal work (men, women and juveniles) was established in August 1946. A minimum wage of RM 104 per month was introduced in 1947.

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20 Pritchard, *The Making of the GDR*, p. 44.
25 SMAD Order 56 (17 February 1946): regulated an 8 hour day (48 hour working week); SMAD Order 147 (16 May 1946): confirmed paid holidays; see Hübner, *Konsens, Konflikt und Kompromiß*, p. 18. SMAD Order 253 (17 August 1946): established equal pay for equal work; see ibid, pp. 18-19. For the minimum wage; see ibid, p. 21.
The overriding concern for SMAD at this point was to find a way to make the SBZ self-sufficient, and this could only be achieved through a rapid, sustainable increase in production in key industries. Thus, at the same time as wages were being harmonised across most industries in the SBZ, strong wage differentiation was being introduced for “specialist workers”, such as in the railway industry in December 1945.26

In 1945-46, the anti-egalitarianism of piecework was hard to justify, especially to the rank and file of the party where notions of levelling were popular. The German labour movement had a long tradition of opposing piecework dating back to the late nineteenth century. When large enterprises began adopting piecework and elements of Taylorism in the 1920s, trade unions countered with the slogan: *Akkord ist Mord* (piecework is murder).27 Outright union rejection gradually gave way to conciliation in the Weimar Republic: if piecework could not be abolished, then the most exploitative aspects of it would be mitigated through labour contracts.28 The KPD, however, had resolutely opposed piecework throughout the Weimar and Nazi periods, though its resistance too gave way to pragmatism in 1945 when the magnitude of the calamity facing East Germans became evident. Piecework was acceptable, but only in exceptional cases. As Roesler noted “in the East at first, not just the workers but also leading economic functionaries of the SED, sensed that the piecework wage as material incentive would be needless in a future socialist Germany, as they were acting as owners of the confiscated enterprises.”29 Party leaders, hamstrung by circumstances and for want of any other real alternative course of action, began advocating that natural ideological drive and pure idealism could substitute for real control over the workplace. Fritz Selbmann, then the Sachsen Minister for the Economy and Economic Planning, spoke of the hopeful sign of a

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26 Hübner, *Konsens, Konflikt und Kompromiß*, p. 17.
29 Roesler, “Akkord ist Mord, Normenerhöhung ist das Gleiche”, p. 9
new relationship to work from the “activists of the first hour”, who on the basis of their “forward-looking political objectives” and “love for their people” prompted them to “take over the leadership in reconstruction”.  

Yet, here the SED was just making the most of a bad situation. The wage regime which emerged in the period following the war was guided by an uncertain mix of worker spontaneity, ad hoc activism and official expedience. As Selbmann told Bruno Leuschner, head of the SED’s Department of Economics and Finances: …“the totally confused measures” of SMAD bred a “chaotic situation” and ensured that real economic control could not be established. The material conditions for the introduction of a SBZ-wide, performance-related piece rates did not exist in the period 1945-47. Change, when it did arrive, was to be prompted by economic crisis and the worsening relations between the Soviets and Western Allies.

First attempts: the “progressive” piece rate

In the years following the war, Soviet attitudes to the future of East Germany were conditioned by the desire not to provoke international conflicts. While the possibility of an acceptably constituted united Germany remained, Stalin did not want to give the impression that a new state was being built in the SBZ. When, however, in 1947 the Western powers inter alia reformed the Bizone, introduced the Marshall Plan and established the Ruhr Authority, Stalin concluded his one-state solution was off the cards. Coupled with the acute food shortages that followed the harsh winter of 1946-47, the realisation that eastern Germany might indefinitely remain under Soviet control led to a fundamental shift in

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30 Selbmann, Ausgewählte Reden und Artikel, p. 56.
31 Selbmann to Leuschner, 16.8.1946, SAPMO-BA NY 4113/16.
32 Crop failure led to widespread hunger and increased worker absenteeism. Industrial production across the zone in 1947 was less than 60% of the 1936 level. “Informationsbericht Nr. 5 der Hauptabteilung 2 - Abteilung Statistik: Die Entwicklung der industriellen Produktion in Deutschland, insbesondere in der sowjet. Besatzungszone”, in DY 34/21707, pp. 6-8.
thinking at the highest levels of the SBZ: some control of the economy needed to be handed over to local administration. On 4 June 1947, SMAD Order 138 established the German Economic Commission, or Deutsche Wirtschaftskommission (DWK).\textsuperscript{33} Under the chairmanship of Heinrich Rau, the DWK, the first German administrative body responsible for the entire zone, was expected to coordinate all economic activities within the SBZ. The formation of the DWK, however, did not signal Soviet acceptance of the Sovietisation of the economy; rather it was a pragmatic response of SMAD to the exigencies it faced in 1947.

The new DWK immediately launched itself into an intensive debate about piecework and scientific control of the workplace. Drawing on the precedent set by Lenin and Stalin, Ulbricht justified the use of piecework in a “democratic economy” because this system could no longer be used for the exploitation of the workforce and the increase in production—one of its final goals—would be used for the benefit of all.\textsuperscript{34}

The new resolve of the SED was supported by SMAD. On 9 October 1947, it issued Order 234.\textsuperscript{35} Dubbed the “Construction” Order, it consisted of a broad series of measures designed to address the most urgent issues facing the SBZ.\textsuperscript{36} Point 4 of the order called for the systematic expansion of piecework wages, the clearest sign yet that wage differentiation would be centralised and coordinated from above and that material stimuli—not egalitarianism—would drive the economic revival.\textsuperscript{37}

\textsuperscript{33} Jan Foitzik, 	extit{Sowjetische Militäradministration in Deutschland (SMAD) 1945-49} (Berlin: Akademie Verlag GmbH, 1999), p. 365.


\textsuperscript{35} See “Anlage zum Befehls Nr. 234 des Obersten Chefs der SMA vom 9. Oktober 1947”, in DY 30 IV 2/2.027/22 (Microfiche 1); “Befehle der SMAD” in DY 34/1093.

\textsuperscript{36} The term “Aufbau” (construction) appears in many of the progress reports submitted to SMAD/SED; see “Was noch besser werden muss: Die Presse und ‘234’” (no date), DY 30 IV 2/6.02/85 (Microfiche 1), p. 1.

\textsuperscript{37} See “Anlage zum Befehls Nr. 234 des Obersten Chefs der SMA vom 9. Oktober 1947”, in DY 30 IV 2/2.027/22 (Microfiche 1); “Befehle der SMAD”, in DY 34/1093.
In contrast to earlier laws and rulings, this order was: “not an ad hoc response to economic and social problems in the SBZ”.\textsuperscript{38} The order may have been issued by SMAD, but the main work behind the scenes came from the East Germans: the SED, DWK, and Free German Trade Union (\textit{Freier Deutscher Gewerkschaftsbund} or FDGB) worked closely together on Order 234, while Herbert Warnke, President of the FDGB, and his Deputy, Hans Jendretzky, edited the final text.\textsuperscript{39} Broadly applied economic incentives, often in the form of wage differentials, were the centrepiece of a coordinated campaign from the aforementioned agencies to win the “hearts and minds” of workers.\textsuperscript{40}

As noted earlier, for many workers piecework was tainted by its association with capitalist and Nazi industrial life. Workplace councils across the country had abolished it in 1945 as one of their first acts. As a result, the party anticipated significant opposition to the extension of piecework. In a sitting of the FDGB Federal Executive, which took place on the eve of SMAD Order 234, Ulbricht spoke of the need for a “change in attitude towards work” within enterprises.\textsuperscript{41} The order aimed to transcend traditional workplace practices.

The party leadership’s problem was that it faced challenges both from the workforce and from within. As a report sent to the SED Party Executive from a local SED group in Kösteritz in December 1947 illustrates, a “lingering egalitarianism”\textsuperscript{42} among many workers was causing internal divisions within the SED.

Why is work morale sinking? Because the incentive to work is missing! The real wage, which sinks from month to month, is a fact that higher piecework rates won’t change. There are only a few idealists among the workers who today can develop a

\textsuperscript{38} Hübner, \textit{Konsens, Konflikt und Kompromiß}, p. 22.
\textsuperscript{39} Dittrich, \textit{Die Anfänge der Aktivistenbewegung}, pp. 46-47.
\textsuperscript{40} Dittrich, \textit{Die Anfänge der Aktivistenbewegung}, p. 47.
\textsuperscript{41} Hübner, \textit{Konsens, Konflikt und Kompromiß}, p. 28.
\textsuperscript{42} The phrase and concept comes from Klessmann who sees the worker’s egalitarianism as the major force shaping the early history of the DDR. Christoph Klessmann, “Arbeiter im ‘Arbeiterstaat’”, \textit{Aus Politik und Zeitgeschichte: Beiträge zur Wochenzeitung Das Parlament}, volume 50, (2000), pp. 20-28.
better attitude towards work. The attitude which dominates is that all these measures will lead to higher exploitation and lead to little good for the majority. We must have the eyes and ears with the masses. And the masses say: don’t let yourself be exploited. Don’t let yourself be exploited, for you are a human being!  

The limited powers of the DWK to curb the actions of the States posed further problems for policy coordination. The DWK did not yet have the authority to impose orders and conflicting regulations and decisions continued. As the Thüringen Ministry of Economic Affairs sarcastically asserted: “of the decisions of the Berlin Economic Commission, we will implement whatever we consider advisable and correct’.  

The prominence and pervasiveness of workplace councils also limited the DWK’s scope for action. Issues of enterprise management needed to be negotiated with each council. In these discussions, the interests of the enterprise’s workforce inevitably took precedence. While this situation had been previously tolerated, the SED now saw the councils as obstacles. As Selbmann explained: “we don’t want an enterprise parliament where the workplace council has to be consulted about every screw that has to be obtained, but … a tight leadership aware of its responsibility upward and downward”.  

44 Policy contradictions opened up in all aspects of government: from economic management to the education and justice systems and even in the administration of highways, which at this time were run differently in each of the States. As the FDGB Federal Executive noted in July 1948: “Since the regulations in the States of the Soviet occupation zone, in part, are different and sometimes also unclear, [there is a] need to strive towards a unified set of guidelines for the entire zone”. FDGB: “Guidelines for Wage Policy” (Richtlinien zur Lohnpolitik”). Resolution – Protocol of the 7th Federal Executive Sitting [of the FDGB] on 6-7 July 1948. For similar comments on the contradictions, see Selbmann, Ausgewählte Reden und Artikel, pp. 68-71. For the administrative chaos in the SBZ’s highways, see his “Rede auf der Tagung der Deutsche Wirtschaftskommission” (speech given to an assembly of the DWK, 12 May 1948), p. 119.  
45 DWK: Abteilung für Wirtschaftsfragen: Bericht über die Ergebnisse der bisherigen Arbeit des Abschnitts IV – Kontrolle vom 7.10.47, SAPMO-BA DY 30 IV 2/6.02/33.  
The need for Soviet-style one-man-rule and a more centralised control of the workplace were now openly acknowledged. Moreover, it came to be realised that working class resistance to piecework could, indeed should, be broken with the assistance of the trade union movement. Accordingly, increasing pressure was put on unions and workplace councils to come under the control of the party-run FDGB, whose function should be to carry out the economic-political goals of the party.\(^47\) The party used intensive political schooling to make shop stewards and workplace councils “less responsive to pressures from below, and more amenable to manipulation from above.”\(^48\) In November 1947, Ulbricht wrote:

> Of greater importance for the raising of worker productivity are the new work rules, which were devised by the central administration for work together with representatives of the FDGB. In these work rules it is stated that the application of piece- and accord wages should be expanded as a means to raise worker productivity and wages. While reading these regulations, old trade union colleagues will remember how they earlier fought against accord wages and the bonus system. Earlier, that was correct. After the liquidation of the power of corporate and bank capital, with the existence of nationally-owned enterprises, democratic economic organs and the full rights of co-determination of trade unions we must, however, take a different position. Whoever under these new circumstances lacks work discipline, whoever does not give their all to raise production, hurts the people and serves the propaganda of the old owners, who today are interested in the lowering of worker productivity in the nationally-owned enterprises to prove that without them nothing works.\(^49\)


\(^{48}\) Pritchard, The Making of the GDR, p. 146.

\(^{49}\) Ulbricht, “Die Arbeit”, pp. 184-85
By the beginning of 1948, the SED had thus signalled its intent to take control over the workplace; what it still lacked was the ability to do so effectively. At the behest of SMAD, members of the DWK travelled across the entire SBZ in January and February 1948 and compiled a series of reports on the implementation of Order 234. The picture which emerged was not encouraging. Little, if any, progress had been made in getting workers to accept piecework. Before 1945, 80 per cent of the industrial workforce performed under the piecework conditions.\(^{50}\) This fell to 20-25 per cent by 1946 and a half year report from the Ministry for Labour and Social Welfare in April 1948 showed the percentage of workers on piecework in early 1948 had barely risen: from 23 to 26 per cent.\(^{51}\) Another report from the same period found that the rate was approximately 25-30 per cent.\(^{52}\) Rates of piecework remained relatively high in leading industries like coal mining, which were not so affected by material shortages. Nevertheless, norm fulfilment remained below pre-war levels.\(^{53}\)

The DWK attributed its failure to three factors. The first was its lack of authority over the economy and inability to bring SMAD and State ministries, not to mention workplace councils, under its control. This gave rise to inconsistencies, even inaction in parts.\(^{54}\) The SED lobbied the Soviets for a significant extension of the DWK’s power. On 12 February 1948, they obliged with the introduction of SMAD Order 32.\(^{55}\) This order gave the DWK the power to legislate and was quickly followed on 9 March by another placing all existing

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\(^{53}\) Hübner, \textit{Konsens, Konflikt und Kompromiß}, p. 31.


\(^{55}\) Foitzik, \textit{Sowjetische Militäradministration in Deutschland (SMAD) 1945-49}, p. 388.
SMAD and State administrations under its direct control. The DWK was now the pre-eminent institution in the SBZ with unprecedented authority to manage its economy as a single zone.56

The second factor that plagued the introduction of piecework was the lack of consistency in how it had been implemented across the SBZ. No common piecework system had been specified. Versions varied between regions and between enterprises. In many cases, the system in operation provided little incentive for improved performance. The old hourly wage (or shift wage for 8 hours) would be guaranteed irrespective of output, so that workers were not disadvantaged by irregular production. Workers would also be guaranteed a premium or bonus if a certain target was achieved. Often the difference lay in how the differential element was calculated and at what rate of production it cut in. A coal mine in Altenburg, for example, paid workers a bonus of RM 0.50 when they reached 6,500 tons per day in January 1948 – even though the daily target was 7,000 tons. Bonus premiums were staggered upwards, reaching RM 1.2 when the workforce delivered 7,200 tons.57

The third factor was that even when introduced piecework did not guarantee workers better wages. A DWK report dated 4 February 1948 conceded: “After the introduction of the piecework wage, wages actually fell in many enterprises. Comrade Rau reports this as characteristic for Brandenburg.”58 Not surprisingly, workers objected, staged slowdowns and sabotaged machinery to resist its imposition.59 The party and its organs realised that a policy of rate differentiation could only succeed if it provided workers with the resources and incentives to make piecework attractive. Real wages had to go up.60

56 Steiner, The Plans that Failed, p. 40.
60 See, for example, the resolutions of the FDGB: “Entschliessung zu den nächsten wirtschaftspolitischen Aufgaben des FDGB”, 14 January 1948, in DY 24/26803 (Microfiche 1), p. 81.
The DWK began work on a series of guidelines that would standardise practice across enterprises and make piecework more attractive, especially for the best workers. While implicitly based on Taylor’s differential piece rate, the party’s preferred design, the “progressive piece rate”, sought to go beyond it.\(^{61}\) If implemented properly, workers could theoretically earn unlimited, progressively increasing premiums over the base piece rate for marginally greater production. Dr Raphael, an expert from the DWK, compiled a document that set out the new and correct rates and dispel common misconceptions. In “Progressive Piecework Wages – False and True”, Dr Raphael explained to readers that a genuinely “progressive” wage differentials should be based on total output, not just production beyond the norm, as Taylor had suggested.\(^{62}\)

The point was illustrated with examples.\(^{63}\) Assume, for instance, the following: an hourly wage of RM 1 (RM 8 per shift) and a normal shift of 4,000 units per day. If a base piecework rate of RM 2 for every 1,000 units is paid, a worker earns the same under either system if she meets the daily norm of 4,000 units. However, if a worker exceeds the daily norm by 1,000 units, she would also receive pay for the amount in excess of the daily norm at the base rate. Her total wage would increase in line with production increases. This situation, summarised in Table 1, describes a piecework system without progression, that is, a system where wage growth merely matches production and extra effort is not rewarded more highly than expected work.

Now consider Table 2 where a bonus of 7 per cent on top of the base rate is paid for a 5 per cent increase in production above the daily norm (which equates to 4,200 units) and rises in line with the progression given in column 3. If a worker exceeds production by 25 per cent...

\(^{61}\) The notion of a progressive piece rate was borrowed from the Soviet Union. See: Siegelbaum, “Soviet Norm Determination in Theory and Practice, 1917-1941”, p. 58.


\(^{63}\) The following examples are adapted from: Progressive Akkordlöhne - falsch und richtig”, 4 February 1948, in DY 30 IV 2/6.02/85 (Microfiche 2), pp. 97-102.
(1,000 units), she receives a bonus of 33 per cent on top of the base rate. This is Taylor’s differential piece rate design. Yet, this arrangement, we are told, is not as “progressive” as it appears: the bonus is certainly greater than the increase in production, but only applies to the increase in production that is beyond the daily norm (in this case, 4,000 units). The initial 4,000 units are still paid at the existing base rate: RM 2 per 1,000 units or RM 8 per day. In these circumstances, total piecework wage growth moves marginally ahead of the growth of production. Only when above-target production and the size of the bonus become large, do the benefits increase significantly. While an advance on the situation in Table 1, this system is only partially “progressive” in that the productive worker receives extra reward for a part of her work.

By contrast, piecework is said to become truly “progressive” when the rewards of exceptional labour are applied across all production (i.e. up to 5,000 units), not just the amount above the daily norm (i.e. on a maximum of 1,000 units). Only then does it lose its “Mordlohn-Charakter” (murder wage character). In Table 3, such a “progressive” element is added to the design. In this case, the bonus, once earned, is applied to the base rate across all output. The result is wage growth that runs well in excess of production growth at all levels. The full effort of the good worker, it is argued, is acknowledged and rewarded. Nor would such “progressive” piecework lead to a wage explosion that might jeopardise the financial viability of enterprises. Dr Raphael optimistically contended that the scale economies wrought by greater production would lower overall costs sufficiently to make “progressive” wages affordable.

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### Table 1: Example of piecework without progression

<table>
<thead>
<tr>
<th>(1) Total Production (units)</th>
<th>(2) Increase in total production (%)</th>
<th>(3) Total wage earned (8\text{RM} \times \left[\frac{(\text{col. 2/100}) + 1}{1}\right])</th>
<th>(4) Increase in total wage earned over RM8 (%)</th>
<th>(5) Average piece rate per 1,000 units (RM) (\frac{\text{col. 3/col. 1/1000}}{1000})</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,000</td>
<td>0</td>
<td>RM 8</td>
<td>0</td>
<td>2.00</td>
</tr>
<tr>
<td>4,200</td>
<td>5</td>
<td>RM 8.4</td>
<td>5</td>
<td>2.00</td>
</tr>
<tr>
<td>4,400</td>
<td>10</td>
<td>RM 8.8</td>
<td>10</td>
<td>2.00</td>
</tr>
<tr>
<td>4,600</td>
<td>15</td>
<td>RM 9.2</td>
<td>15</td>
<td>2.00</td>
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<tr>
<td>4,800</td>
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<td>RM 9.6</td>
<td>20</td>
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</tr>
<tr>
<td>5,000</td>
<td>25</td>
<td>RM 10</td>
<td>25</td>
<td>2.00</td>
</tr>
</tbody>
</table>

### Table 2: Example of piecework with ‘apparent’ progression

<table>
<thead>
<tr>
<th>(1) Total Production (units)</th>
<th>(2) Increase in total production (%)</th>
<th>(3) Bonus added to the base rate and applied to above-target production only (%)</th>
<th>(4) Total wage earned for production up to 4,000 units (RM) (\left[\frac{\text{col. 1 - 5000}}{1000}\right] x \left[\frac{\text{col. 3/100} + 1}{1}\right])</th>
<th>(5) Total bonus earned for above-target production (RM) (\text{col. 4} + \text{col. 5})</th>
<th>(6) Total wage earned over RM8 (%)</th>
<th>(7) Increase in total wage earned over RM8 (%)</th>
<th>(8) Average piece rate per 1,000 units (RM) (\frac{\text{col. 6}/\text{col. 1/1000}}{1000})</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,000</td>
<td>0</td>
<td>0</td>
<td>8</td>
<td>0</td>
<td>RM 8</td>
<td>0</td>
<td>2.00</td>
</tr>
<tr>
<td>4,200</td>
<td>5</td>
<td>7</td>
<td>8</td>
<td>0.43</td>
<td>RM 8.43</td>
<td>5.4</td>
<td>2.01</td>
</tr>
<tr>
<td>4,400</td>
<td>10</td>
<td>12</td>
<td>8</td>
<td>0.90</td>
<td>RM 8.90</td>
<td>11.2</td>
<td>2.02</td>
</tr>
<tr>
<td>4,600</td>
<td>15</td>
<td>18</td>
<td>8</td>
<td>1.42</td>
<td>RM 9.42</td>
<td>17.7</td>
<td>2.05</td>
</tr>
<tr>
<td>4,800</td>
<td>20</td>
<td>25</td>
<td>8</td>
<td>2.0</td>
<td>RM 10</td>
<td>25</td>
<td>2.08</td>
</tr>
<tr>
<td>5,000</td>
<td>25</td>
<td>33</td>
<td>8</td>
<td>2.66</td>
<td>RM 10.66</td>
<td>33.3</td>
<td>2.13</td>
</tr>
</tbody>
</table>
Table 3: Example of piecework with ‘true’ progression

<table>
<thead>
<tr>
<th>(1) Total production (units)</th>
<th>(2) Increase in total production (%)</th>
<th>(3) Bonus added to the base rate and applied to above-target production (%)</th>
<th>(4) Base rate per 1,000 units at different levels of total production (RM)</th>
<th>(5) Total wage earned ( [(col. 1/1000) \times \text{col. 4}] )</th>
<th>(6) Increase in total wage earned over RM8 (%)</th>
<th>(7) Average piece rate per 1,000 units (RM) ( \text{[col. 5]/(col. 1/1000)} )</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,000</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>RM 8</td>
<td>0</td>
<td>2.00</td>
</tr>
<tr>
<td>4,200</td>
<td>5</td>
<td>7</td>
<td>2.14</td>
<td>RM 8.99</td>
<td>12.5</td>
<td>2.14</td>
</tr>
<tr>
<td>4,400</td>
<td>10</td>
<td>12</td>
<td>2.24</td>
<td>RM 9.86</td>
<td>23.1</td>
<td>2.24</td>
</tr>
<tr>
<td>4,600</td>
<td>15</td>
<td>18</td>
<td>2.36</td>
<td>RM 10.86</td>
<td>35.8</td>
<td>2.36</td>
</tr>
<tr>
<td>4,800</td>
<td>20</td>
<td>25</td>
<td>2.50</td>
<td>RM 12</td>
<td>50.0</td>
<td>2.50</td>
</tr>
<tr>
<td>5,000</td>
<td>25</td>
<td>33</td>
<td>2.66</td>
<td>RM 13.3</td>
<td>66.3</td>
<td>2.66</td>
</tr>
</tbody>
</table>

Adopting common guidelines for piecework, however, was not enough. In March 1948, the DWK issued orders that workers who transferred to piecework or other types of wage differentials were to be guaranteed an income 15 per cent higher than they received previously. In June of that year, a sitting of the SED Party Executive upheld the initial guarantee of minimum earnings and made piecework earnings theoretically unlimited in amount. A report from a “234 Work Group” in April 1948 claimed that the new approach was having impact. The case of a wire transmission department at a steel mill in Hettstedt was cited. Every machine had a normal production per shift. If workers reached their daily target, each would receive a 10 per cent bonus on top of the base piecework rate; and if they exceeded norms by 20 per cent, this bonus would rise to 15 per cent. Production per head went up from 4.3 tons to 6.95 tons and performance per hour rose from 24.6 kilograms to

\[\text{Richtlinien zur Akkordlohnarbeit},\ 15\ \text{March 1948, in DY 30 IV 2/2.027/27 (Helmut Lehmann), p. 1.}\]

\[\text{Protokoll Nr. 81 (II), Sitzung am 1. Juni 1948},\ \text{in DY 30 IV 2/2.1/204, p. 9.}\]
38.9 kilograms. The report found that workers also took more care with tools and materials and with better use of work time were able to make the same amount with fewer workers (from 132 to 92). The average wage per hour rose from RM 0.99 to RM 1.58, while the highest paid worker now received RM 2.10. The overall wage bill remained unchanged as the earnings were split among fewer workers. In the period from October 1947 to February 1948, norms were exceeded each month and average monthly performance per worker rose 30 per cent.\(^68\)

Yet, this example was an anomaly in many respects. The shortage economy and soft budget constraint enterprises operated under encouraged the hoarding of labour. Enterprise managers responded by setting weak output norms that workers could easily meet and exceed, thereby raising total wages and making their enterprise more appealing to workers.\(^69\) In a letter to Rau, a senior SMAD official complained that by September 1948, 80 per cent of workers at the Maximilian Steel and Iron works were on “progressive” wage differential, yet norms were based on the average performance for July and August (the lowest months in the last 18 months). This led to a wage explosion of more than 60 per cent, though year-on-year productivity actually fell by 24 per cent.\(^70\) Similar examples were supplied from foodstuff, coal and industry enterprises.\(^71\)

Serious divisions were also emerging in the SED over the direction of wage policy. As wages seemingly spiralled out of control, a bureaucratic battle raged behind the scenes over the relative importance of “progressive” wage differentials and norms. Selbmann, now DWK Deputy Chairman, and Gustav Brack, Head of the Ministry for Labour and Social and

Welfare, held opposing views. Selbmann believed that finding ways to increase work effort was the central issue and that workers would only take up piecework if it remained “progressive”. In other words, wages needed to stay high to stimulate workers to work harder. By contrast, Brack contended that the primary focus of policy should be output and norms, not wage growth. Wage growth that outstripped productivity growth only raised costs and choked off the expansion of output. Wages needed to be held in check until production had risen.\textsuperscript{72}

An internal document from the DWK hints at how bitter the dispute between the administrative agencies responsible for implementing the order had become.\textsuperscript{73} Entitled “Draft: Resolution in the Question of Wage Policy and Collective Bargaining Policy”, the document openly criticised wage differentials, which did not take “the financial viability of the enterprise … into consideration.”\textsuperscript{74} Several high profile figures were castigated for their over-enthusiasm. Nevertheless, as late as November 1948, despite the growing criticism and calls for tighter norms from within the SED and from SMAD, Rau could still asset: “A further question which needs to be cleared is that of norms. One always speaks about the setting of new norms. That appears to be premature and harmful.”\textsuperscript{75} Further on, he added: “We have, for example, in a resolution one such sentence which says one must establish performance norms in all enterprises. That sounds smart and correct; we also believed that it was right. And yet it is false.”\textsuperscript{76}

\textsuperscript{73} “Entwurf: Entschliessung zur Frage der Lohn- und Tarifpolitik”, (no date or author), in DY 30 IV 2/6.02/88 (Microfiche 1), pp. 37-50.
\textsuperscript{74} “Entwurf: Entschliessung zur Frage der Lohn- und Tarifpolitik”, (no date or author), in DY 30 IV 2/6.02/88 (Microfiche 1), p. 38.
\textsuperscript{75} “Entwurf: Entschliessung zur Frage der Lohn- und Tarifpolitik”, (no date or author), in DY 30 IV 2/6.02/88 (Microfiche 1), p. 40.
\textsuperscript{76} “Entwurf: Entschliessung zur Frage der Lohn- und Tarifpolitik”, (no date or author), in DY 30 IV 2/6.02/88 (Microfiche 1), p. 40.
The lack of consensus on norms created confusion in enterprises. Amidst acrimonious claims of “opportunistic conspiracy” and “sabotage”, the SED referred the matter to the SMAD which eventually ruled in favour of Brack’s position.\textsuperscript{77} The DWK was admonished for “irresponsible behaviour”. Lowering norms had led to a “disproportionate growth in wages and production costs”, which “threatened the currency and financial system” and made many enterprises “unviable”. A potash-coal mine in Bernburg, for example, was allegedly using norms which corresponded to 40 per cent of the 1943 levels. That meant the same work performance in 1948, when compared with 1943, cost DM 2.37 instead of DM 1.10.\textsuperscript{78} The DWK was ordered to work on a new set of guidelines: norms were to be tightened across the board and progressive wage differentials limited to essential industries and linked to the lowering of production costs.\textsuperscript{79}

**Establishing control: technically-based norms**

The new guidelines, when released on 29 September 1948, embodied the sharp Tayloristic turn of the party. At their heart lay a new principle: that “the basis of the wage differential is shaped by the work norms, which are established in the enterprises according to normal performance.”\textsuperscript{80} Normal performance now corresponded to the time it took a majority of workers to do the job. Time studies would be used to determine the “average time”. This was


\textsuperscript{78} “Entwurf: Entschliessung zur Frage der Lohn- und Tarifpolitik” (no date or author), in DY 30 IV 2/6.02/88 (Microfiche 1), p. 40. On 20 June 1948, the Reichsmark and Rentenmark (RM) were abolished in the western occupation zones and replaced with the Deutsche Mark. The RM was still legal currency in the Soviet occupation zone at this time and the currency flooded from west to east, leading to inflation. The Soviets responded with their own currency reform. In the first stage, old RM notes had special coupons stuck on: residents received 70 such coupon Marks at the rate of 1:1 against the old RM. On 24 July 1948, a completely new set of banknotes was issued: the coupon Mark was exchanged at 1:1 against the DM of the Deutschen Notenbank (which became the official currency); see Steiner, *The Plans that Failed*, pp. 42-43.


the first widespread introduction of what would later become known as a technical work norms (TAN).\textsuperscript{81}

To alleviate workers’ fears, work norms were only supposed to rise when “technical conditions” changed, not through higher performance of the workers alone. Wage commissions were set up within enterprises to deal with issues of norm setting and verification. Work norms were communicated to workers via pay slips and displayed on noticeboards within the enterprise.\textsuperscript{82}

These guidelines set out to expand the number of workers on wage differentials. The “progressive” element still existed in theory and without limits, but in addition to being restricted to priority industries like iron, coal, metal, machines and transport, its payment was now linked to “genuine” work norms, an enterprise lowering costs and required permission from the relevant industry authority.\textsuperscript{83} Performance bonuses were also offered for suggestions which raised productivity or led to cost savings.\textsuperscript{84} To make piecework more appealing, tax rates on wage differentials were also lowered.\textsuperscript{85}

To monitor these work norms, workers on wage differentials were handed out instruction slips before the commencement of each job, which made clear exactly what was expected of them. These slips detailed every aspect of the job: type of work, quantity produced, time


\textsuperscript{85} “Betr. Steuerreform Stand der Besprechungen per 27.9.1948”, in DY 34/26804 (Microfiche 3), p. 257.
allowed for production, set up time, total time used, allowance for contingencies, total time
allowed, cost per minute and percentage of norm fulfilment. 86

Parallel to the extension of “progressive” wage differentials in 1948, offices for work
preparation were created within enterprises and a “Central Commission for Time Studies”
was established in May 1949 within the DWK. 87 The main task of this commission was to
introduce TANs, which would become the basis of future work norms. 88

Selbmann gave a wide-ranging talk on the issue of technically-based norms to the SED Party
Executive in July 1949, which is useful to quote at length. It demonstrates the party’s—and
his—new outlook.

    Now comrades, the foundation of wage differentials is the application of technically
correct work norms. I believe, we must ask ourselves: what then are technical work
norms? Under technical work norms, so much stuff is spoken about today in our
industry, without one being clear about what technical work norms are. I believe one
should study the gigantic struggle which the Soviet Union had to introduce technical
work norms. There is a plethora of material and literature about this. Wherein lies the
struggle for technical work norms in the Soviet Union? It lies in the fact that in place
of work norms, based on estimates or experience, technical based norms exist. I
believe that it is also important for our industry. Technical work norms – one must
express that openly – are not somehow guessed or are work norms by rule of thumb,

86 See “Richtlinien zur Lohngestaltung in volkseigenen und SAG-Betrieben. Beschlossen vom Sekretariat der
DWK am 24.9.1948”, in DY 34/26804 (Microfiche 3), p. 248; “Protokoll Nr. 119 (II), Sitzung am 11. Oktober
1948”, in DY 30 IV 2/2.1/239, pp. 13-14.
87 Matthes, Das Leistungsprinzip als Grundlage der Entlohnung in der volkseigenen Wirtschaft, p. 135f.
88 “Lohnpolitik und Kollektivverträge”, in DY 34/26809 (Microfiche 1), p. 57.
rather technical work norms rely on the exact determination of times and studies of work. That has been the point of the battle for technical work norms in the USSR.  

Of course, the implementation of TANs, let alone getting workers to accept them, was beset by problems. In 1948-49, there was a shortage of specialised staff, so while the party educated a new batch of experts, the authorities were forced to use the existing REFA-engineers (re-named as work study engineers) who had worked under the Nazis.  

The hope was that workers, together with enterprise managers, and under the leadership of the unions, would agree the piecework rate and time permitted. The outcome should be “technically justifiable” and “socially responsible” norms. 

Circumstances, however, practically ruled out a lengthy consultative process and standardised measures. Over a relatively short period of time, thousands of work norms needed to be checked and newly established. In many cases, work studies were replaced with stop watches. Even more frequently, time studies were forgone and figures based on capacity and experience used instead. 

Interruptions in production because of supply bottlenecks, ongoing dislocation from the war and reparations also made it impossible in many cases to set appropriate work-based norms. 

If norms were set too high because these conditions had been ignored or officials had been too vigilant with their stop watches, workers would lose wages unless a correction was made to the time permitted for a job. Furthermore, a switch from “experience statistics” to TAN would reduce the scope for wage increases. Workers knew this and were determined to defend their wages through the maintenance of soft norms. 

A distinctive feature of this new SED approach to wages was that it was accompanied by an orchestrated campaign from the centre to overcome such resistance. This was a campaign that

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90 Max Friedrich, “Refa und wir”, Der Volksbetrieb, issue 5, May (1948), p. 75. 
92 Roesler, “Vom Akkordlohn zum Leistungslohn”, p. 792. 
for the first time coordinated all party, SBZ and state organisations. Trade unions became “transmission belts” for party policy, while the ad hoc, “sporadic character”94 of the activism of the early post-war years was transformed into a series of systematic, planned and integrated movements all pushing a single, unambiguous message. Heroic feats of labour and socialist competition now became key weapons in the party’s arsenal of influence.

First in the SED’s sights was the workplace where competing voices continued to confuse the message. At a FDGB conference in Bitterfeld on 25-26 November 1948, workplace councils were abolished in enterprises where more than 80 per cent of the workforce was organised into official trade unions. Shortly thereafter, this ruling was extended to all enterprises. Workplace councils were deemed no longer necessary.95 Unions would now take orders from above and assist in the introduction and promotion of wage differentials based on the performance principle.

The SED also actively sought better ways to sell wage differentials and TANs. The Institute for Marxism-Leninism held a conference on the topic in March 1949, at which a series of ideological issues were addressed.96 In its aftermath, all party material openly disavowed direct association with pre-war shopfloor methods.97 Hence, the rationalisation and exploitative nature of work norms under capitalism, manifested most notably through “Das Taylor-System” and REFA, was contrasted with the emphasis on improving worker productivity in nationally-owned enterprises, whose benefits flowed to all workers.98 This

94 The “sporadic character” quotation comes from Selbmann’s talk “Die Aktivistenbewegung” given at the 1st activists conference of the DWK in November 1948, the text of which can be found in Selbmann, *Ausgewählte Reden und Artikel*, pp. 131-33.
97 Caldwell, *Dictatorship, state planning, and social theory in the German Democratic Republic*, p. 20.
injunction, however, was in truth not an outright rejection of Taylorist methods, only their exploitative elements. Indeed, its ‘progressive’ parts were to be salvaged and re-badged.

As Selbmann explained in July 1949:

We reject the REFA-system. We have made our position against the REFA-system clear. The rejection of the REFA-system does not mean that we are able to renounce exact determination of times and exact studies of work; otherwise we could not come to objective norms for our work.

He went on to clarify that there was a difference between ‘reactionary’ and ‘progressive’ norms:

Reactionary norms are such, which inhibit the rise of worker productivity; reactionary norms are such, which are based on an earlier level of technology; reactionary norms are such, which guarantee workers an income well above the average with essentially less work effort.

Progressive norms are such, which take into account the technical progress, the improvement of the production process, the technical condition of the enterprise and the experience of the activists in the application of work equipment; only such norms are progressive, that means they lead to a progressive and step-by-step improvement in the productivity of work.

The party acknowledged that a fundamental shift in worker attitudes was needed to embed the new practices in the workplace. Workers should be actively encouraged to see the work

99 See, for example: Friedrich, “Refa und wir”, p. 75.
study engineers as “comrades-in-arms in the struggle to improve living conditions” rather than the despised “REFA men” of the past.\textsuperscript{102} To that end, the FDGB produced “schooling material for enterprise functionaries”, which aimed to explain similarities and differences between the old piecework system and the new wage differentials. Various newspapers and magazines, including \textit{Die Freie Gewerkschaft}, \textit{Die Wirtschaft} and \textit{Neues Deutschland}, were also used to convey the message.\textsuperscript{103}

The SED also felt it needed a positive role model to inspire workers to take up differential wages and TANs; it found one in Adolf Hennecke. On 13 October 1948, Hennecke, a coal miner at the Oelsnitz Coal Mine in Erzgebirge, brought in 24.4 cubic metres of coal during a single shift, a feat which exceeded his work norm by 387.3 per cent.\textsuperscript{104} The episode gave birth to the Hennecke Movement. There was nothing spontaneous or miraculous about Hennecke’s achievement. His record attempt was planned by the Sachsen branch of the SED, indeed stage-managed, more than a year in advance. The idea for it came from a visit to a large factory in the USSR where the leader of the Sachsen SED, Otto Buchwitz, was able to witness first-hand the putative benefits of Stakhanovite workers.\textsuperscript{105}

In the days that followed, a stream of articles lauding Hennecke appeared in the press. The \textit{Tägliche Rundschau} was typical of the coverage. It explained to its readership: “In this way, the coal miner Adolf Hennecke established an unprecedented record in worker productivity in

\textsuperscript{102} Friedrich, “Refa und wir”, p. 75. On this point, Hans Heinz Schober wrote the following in “Einheit” (Unity), the theoretical magazine of the SED: “Millions of workers stand aloof; they have not recognised the changes. For them, rationalisation and improvements in performance, accord and efficiency wages are the same. For sure, we are not totally innocent in this situation because in our minds many uncertainties still rule. To eliminate these uncertainties is an urgent task of our party functionaries and our comrades active in the economy.” See Schober, “Rationalisierung oder Leistungssteigerung?”, p. 605.

\textsuperscript{103} See, for example: Stoph, “Weitere Steigerung der Arbeitsproduktivität”, p. 4.

\textsuperscript{104} Adolf Hennecke, “Drei Tage wußte ich nicht, was ich bin”, in NY 4177/6, p. 25.

\textsuperscript{105} Report to the SED Party Executive, 20-21 October 1948; See DY 30 IV 2/1/55, pp. 50-51.
German coal mines and through this created an undisputed new era in the battle of German workers to reconstruct the German economy destroyed through war.”

The deeds of Hennecke were further popularised and mythologised through songs and poems, films and newsreels, special activist pledges and uniforms, billboards and posters, pins and medals. Schools and streets were even named after him. He became a household name.

Following the success of the initial campaign, the SED began to shift its efforts to the promotion of “production activists” within individual factories, ensuring that these “Henneckists”, as they became known, were properly rewarded too. Workers were urged to “keep up with the Progressivists”, whose examples would supposedly inspire them to similar heights.

The immediate response from workers to the Henneckists was, of course, largely negative. They, after all, threatened existing norms and wages. Nor have later researchers been more supportive in their assessments. Not only did these activists fail to raise labour productivity, they also made a mockery of the party’s claim to organise the shopfloor rationally according to the principles of scientific management. By placing faith in the extraordinary ability of the ideologically driven worker—not the knowledge of the technical expert—Henneckism, like

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108 For a general summary, see Naimark, The Russians in Germany, pp. 198-204.


110 Report to the SED Party Executive, 20-21 October 1948; see DY 30 IV 2/1/55, p. 50. See also NY 4177/3, pp. 66-67, 69, 71; “Drei Tage wusste ich nicht, was ich bin”, in NY 4177/6, p. 24.

111 See, for example, Naimark, The Russians in Germany, pp. 202-4; and Kopstein, “Chipping Away at the State”, p. 408.
Stakhanovism, appeared to represent the very antithesis of what Taylor had stood for.\textsuperscript{112} Certainly, such is the view that the crude communist propaganda of the time conveys. Yet such an interpretation oversimplifies how at least some of the party’s theorists understood its shock workers. As B.L. Markus, for example, a leading thinker within Gosplan, explained in 1936, Stakhanovites succeeded not through their superhuman abilities per se, but through the “perfect organisation of the workplace” and “the systemization of movements, the saving of seconds, and the rationalization of work”, which enabled “the introduction on a genuinely scientific basis, of rhythmical and regular working methods [which] abolished all unnecessary movement, loss of energy, and nervous strain”.\textsuperscript{113} Expressed differently, shock workers triumphed where all else failed because they had internally grasped the essence of Taylorism and had acted accordingly.\textsuperscript{114} Such a view may well have been self-deceptive, but, if widely held, it would suggest that party leaders may not have simply regarded Hennecke and his like as alternatives to the rational organisation of the workplace, but rather as another, complementary way of inspiring workers to accept and ultimately get to that cherished goal.

Their hopes may not have been entirely misplaced either. Despite resistance at grass-roots level, most East German workers did gradually accept the need to adopt wage differentials. From earlier, we know this was to a large extent linked to weak norms and the opportunity to earn unlimited progressively increasing wages (at least initially). Yet, the example of activists like Hennecke also acted as a counter to the soft norms prevalent in most enterprises. Though trailblazing acts failed to inspire widespread copycat record setting, they did demonstrate official determination to snuff out once and for all the egalitarianism of earlier years. Most

\textsuperscript{114} Link, “From Taylorism to Human Relations: American, German, and Soviet trajectories in the interwar years”, pp. 11-14.
importantly, they gave an unambiguous signal to workers that hard work, commitment and acceptance of the new shopfloor realities would be rewarded.

The party had also come to recognise that mercenary reasons could work where appeals to ideological purity, class solidarity, or morality failed. At the first Activist Conference in November 1948, Selbmann could thus declare:

> It is necessary to show the individual activist that his best performance improves not only the situation of our people but also his own personal situation. That is only achievable when the worker knows that when I exceed my work norm by so and so per cent, my wage rises. Only then is the incentive given for a broader en masse commitment of our workforce to the goal of peak performance.\(^\text{115}\)

The number of workers on wage differentials increased steadily from 1949. By 1951, the rate was twice as high as 1948, three times as high as 1946-47, and higher than the number of piecework workers in Western Germany.\(^\text{116}\) Nearly two-thirds of industry workers were on wage differentials—double the amount of 1948.\(^\text{117}\) Outright opposition to piecework dissipated when workers realised they could make the system work for them. Nominal wages continued to rise during the first two-year plan of 1949-50 and the opening of state-run retail stores and restaurants in November 1948 meant Germans in the SBZ could legally shop ration-free for the first time since 1945.\(^\text{118}\) In this environment, performance-based wages started to make sense to workers. Looking back at 1950, *Die Wirtschaft* could report:

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\(^{116}\) Matthes, *Das Leistungsprinzip als Grundlage der Entlohnung in der volkseigenen Wirtschaft*, pp. 53, 63.

\(^{117}\) Matthes, *Das Leistungsprinzip als Grundlage der Entlohnung in der volkseigenen Wirtschaft*, p. 63.

through the intensive ideological schooling work of the unions and the ever stronger advantages handed out to the workers, who comprise the percentage of workers on wage differentials, those who exceed their work norms earn more and can now buy additional items. The rejection of wage differentials will soon be overcome … We can establish that there is hardly any rejection of wage differentials by workers at the nationally owned enterprises.\(^{119}\)

Even allowing for exaggerations in the numbers, and notwithstanding the high expectations of the SED, FDGB and DWK, the attempt to introduce wage differentials from 1948 cannot be categorised as a failure in terms of getting workers to accept, if reluctantly, a key element of the Taylorist workplace.\(^{120}\)

It was, of course, hardly an unalloyed success either. The acceptance of piecework came at the expense of real TANs: soft norms made piecework more appealing to workers, but undermined the attempt to link norms to productivity. All attempts to standardise work norms through time and work studies were resisted by the workers. The SED set ambitious targets for raising norms in the second half of 1949 and work preparation bureaus were created in all main branches of industry in the third quarter of 1949. Yet, once again cautiousness prevailed and by the end of 1951, only 10 per cent of norms could be classified as technically based.\(^{121}\)

Norms would remain a sensitive and unresolved issue for the next few years, eventually coming to a head in 1953 when the SED arbitrarily called for them to be increased by 10 per cent in honour of Ulbricht’s birthday. The workers revolted.

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\(^{119}\) Roesler, “Vom Akkordlohn zum Leistungslohn”, p. 794.
\(^{120}\) Hübner, Konsens, Konflikt und Kompromiß, p. 40.
\(^{121}\) Kopstein, The politics of economic decline in East Germany, p. 34 cites Klaus Ewers, Der Konflikt um Lohn und Leistung in den Volkseigenen Betrieben der SBZ/DDR (PhD University of Osnabrück, 1985), p. 119.
Conclusion

The story this article tells is a familiar one: introducing aspects of Taylor’s system in East Germany, as everywhere else, was a long struggle beset by resistance and requiring frequent adaptations. However, this article also tells a story that is, in important respects, not familiar. Notably, it has shown that the history of piecework in the SBZ was more involved than simply the SED’s fearful responses to worker resistance. The introduction of piecework was in fact an integral part of a dual process whereby the party acquired control of the economy and then learnt how to direct it. To achieve the latter, it first needed to learn how to control and direct itself.

The party’s path to Sovietisation was neither clear cut, unidirectional, nor even assured. In the immediate aftermath of the war, egalitarianism pervaded the workplace. To the extent that policy existed at all, it was marked by ambiguity, contradiction and confusion. The SMAD, SED, states, workplace councils—and from June 1947 the DWK—all coexisted and often operated at cross-purposes. SMAD Order 234 in October 1947 marked the first major attempt to alter work practices in East Germany. Yet, its implementation proved problematic. Even with Moscow’s go ahead, the SED and DWK lacked the means and ability to take decisive action. Two things were missing: the political power and authority to act and the support mechanisms to convey its messages to workers and enterprises and to influence shopfloor conventions.

SMAD Order 32 in February 1948 tackled the first weakness, finally empowering the DWK and turning it from one of numerous, competing economic authorities in the SBZ into its pre-eminent. The second requirement took longer to meet. The development and systematic coordination of “transmission belts”, party discipline, campaigns, activist movements, and socialist competitions evolved over the course of piecework’s introduction. Their evolution
was hardly exogenous; rather it was shaped by experience and the encumbrances the SED encountered along the way. The party learnt by doing.

The findings of this article have implications for the debate over the putative “Taylorisation” of Soviet-style economies. Typically, this debate has circled around the clash of ideas—who said what—within the party or alternatively, the extent to which the fully developed communist system deviated from classical Taylorism. The focus is also almost exclusively on the Soviet Union. This article has offered a new vantage point. It examined the formative years of the GDR in the belief that useful insights on why workplace relations developed the way they did can be uncovered by going back to the origins of the system. We believe that this approach grants us a fresh perspective on the “Taylorisation” debate in two ways.

First, it has long been noted, sometimes with surprise, how Lenin and later communist leaders could be so damning of Taylor and his system in some contexts, but complementary in others. As we saw, such seemingly contradictory views were expressed by the East German party too. Was this state of affairs a product of confused communist thinking or just pure political expediency, as some have claimed? Our reading of the East German experience suggests an alternative explanation, one that lies in the party’s understanding of the process of change. In Marxist dialectical materialism, the synthesis, or the outcome of change, is believed to evolve out of, and contain elements of, the thesis (the old state of affairs) and antithesis (the contradictory factors that emerged from the old state of affairs and

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prompted change). In the process of change, those retained elements lose their contradictory and disharmonious natures and become consistent with the new mode of production.\textsuperscript{126} What this means in practice is that socialism is bound to contain some of the useful, innovative features of capitalism. This strand of thought is clearly apparent in Lenin’s view of Taylor prior to the revolution. For example, in a 1914 article, in which he claimed (in the title no less) that Taylorism represented “man’s enslavement by the machine”, Lenin could still conclude that:

The Taylor system—without its initiators knowing or wishing it—is preparing the time when the proletariat will take over all social production and appoint its own workers’ committees for the purpose of properly distributing and rationalising all social labour. Large-scale production, machinery, railways, telephone – all provide thousands of opportunities to cut by three-fourths the working time of the organised workers and make them four times better off than they are today.\textsuperscript{127}

Apart from the fact that this pre-revolutionary article contains both the positive \textit{and} the critical assessment of Taylorism—ruling out the claim that he later changed his position on the topic when confronted by the exigencies of governing Russia\textsuperscript{128}—it is also important because it shows that Lenin’s evaluation of Taylor is firmly embedded in his understanding of historical processes. Stripped of its exploitative, capitalistic elements, Taylorism could, and would, be crucial to the new society. As we saw earlier, the SED’s rationalisation for its adoption of differential piece rates and TANs in 1948-49 is consistent with such an understanding. The East German party’s thinking may have been flawed, and it may have

\textsuperscript{126} For a brief introduction to the Marxist dialectic, see: M.C. Howard and J. E. King, \textit{The Political Economy of Marx} (Harlow: Longman, 1985), pp. 30-1


been unconvincing to many workers, but it is unlikely, at least in this matter, that its words were entirely hollow or cynical.

Second, our findings have prompted us to question what it means to be a Taylorist. On this point, the literature usually takes two extremes. Often, a system is deemed Taylorist if it aims in one way or another to organise its workplace systematically in order to enhance efficiency. In other words, simply sharing Taylor’s desire to improve the shopfloor seems enough to appropriate his name.\textsuperscript{129} Alternatively, others assume that a system can be Taylorist only if it adopts every major aspect of the system advocated by Taylor himself.\textsuperscript{130} In truth, neither definition is helpful: the former is meaningless, while the latter sets a standard that even self-avowed Taylorists in the West would have struggled to meet. There are bound to be positions in between. Taylorism was surely a matter of degrees, not absolutes.

Where would the SED stand on such a hypothetical continuum of Taylorism? Like Taylor, the SED believed in differential piece rates, scientifically determined norms, instruction sheets, rational organisation of workflows, and the need for strong managerial control of the shopfloor. Like Taylor too, it believed that these methods, when properly implemented, could simultaneously advance the interests of labour, management and society as a whole.

By the same token, the SED rejected Taylor’s personal ideology and the system of ownership he espoused, never completely gave up on the notion that the workers might pay a role in the transformation of the workplace, and did not accept that that transformation should develop independently from, and be uninfluenced by, political processes. Moreover, it did not subscribe to the view that the system outlined by Taylor provided the final word on shopfloor management. There was room for improvement, as its futile attempt to design a “progressive

\textsuperscript{129} See, for example: Daniel Nelson, “Taylor, Frederick Winslow”, in Oxford Encyclopedia of Economic History (New York: OUP, 2003), Vol 5, p. 77..
\textsuperscript{130} See, for example: Van Atta, “Why is there no Taylorism in the Soviet Union?”, pp. 327-337.
“piece rate” more suited to the circumstances of a socialist society illustrated. Taken together, these differences alone ensured that Taylor’s blueprint would never be implemented in East Germany or, indeed, any Soviet-style economy.

So, where does that leave us? We would contend that this article has demonstrated that Taylor’s ideas indubitably influenced the SED, but did so indirectly after they had been fed through the prisms of Leninism, Stalinism and the experience of the Soviet Union. While what came out the other end bore some of its characteristics, whatever it was, it cannot be called Taylorism. For its part, the SED most emphatically did not see itself as Taylorist either. Yet traces of Taylor’s influence in its words and actions are there to be seen. The game of assigning labels, while entertaining, is in itself not very meaningful and often serves only to distract attention away from the study of things that really matter. That said, if a label must be attributed, we would assert that, in their approach to shopfloor management, East Germany’s communists can be seen to have embraced only fragments of the ideas laid out in the

*Principles of Scientific Management:* they were, thus, Tayloristic rather than Taylorists.
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