Life Courses in the Process of Transformation to Post-Communism

- The Case of East Germany

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Distinguished Scholar Lecture
0. Award Appreciation

Dear colleagues,

let me first of all again express my deep sense of gratitude that the Section on Ageing & Life Course has given me its Distinguished Scholar Award last year. It is a highly cherished honour for me, but it also pays tribute to the international orientation and intellectual openness of your scientific community. I have, by the way, in the meantime remedied the fact that you gave the award to a non-section member.

It is of course one of the puzzles both of life course theory and the sociology of science why some academics who have already achieved a decent position in a reputable institution later in life start to collect memberships in academies, prizes and honorary degrees. Why - given the already normal degree of inequality in status and reputation - are additional ranks being created and why is further inclusion as well as exclusion been practised. Life course theory would somewhat cynically suggest a kind of efficiency wage-mechanism: creativity, originality and productivity tends to decline with age and administrative responsibility and as a halo effect of a better biographical past such recognition act in a compensatory manner regulating an equilibrium of self-respect and continuity of status. Ageing theory would probably suggest such honours as effective interventions. Robert Merton (1968) has explained the “Matthew effect” of sharp accumulation in science with its functional need for a simplified communication structure: it is easier to single out a few individuals as points of reference than a great number, it provides a kind of shorthand for communicating within a field. It also makes good Durkheimian sociological sense that it is institutions rather than persons which need benchmarks and which need to practice content selectivity for maintaining collective
consciousness and collective identity. Thus, as a receiver one should be proud, but not too proud, and as Milton Friedman has taught us all “There is no such a thing as a free lunch” and there is no Section Distinguished Scholar Award without - with one year delay - the Award Address to which I now turn.

1. Introduction

The topic I have chosen for this lecture is “Life Courses in the Process of Transformation to Post-Communism - the Case of East Germany.” There are three motives which prompted me to choose this rather than another topic. First, it allows me to report on some of the most recent findings of the German Life History Study. Second it is exemplary for life course research in general. Third, it allows me to address the issue how important the study of life courses is in comparison to other research modes and theoretical approaches.

First, it allows me to report on a number of new research findings from our German Life History Study (Figure 1). The German Life History Study (Brückner/Mayer 1998) comprises nine retrospective surveys conducted between 1981 and 1999 covering men and women from cohorts born between 1887 and 1971 by means of personal and telephone interviews. Eight surveys are based on representative probability samples of West Germany and West Berlin (cohorts born 1919-21, 1929-31, 1939-41, 1949-51, 1954-56, 1959-61, 1964 and 1971) as well as of East Germany (cohorts born 1929-31, 1939-41, 1951-53, 1959-61, 1971). The life histories of the oldest participants were collected as part of the age-stratified probability sample of the regional Berlin Aging Study (Baltes/Mayer 1999) and were born between 1887 and 1920. Altogether data is available on 12,057 life histories. Incorporated in the design of the GLHS were two panel studies, the first one, a re-interviewing in 1993 and 1997/98 of the East Germans first interviewed 1991/92, and the second one, the three
follow-ups within the Berlin Aging Study. It is the first of these two panel studies which produced the data on which my findings will be based.

The second motive stems from the argument that the breakdown and transformation of the former socialist societies illustrates in an exemplary manner the major questions which sociological life course research attempts to answer (Mayer 1990, Schäfers/Zapf 1998, Lindenberger/Staudinger forthcoming). One goal is to understand how institutions and policies on the macro- and meso-level of societies influence and pattern individual life courses in the interrelated form of educational tracks, employment trajectories and family histories. History only very rarely provides us with the natural experiment of a sudden change and substitution of the total institutional fabric with an identical set of persons. This should then be an especially fertile testing ground for assessing this kind of macro-micro linkage. Another goal of life course research is to understand how on the microlevel of individual trajectories one’s own former biography constrains and empowers steps,
transitions and outcomes in later life. The discontinuity and disruption suffered in the very short transformation period should allow us to answer better the question how resources and characteristics ascribed or acquired earlier in life differentially shape life outcomes - despite collective disaster or opportunities. And this leads to the intriguing question whether life courses should be thought of primarily as outcomes of macro social processes or as the product of resourceful and purposeful actors. In the latter case one might ask whether life course actors and actions in the transition period brought about in a bottom-up process specific structures or institutions which retain features of the former society or resemble neither the origin society nor the destination model.

So far we still move within the realms of the scientific inquiry of this Section. We take for granted that life course research addresses important sociological questions and is worthwhile doing. But the transformation to Post-Communist societies posed also a challenge of a quite different kind: how import and indispensable are social-structural analysis and life course research for the study of transformation? In the very first years after 1989 one could observe two kind of academic debates. The first debate centred around the issue of failed prediction for the fall-down of Communism and its implications for the status of the social sciences as theoretical sciences. And of course whether social science would do better in making predictions about the process and outcome of the transformations in East Germany and Eastern Europe. The second, related debate was about which kind of social science should be used to study the transformation, whether existing approaches and theories would suffice and whether we would learn anything generalizable new from these revolutionary events.

I find the latter testing ground especially fruitful, because it could help to adjudicate the rivalling claims between different and contending visions and approaches in studying societies and social change. Let me crudely list the following:
- systems theory
- institutional analysis: political and legal frameworks
- neo-corporatism, networks, collective actors
- organizations and firms
- social structure: class, mobility and the life course
- action theory
- mentalities and attitudes
- cultural differentiation and action spaces: milieus and individualization
-- economics: production, world market prices and distribution
- the welfare state and social policies
- generations, age groups, regions, gender
- social movements
- social psychology: identities, real and reference groups.

In the case of East German transformation a selection from this list seems at first glance quite straightforward. Given the unification treaty of July 1990 the institutions of the new destination society were to be those of the former West Germany. There is still a debate whether this was by conscious political will of the East German population as articulated in the March election, by the sheer pressure of the tight time schedule or by a very conscious design of West German decision-makers. There is some truth in all of these interpretations and it is clear that West German decision-makers insisted on the transfer of West German institutional arrangements even where these were already under debate in West Germany (like individual medical practices as against polyclinics) or where it was clear that they would not fit East German conditions (like pensions rules or employment policies) (Jarausch 1994). Obviously very few individual and collective actors actually were involved in these collectively
binding decisions. If the transfer of institutions is predetermined as a process of incorporation - as in East Germany - than the study of transformation seems plausibly to reduce to the study of the more or less technical aspects of how institutions - like private firms, courts of law, public research institutes and universities, state parliaments and governments, municipal administrations and the like - were actually reorganized, put in place, how the new rules were learned and how they were staffed in the leading positions. On the other hand sociological analysis would focus on whether the East Germans already had developed or would develop the adequate attitudes corresponding to the new institutions - like market mentalities, career orientations, or democratic beliefs. The interesting research questions would be then a) whether the institutional transfer was indeed successful and complete or whether there were notable exceptions, b) whether the pressures from East German incorporation gave rise to new institutional forms in the new German society and c) whether there were time lags in the development of proper attitudes within the population.

In regard to institutional transfer and consolidation two major opinions prevail. The one opinion, represented by Lepsius (see Kollmorgen 1994) among others, contend that institutional transfer was near total, rapid and was completed by 1993/1994. The other opinion is represented among else by Lehmbruch (1999) who contends not only that the process of institution building can only be understood when one not only takes the West German precept into consideration, but also the peculiarities of the unification process and legacies of the East German past. Moreover Lehmbruch claims that there remain quite a number of East German institutional peculiarities, notably in the organization of agriculture, in the semi-public charities and in the school system. Another example, analyzed by Windolf (1999), is the fateful near-absence of local employers-networks in East Germany (“capitalism without capitalists”), because most holdings of East Germans firms sit in West Germany. However, there is no academic controversy that East Germany was not only extreme among
the ensemble of transformation societies in having a ready made institutional fabric imposed ranging from the constitution and the Federal structure to the party system, industrial relations and the social security system. It is also non-controversial that the East German case was unique in regard to three other features. The incorporation of East Germany into the DM zone and thus into European and World Market competition and the very favorable terms of currency conversion plus the rapid increase in wages without underlying productivity destroyed the market value of the East German economy. Privatization of enterprises was extremely rapid: already in 1993 only 5% of all enterprises remained under the roof of the Treuhand privatization agency. Not least, East Germany was the only transformation case where the transition to a market economy did not lead to a dramatic drop of real incomes and widespread poverty. This was prevented by generous and West financed transfer payments in the form of subsidies, tax breaks to investors and social security payments. In regard to mentalities, attitudes and values controversy continues, but in general it is agreed that the East Germans were much more similar to the West Germans around 1990 than they are now (Meulemann 1998). One product of the difficult unification process was the emergence of an East German underdog identity (Mummendey 1996). At any rate the hypothesis was put forward that there will for a considerable time exist a cultural lag between institutional and mental change (Lutz 1994). If then institutional and attitudinal analyses are more or less complete is there anything left to study of the transformation process?

What, in particular, is the potential of social structural analysis and life course research for the study of East German transformation? Is it really necessary or quite superfluous once one has taken care of institutions and attitudes? I would claim that there are three answers to this question. The first answer is that structural dynamics are a necessary complement to institutional and attitudinal change. The second
answer is that socio-demographic shifts in personnel can tell us something not so much about a different outcome of the process but about the process itself. The third answer is that the structural transformation itself is possibly not just adaptation, but might create its own emergent properties in regard to persons, groups, structural features and possibly even institutions.

The purpose of my talk then is to demonstrate the usefulness of life course analysis for studying the East German transformation, to formulate the pertinent questions and to provide you with illustrative examples of empirical answers to part of these questions. What do we gain by using individuals’ trajectories in time as units of analysis?

2. **The transformation as a process of reallocation of persons in social structure**

What are the questions which one would like to have answered by studying transformation processes via life courses? Let me suggest the following list:

One first question is how a given structure of social positions as it existed before the fall of the Wall in 1989 was transformed into a new type of structure? How were persons reallocated in this process? Did the revolutionary transformation of the class structure leave the relative ranking of persons (or households) in the status hierarchy unchanged?

How did the system change impact on educational pathways, occupational careers and family biographies? Were they disrupted and suddenly reoriented or do they show a high degree of stability and continuity? Was system and structural change brought about by a minimum of adaptations and fluctuations or a by maximum of turbulence and mobility?

Were these mobility processes extraordinary or specific in comparison with other transformation societies or with West Germany? Do they signify just another, probably
accelerated change towards post-industrial society or something quite different?

What was the temporal pattern of the transformation? Was it more abrupt or more gradual?
Did it imply for most persons something like one-way stopover or was it characterized by a series of transitions across a longer period of time?

How useful were the qualifications, firm tenures and informal ties acquired before 1989 or was it a new game with new rules which was played after Unification? Did age or cohort membership make a difference? Who and what defined the new criteria of allocation: politics, markets or associations? What happened to the personnel of the former state apparatus, the nomenclature, functionaries and party members? Were they punished, discriminated and excluded or could they use their “prior capital”?

Were individual resources effective in the transition or can we observe only purely random effects of collective exposures to adverse risks and benign opportunities?

Did biographies experienced before 1989 make any difference beyond person characteristics measurable at the beginning of the transition? This touches a crucial issue in life course analysis: Do we need to know what happened to people before they come to given situations or is all of this wrapped up in conditions which can be measured concurrently?

Did the individual transformation experience itself make a difference for the outcome?

Who are the losers, who are the winners of the transformation?

Finally, were the East Germans primarily the passive objects of the transformation process or
were they actively regulating their own life histories?

In the following I will make an attempt to answer at least some of these questions with findings from the East German part of the German Life History Study. I will discuss them under three headings:

a) From cross-sections to trajectories: the transformation as a mobility process,

b) The many dimensions and the temporal pattern of the transformation, and

c) Collective fate or individual life courses: The impact of biography.

Before I am engaging in this task I want to acknowledge that I owe a good part of these research findings to the other members of our research group, especially Anne Goedicke, Heike Solga and Martin Diewald. To them I owe also many of the interpretative ideas (Mayer/Diewald/Solga 1999; Diewald 1999a; Diewald/Solga/Goedicke 1999; Goedicke 2000).

3. From cross-sections to trajectories: The East German transformation as a mobility process

Let me start with the class structure as it existed in East Germany in 1989.

If we take the employed population as a base this class structure was characterized by a very large and relatively homogeneous working class of skilled workers, one fifth in low skilled positions especially in agriculture, one fifth in the service class of administrators, managers and professionals including the very small nomenclature, and additional small class fractions of cooperative farmers, cooperative craftsmen and the marginal self-employed.

What happened to these persons - roughly ten millions - in the transition? About 1 million persons were sent into more or less compulsory retirement, the relatively large number of working since needy pensioners as well as most persons above age 54. Since the politically
groomed service class in executive positions of any kind were disproportionately old (due to the waves of refugees to West Germany in the fifties and sixties), this labor market measure in a harmless manner also removed a large part of the political protagonists of the system.

For those remaining in the labor force I regrouped them into a class schema (Figure 2, developed by Diewald 1999a) more fitting to the destination society and used the month-by-month information of the employment trajectories to compute so-called life time budgets. For each month since the transition we ask what proportion we observe in the various class categories, i.e. we observe a time-series of static cross-sections.
<table>
<thead>
<tr>
<th>Class Categories GDR (12'89)</th>
<th>Class Categories FRG (12'89 - 3'96)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1       Managers</td>
<td>Managers, Civil Servants (upper and high grade)</td>
</tr>
<tr>
<td>2       Professionals</td>
<td>Professionals</td>
</tr>
<tr>
<td>3       Middle White-Collar, Manual Supervisors</td>
<td>Middle White-Collar, Civil Servants (middle grade), Manual Supervisors, Self-employed 0-9 Empl., Farmers - 10 ha</td>
</tr>
<tr>
<td>4       Lower White-Collar</td>
<td>Lower White-Collar, Civil Servants (lower grade)</td>
</tr>
<tr>
<td>5       Self-employed</td>
<td>Self-employed 10+Empl., Farmers 10+ ha</td>
</tr>
<tr>
<td>6       Skilled Workers, Foremen, Co-operative Farmers</td>
<td>Skilled Workers, Foremen, Co-operative Farmers</td>
</tr>
<tr>
<td>7       Un- and Semi-skilled Workers</td>
<td>Un- and Semi-skilled Workers</td>
</tr>
<tr>
<td>8       Unemployed, Retraining</td>
<td></td>
</tr>
<tr>
<td>9       Non-employed</td>
<td>Elsewise Non-employed</td>
</tr>
<tr>
<td>10      Pensioners</td>
<td></td>
</tr>
</tbody>
</table>
For the total (Figure 3) we see that the professional and non-professional service class (the dark and light blue color areas) have somewhat decreased, that the qualified white collar employees (in orange) make up the largest group and remained relatively stable in proportional size. The smaller group of low skill white collar (violet) employees has somewhat grown, the self-employed (yellow) have doubled and the skilled workers (dark green) were almost halved. There seems to be little change in the proportion of unskilled workers (light green). A class category unknown in the socialist past are the rising group of unemployed (in red color) which in the first years also comprise those in retraining schemes. Finally we see at the bottom a small fraction of pensioners and people who left the labor force.

Let me comment briefly on some of these trends. The shrinking service class may partially mirror the shrinking active labor force, but it also mirrors that several hundred thousands of West Germans moved to the East (not included in the graph). Often they came temporarily and were replaced by “natives”, but a good many stayed for good and many of them in higher ranking positions - think only of judges, higher civil servants, managers in the private sectors, university professors and the like. The more than doubling of the self-employed (from under 3 to over 7 %) may look like the blossoming of new private sector opportunities. Looked more closely, however, it reveals more a kind of recession self-employment because about half of them turn out to work alone or with just one employee (Goedicke 2000:161). What is worse, a big share of new self-employment took place in the volatile and vulnerable construction sector. Also, the dramatic decrease of the industrial production workers is owed more to the near total destruction of the big manufacturing conglomerates (Kombinate) than a genuine process of private sector tertiarization. The relative stability of white collar employment is the outcome of much fewer lay offs in the public sector - both due to better legal employment protection and political influence.
Figure 3

Cumulative Percent

Date

- Managers, Civil Servants (upper and high grade)
- Professionals
- Middle White-Collar, Civil Servants (middle grade), Masters
- Lower White-Collar, Civil Servants (lower grade)
- Self-employed, Independent Professionals, (Co-operative) Farmers
- Skilled Workers, Foremen
- Un- and Semi-skilled Workers
- Unemployed, Retraining
- Non-employed
- Pensioners
What comes as a surprise is the relative stability of the proportion low skilled (yellow and light green), since low skilled lost their employment much more often than others. What has happened is that the ranks of low skilled were filled through downward mobility of skilled workers and employees.

When we next compare men and women (Figure 4), we can readily see that women more than men lost out in the higher service class positions - in which they were already underrepresented in 1989 despite similar levels of skill and labor force participation -, that the female industrial workers almost vanished and that the unemployed are predominantly women. Neither skill nor sector differences can explain away the greater plight of women (Goedicke 2000:215-224) which resulted mainly in the private sector. In contrast, women in the public sector were relatively better sheltered from unemployment risks. That some of the few expanding sectors like banking, insurances and retail sales were female monopolies before 1989 surprisingly did not help women.
Comparing three birth cohorts for women and men together (Figure 5) - ranging roughly between age 30 and 50 in 1989 - we recognize clearly age graded risks and opportunities. The younger, the smaller was the proportion excluded (red and below). The oldest cohort lost out disproportionately among the industrial workers and the youngest appeared to have profited most from the increase in self-employment, but they do not show career typical entries into service class positions with increasing age. The high degree of age dependency can be even better seen when we look at cohort differences for women only. (Figure 6) While the oldest of our three cohort groups suffered great losses in qualified white collar jobs, the youngest women experienced relatively few. And while the oldest cohort suffered increasing exclusion from the labor market, the youngest could improve their situation over time in regard to unemployment and self-employment.
But how was the class structure transformed via mobility processes? Using the old work horse of mobility research - the standard turnover or transition table - we can examine first to which degree class membership in 1989 could be maintained up to 1996. Bear in mind that what we look at here is a double process of transformation and career mobility of persons who were about 30, 40 and 50 years of age at the outset of the process. (Table 1) Membership in the former service class as administrators, managers and professionals secured for about two thirds the same or an equivalent favorable class position. Qualified white collar employees did about as well followed by skilled workers, whereas the low qualified and surprisingly the self-employed did worst. Only professional status protected from ending up in unemployment (the yellow column to the right) - the fate of about one fifth of our sample.
But the class conditional destinations tell us only a small and I would claim a misleading part of the story, since they tell us nothing about the degree of stability and turbulence during the transformation process. I have therefore exploited the event history properties of our data in two respects. First I have computed the proportional time spent in various classes for each origin class. Second, I have computed all the class transitions experienced - this time conditional not on class in 1989 but on class prior to the respective transition.

The duration analysis shows (in the green diagonal cells) a remarkable degree of class
stability. (Table 2) The largest groups of the qualified white collar and skilled manual workers spent almost three quarters of the transformation time in their initial class location. Positively deviating are again the professionals and negatively the managers, former self-employed and former white collar. Comparing percentages in unemployment as destinations and relative time spent in unemployment, we get a little lower duration proportions. Thus, for instance, while almost a third of the un- and semiskilled find themselves unemployed in 1996, they have spent “only” a fifth of their transformation trajectory time without a job.

<table>
<thead>
<tr>
<th>Class Category 1989</th>
<th>Class Categories 1990 -1996</th>
<th>10 Pensioners</th>
<th>% of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Managers, Civil Servants (upper and high grade)</td>
<td>53 9 15 1 10 2 0</td>
<td>10</td>
<td>0 0</td>
</tr>
<tr>
<td>2 Professionals</td>
<td>12</td>
<td>67</td>
<td>1 1 3 1 0 6 0 0</td>
</tr>
<tr>
<td>3 Mid. White-Collar, Civil Serv. (mid. grade), Masters</td>
<td>2 0 73</td>
<td>5 4 2 2 10</td>
<td>1 2</td>
</tr>
<tr>
<td>4 Lower White-Collar, Civil Serv. (lower grade)</td>
<td>0 0 6 56</td>
<td>7 0 3 23</td>
<td>2 2</td>
</tr>
<tr>
<td>5 Self-empl., Indep. Prof., (Co-operative) Farmers</td>
<td>4 0 11</td>
<td>7 55 2 6 12</td>
<td>2 3</td>
</tr>
<tr>
<td>6 Skilled Workers, Foremen</td>
<td>1 0 5 2 4 69</td>
<td>9 8 1 1</td>
<td>22</td>
</tr>
<tr>
<td>7 Un- and Semi-skilled Workers</td>
<td>0 0 1 6 0 6 61</td>
<td>22</td>
<td>1 2</td>
</tr>
<tr>
<td>8 Unemployed, Retraining</td>
<td>5 0 14 17 14 0 18 31</td>
<td>0 0</td>
<td>0</td>
</tr>
<tr>
<td>9 Non-employed</td>
<td>0 11 22 6 3 1 3 14 37</td>
<td>3 3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>8 8 30 7 6 16 9 12 2 1</td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>
we concentrate on transitions rather than destinations or durations. Here I count all transitions of class members of a given origin class and add the immobiles in the diagonal. (Table 3) We can easily see from the numbers in the diagonal (the green cells) that class persistence was in fact a minority experience and applied only for 4 out of 10 of our respondents. Among the movers 2.3 moves between our class categories was the average. A third of all transitions went into unemployment. For the un- and semiskilled 3 out of 4 transitions went into unemployment, for the skilled manuals and non-manuals this applied to 4 out of 10 and even for the service class transitions to unemployment was the modal move. This much more dismal picture is accentuated by the fact that most transitions out of unemployment led to un- or semiskilled jobs (partly provided not by market forces, but by public employment measures like ABM).
Table 3

Transitions Between Class Categories Between December 1989 and March 1996 - All Respondents Born 1939-41, 1951-53, 1959-61 (The Diagonal Includes all Cases of Return Transitions to Origin Status) in Percentage of all Transitions from Origin Class 1989

<table>
<thead>
<tr>
<th>Class Category 1989</th>
<th>Class Categories 1990 -1996</th>
<th>N and % of Respond. with one or more Status-Transitions</th>
<th>N and % of Respond. without Status-Transitions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>1 Managers, Civil Servants (upper and high grade)</td>
<td>6</td>
<td>14</td>
<td>24</td>
</tr>
<tr>
<td>2 Professionals</td>
<td>24</td>
<td>4</td>
<td>21</td>
</tr>
<tr>
<td>3 Mid. White-Collar, Civil Serv. (mid. grade), Masters</td>
<td>3</td>
<td>1</td>
<td>16</td>
</tr>
<tr>
<td>4 Lower White-Collar, Civil Serv. (lower grade)</td>
<td>0</td>
<td>0</td>
<td>12</td>
</tr>
<tr>
<td>5 Self-empl., Indep. Prof., (Co-operative) Farmers</td>
<td>4</td>
<td>0</td>
<td>20</td>
</tr>
<tr>
<td>6 Skilled Workers, Foremen</td>
<td>1</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>7 Un- and Semi-skilled Workers</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>8 Unemployed, Retraining</td>
<td>8</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>9 Non-employed</td>
<td>1</td>
<td>9</td>
<td>33</td>
</tr>
<tr>
<td>Total N of Transitions = 1,368</td>
<td>52</td>
<td>34</td>
<td>191</td>
</tr>
</tbody>
</table>

4. Multi dimensionality and temporality

One big advantage of life course data is the fact that we can reconstruct what is called the state space in more than one dimension. This allows not only to get a better grasp of the underlying processes, but also to unravel their temporal pattern. We have already seen above that East Germans experienced not only a considerable amount of class mobility, but that also the experience of temporary unemployment was pervasive throughout the class structure.
What was even more pervasive was the experience of having to leave the firm of employment in 1989. Until early 1996 70% of our respondents left the firm in which they had worked in 1989 - either they entered a new firm directly or became unemployed. This ranged from over 80% in agriculture to over still over 50% in the public sector. Against expectation, early privatization protected the remaining staff from firm shifts (people did worse in firms for which a buyer could not be found quickly) and new West German owners did not trigger more lay-offs than “native” owners (Goedicke 2000: 198). As Anne Goedicke has shown in her dissertation, most of these moves must be considered involuntary lay-offs. And even those who were fortunate enough to switch employers directly downward mobility outweighs upward mobility (Goedicke 2000: 171/172).

The survivor plot (Figures 8 and 9) shows that this process of lay-offs was rapid until the middle of 1992, but did not come to a still-stand in the whole period. This brings us to the temporal pattern. Did the shock therapy of rapid privatization concentrate turbulence in short early period and produced a stable, normal labor marker afterwards?

**Figure 8: Share of workforce still employed in the same firm as in 12/1989 by sector**
This graph shows in the red line that direct firm shifts without intervening periods of unemployment were indeed higher in the first time than lay-offs into unemployment (green line). But the reverse is true for the second period. Exits into an unemployment increased afterwards and did not taper off. They even dramatically increased again early 1996 when a number of labor market measures ended and tax-subsided construction was reduced.

We can get another glimpse at these processes in the following graph (Figure 10) (from Diewald/Solga/Goedicke 1999). There my associates have computed monthly transition rates for ten types of transitions: sector shifts, direct firm shifts, internal firm shifts, upward mobility in terms of occupational status, downward mobility, lateral moves, shifts between occupations and more broadly defined occupational fields, transition to unemployment and re-entering employment. The red bars show the average monthly transition rates for the first period between beginning of 1990 and the middle of 1993 and the blue bars show the average transition rates for the whole period. For all processes except one - entry into unemployment - was there more turbulence in the first period. In sum, then, there existed
something like a window of opportunity resulting from both the flourishing of new forms -
especially in banking, insurances, services and retail sales and from the restructuring of
firms. But while the shrinking of work places continued, this was not matched by the opening
up of opportunities in the second period.

5. Collective fate or individual life courses: the impact of biographies?

It is of great interest both to transformation theory and a general theory of the life course
whether and which individual differences and biographical patterns before and during
disruptive structural change lead to differential life outcomes. There are at least three lines of
reasoning. One is connected to one way of reading Glen Elder`s classic “Children of the
Great Depression” (Elder 1974) according to which under similar adverse conditions
individuals behave and act differentially. Even more, the effects of individual differences are
assumed to become more pronounced, they accentuate in disruptive in comparison with more normal times. The other line of reasoning comes to the opposite conclusion. Collective disruptions often hit poor and rich, mighty and powerless equally and thus the effects of prior individual differences should be minimized. Moreover, radical system changes like the one from socialist planning economies to liberal market economies should have devalued prior personal resources. A third line of reasoning postulates relative stability. Not only can one assume that there were only gradual differences between socialist and post-socialist work requirements - as was already claimed by the old convergence theory. One can also assume something like general ability or the effects of prior relative rank in material, social and cultural capital.

To settle these issues would require very subtle research designs and fairly ideal measurement conditions. In the East German Life History Study we could move at least some steps in this direction. Let me describe some of our results in the following sequence: collective fates, ascribed characteristics, characteristics achieved before 1989, life history prior to 1989 and life history during the transformation.

a) Collective fates. In retrospect there is little doubt that - at least in the early years - transformation led more to a collective fate than increasing individualizing variety. This is obviously true and keenly felt before and throughout the period for the East Germans in comparisons with the West Germans. Beyond that, the decisive transformation mechanism operated at the level of national policies, industrial sectors, firms and organizations. Anne Goedicke (2000) has, for instance, shown in great detail how firm closures, firm partitioning and firm reorganization triggered interfirm-shifts and transitions to unemployment. The conditions of currency change as well as collective wage agreements furthered collective outcomes as much as the access to labor market measures like short hours, retraining and subsidized employment or the conditions of social wages paid to the unemployed and
pensioners. One further indicator of homogenizing effects might be seen in the fact that the Gini-coefficients for both personal and household incomes are somewhat higher than in the former G.D.R., but still quite below the corresponding figures for West Germany (Hauser 1996).

b) Ascribed characteristics
Age or cohort and gender proved to be forceful net determinants of the labor market experience during transformation. As to gender women fared worse in lay-offs, in the chance of direct firm shifts in comparison to exits into unemployment, in unemployment duration, in opportunities of rehiring, in occupational continuity and in the balance between downward and upward moves. The very few exceptions concern the often interacting variables of professional status and public sector.

In regard to age, the picture is more complicated. Most persons above the age of 54 were moved to pensioner status, but in this way avoided the after of unemployment and downgrading and were able to maintain their sense of self-worth (Diewald/Huinink/Heckhausen 1995). Worst off were those just below early retirement age who fared badly in their relative chances of becoming unemployed and being rehired after lay-offs (Goedicke 2000: 212-214, 245-250).

c) Characteristics achieved before 1989
Qualificational resources proved to be a forceful discriminator in all dimensions of labor market transformation processes. This is true especially for professionals and semi-professionals, but also for white collar and manual workers with apprenticeships. Even if not all could maintain their status, they at least could hold on to their relative rank vis-a-vis the less skilled. Partly this can be attributed to the unification treaty which stipulated the validity of vocational and professional certificates, but is also due to the basic similarity between the East and West German qualification systems.
Firm tenure (net of age) protected longer term workers relative to younger ones in the early phase of firm consolidation as did public sector employment. Former party members and function holders in the mass organizations experienced more employment and activity changes, but did not suffer more unemployment than the less politically committed. Downward moves often reallocated them to positions equivalent to their occupational qualification, thus loosing their prior loyalty premiums.

d) Biographies prior to 1989
Diewald, Solga and Goedicke made several attempts (Diewald/Mach 1999; Diewald 1999a; Solga/Goedicke 2000) to explore whether the dynamics of East German life courses prior to 1989 made any difference in their fates after. This was partly prompted by the (West German) charge that East Germans lacked the flexibility ensocialized in market economies. As a proxy they tested whether successful interfirm shift, occupational changes and self-initiated job searches before 1989 helped to succeed after the “Wende”. The results are at best ambivalent. Against expectations, prior occupational mobility proved to be not an asset, but a liability after 1989. Only firm-shifts and self-initiated job searches predicted more positive outcomes. Internal firm careers before 1989 appear to have had no noticeable consequences. Partly this may be explained by the premise that occupational mobility in the G.D.R. was not so much an indicator of flexibility, but either a reflection of correcting occupational mismatches due to the fact that people were pushed into occupations they did not like or due to family related job changes of women. But still there remains the hard-to-explain fact occupational flexibility before 1989 did not seem to pay off afterwards.

e) Biographies during the transformation
Finally, we turn the question whether and how labor market experiences early in the
transformation phase conditioned specific outcomes later. Here the big issue was whether
the early lay-offs could profit better from new opportunities or were negatively selected and
whether labor market measures like retraining or short hours had positive or negative pay
offs. The survivors in privatized firms could not only remain there more often, but also had
more positive chances once they left in the second period: they managed direct firm shifts
more often than exits into unemployment. Short hours also prolonged not having to move,
and when moving increased the likelihood of immediate firm switches. In this sense politically
subsized employment measured seem to have worked (Goedicke 2000:242-245). In contrast,
retraining measures within firms seems not to have helped much, while retraining outside
firms in the early period actually worsened rehiring chances in comparisons with those who
went into unemployment. The explanation seems to lie in the fact that the latter retraining
people missed the window of opportunity (Zühlke/Goedicke 2000).

6. Conclusions

In summing up, please allow me to accentuate some of these findings under the perspective
of my two initial set of questions: 1) What is the contribution of life course research to the
study of transformation? 2) How important is life-course and social-structural research in
comparison with other major social science approaches?

The first observation is that in the case of East Germany the dismantling of the socialist
party-state regime and the reintroduction of civil society and private markets was engineered
and brought about by massive state interventionism not only in the early collective decision
(currency exchange, institutional transfer, labor market measures, early retirement), but also
in the outcomes of in the distribution of life chances (income maintenance, stabilization of
the public sector, subsidization of private forms and of building reconstruction).
The reallocation of positions, positional resources and rewards as well as of persons resulted in a curious mix of (ultra-)stability and disruptive mobility. The unpredicted stability can be observed in the stability of relative rankings (apart from the very top) in social position, qualification level and - to a large extent - occupational field for all those who managed to stay in or to re-enter the active labor force. The huge amount of disruption and mobility can be seen in the labor market exclusion of the older workers and partially of women, the exits from firms and firm shifts, in pervasive spells of unemployment and in the overall non-voluntary nature of most labor market moves. The East German transformation was thus solved by the classical means of West German labor market and welfare policies: the split between insiders and outsiders and the provision of relatively high social wages to the outsiders.

The experiences of mobility and unemployment turned out to be much more widespread than the mere sectoral aggregate shifts, the structural distribution outcomes, standard turnover tables and duration times alone suggest. These findings probably go a long way to explain the widespread sense of insecurity and resentment despite rapid increases in real incomes.

The transformation experiences were to a high extent of a collective nature insofar as they resulted from national collective decisions and were largely mediated via sectoral changes and the reorganization of firms. But biography also counted both in regard to initial personal characteristics and differential trajectories before and after the Fall of the Wall.

Beyond that we found noteworthy internal logics and temporal patterns of the reallocation processes: collective and individual life courses followed partially a kind of endogenous causality. Experiences in the first phase of the transformation produced both positive and negative contingencies in the second period.
Now, finally, I come to the second question: How fruitful and indispensable have life course studies proven to be for the study of transformation? In this room, of course, I am preaching to the converted, but I still hope that I have succeeded in strengthening you in the conviction that our common enterprise is worthwhile and indeed crucial for an adequate understanding and explanation of social change.

Bibliography


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Endnotes

1. The most recent survey of 1998/99 of West Germans born 1964 and 1971 is also connected to the case records of the official employment and unemployment register. Besides numerous articles, the German Life History Study has produced technical reports (Mayer/Brückner 1989; Brückner 1993; Brückner/Mayer 1995; Brückner/Mayer 1998), and a number of books on substantive issues (Blossfeld 1989; Grundmann 1992; Mayer/Allmendinger/Huinink 1991; Wagner 1989, 1997; Allmendinger 1989, 1994; Trappe 1995; Solga 1995; Lauterbach 1994; Henz 1996; Becker 1993; Konietzka 1999; Huinink/Mayer et al. 1995, Huinink 1995, Zühlke 2000) on, among else, education, training, income trajectories, social mobility, employment and occupational careers, family formation and divorce. All data files but for the most recent surveys are publicly available via the Max Planck Institute for Human Development in Berlin or the Central Survey Archive in Cologne.