

## Summary of the Joint Project

### **Obstacles to Modernization in the Economy and Science of the GDR**

**Emergence and Consequences – an inner-German comparison and a comparison to neighbouring countries in Central Eastern Europe**

**„Mod-Block-DDR“**

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## Starting point

While the technological progress advanced globally, the modernisation of production in state socialist countries lacked behind due to missing incentives in the economy and science. Especially the technology transfer at the interface between science and the economy was blocked and hindered the practical realisation of scientific-technical knowledge in the economy. Thus, the technological progress, normally an engine of a firm's and an economy's development, could not unfold its growth and welfare enhancing effect. The potential, which despite all hurdles was given in the science system of the GDR, could not permeate the production while Poland and other Central East European countries in this respect realised much more innovative developments. The dysfunctionality at the interface between science and the economy constitutes a "legacy of socialism", which the joint project will deal with from different perspectives (natural versus social sciences, micro versus macro, GDR as compared to Poland etc.). Both sides – science and economy – need to be considered in their existing but for the technical progress dysfunctional relation in order to analyse the long term effects lasting until today.

The state socialism finally failed due to its inner contradictions. At the end, the capital stock and infrastructure were worn-out and urgently needed modernization. At the same time, the immaterial, scientific-technical resources were available to the actors in East Germany (and neighbouring countries in the East). After re-unification at "zero hour", different paths of the process of renewal were possible out of the state led economic transition.

However, the breakdown of the centrally coordinated organisational structures in the course of the rapidly unfolding market forces and dynamics, limited the immediate use of the scientific-technical as well as personnel (creative) resources. The today's strong scientific but persistently weak industrial structure in East Germany are consequences of the socialist legacy and the development dynamics of transition.

## Objectives of the joint project

The overall objective of the joint project is to identify the obstacles to modernization in the state socialist economy and science system of the GDR, to analyse their effects on the past real economic development as well as the impact on socio-economic disparities between East and West Germany until today. The empirical analyses will include inner-German comparisons as well as comparisons to neighbouring countries in Central and Eastern Europe.

The structural and methodical working goals are to scrutinize the complex cause-and-effect context between the obstacles to modernization and the current socio-economic disparities. Within seven sub-projects, the real appearance of the obstacles to modernization and socio-economic disparities will be analysed interdisciplinary and with a methodically pluralist approach. Besides the macro level, the joint

project will also consider the system related orientation of single actors at the micro level. The latter were of particular importance after the system change when it became necessary to develop creative entrepreneurial actors out of the formerly restricted players.

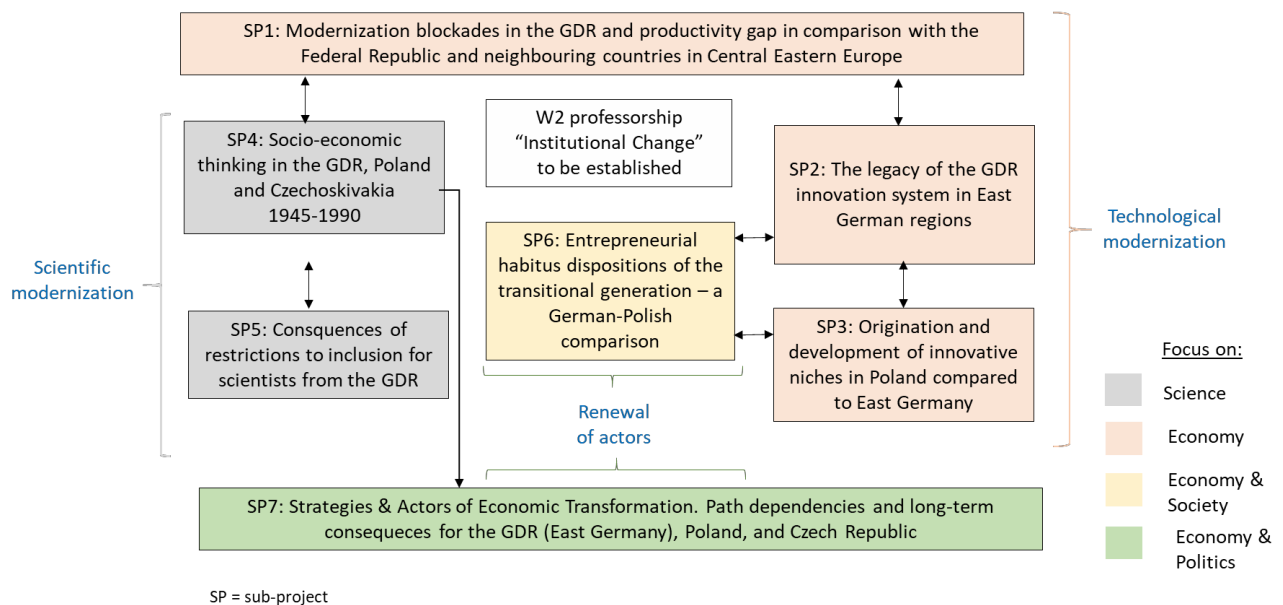
The joint project with its interdisciplinary program will close research gaps about the emergence and long lasting effects of the obstacles to modernization. For the first time, a long term (up to six years) project will combine historic, sociological, political science and economic expertise to achieve the above mentioned objectives.

## Sub-projects

The joint project will be structured in seven sub-projects which will organise the work of one or several partners. All sub-projects have been designed with the perspective to run for six years. The promotion of young researchers will enjoy a high priority.

The joint project will use methods of empirical social, economic, and historic research whereby qualitative and quantitative data collection and assessment will be used. Furthermore, the comparative approach will be a methodical element.

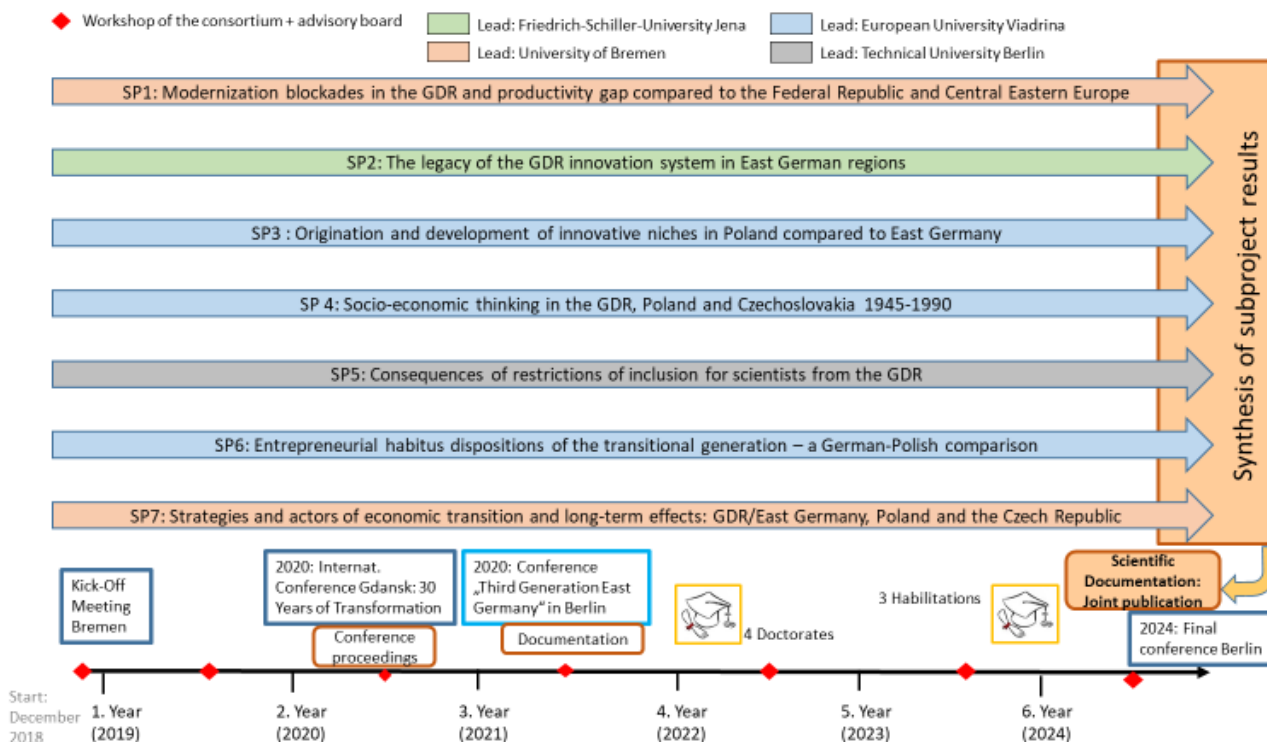
Figure 1: The sub-projects in context



In sub-project 1, the impact of the real economic and the technical backwardness on the starting conditions of the integration of the GDR into re-unified Germany will be analysed. Thereby, the sub-project will focus on the production factor “technological progress”. Based on this, in the sub-projects 2 and 3 the development of technological progress (innovation) will be investigated at regional, sectoral, and firm level paying particular attention to the starting conditions in the sense of the “legacy of the GDR”. Thus, the sub-projects 1 to 3 focus on the obstacles to modernization in the economy and its impact until today. The sub-projects 4 and 5 deal with the obstacles to modernization in the science system. Thereby, the differences in the social and economic sciences on the one hand and the natural sciences on the other hand will be considered. At the same time, the results of the analyses about the socio-economic thinking analysed in sub-project 4, will be included into the study of real strategies of the economic transition which is subject to sub-project 7. An important question will be whether the economic thinking affected economic decision making. In sub-project 6 the habitus disposal of actors will be analysed as an impact factor for innovative-entrepreneurial acting. These investigations will complement the insights gained in the sub-projects 2 and 3 because the “personalized legacy of the GDR” (sub-project 6) can hardly be captured in the economic-quantitative studies in the sub-projects 2 and more aggregated approaches in sub-project 3.

The joint project will initially last from December 01, 2018 to November 30, 2022. After a positive evaluation in the fourth year, the funding will be extended until November 30, 2024.

Figure 2: Time table and mile stones



### Further scientific perspectives

In addition to the joint project, the University of Bremen, Faculty of Business Studies and Economics, will establish a temporary W2 professorship of economics with a specialisation in “institutional change”. The professorship should engage in scientific research complementary to the research program of the joint project and in close cooperation with the joint project team. Thereby, questions of institutional change, especially in the context of catching-up economic development, should be dealt with, preferably using an empirical-quantitative approach and focusing on technological, regional, and/or politico-economic issues.

### Further information

Call for Proposals: <https://www.bmbf.de/foerderungen/bekanntmachung-1366.html>

Press release of the Federal Ministry of Science and Education: <https://www.bmbf.de/de/wissensluecken-ueber-die-ddr-schliessen-6346.html>

Press release of the University of Bremen: <https://www.uni-bremen.de/en/universitaet/press-office/all-news/details/news/detail/News/research-project-wants-to-close-the-gaps-in-our-knowledge-of-the-gdr/>