

**Intersecting Identities**  
**Reinventing Organization at a Polish Brewery**

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#### **Abstract**

As formerly socialist companies in Poland complete the transition into a capitalist economy, a drastic change in management ideology precipitates the reinvention of institutional and individual identities. This paper focuses on an ethnographic account of the restructuring of a brewery in western Poland at which the dynamics of organization, technology, prestige, and age interact to reinvent social identities not only for individual workers, but also for the surrounding community and the brewery as a corporation. This redefinition of identity is influenced by the juxtaposition of capitalist and socialist doctrines, producing a construction that is a hybridization of the two ideologies.

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#### **Introduction**

Beginning in 1990, the economy of Poland has been gradually transformed from a socialist to a free market system through a period of industrial privatization. This dramatic change in ideology fundamentally altered the nature of the relationship between management and labor, causing corresponding changes in the organizational structures of Poland's manufacturing industries. The problem for these industrial organizations was literally how to survive this change, as relationships that were once predetermined by nearly fifty years of tradition and governmental control became economically impractical. The survival of an individual industrial organization, particularly in the context of the broader European economy, required an extensive organizational adaptation, an adaptation that precipitated the reinvention of both institutional and individual identities. Within contemporary Polish society, the redefinition of social identities is profoundly affected by the history of socialism and the juxtaposition of capitalist and socialist ideologies, making the conceptualization of identity a product of renegotiating the reality of the past with a vision of the future.

This study examines the effects of privatization on the organization and social identity of *Browar Kostrova*<sup>1</sup>, a medium sized regional brewery located in the village of Kostrova in western Poland. Initially, this paper investigates the historical construction of the organization as a background against which to compare how old company structures have been realigned during the privatization process to form a new organization. In order to understand this realignment, this study utilizes a series of ethnographic interviews focusing on work history narratives to examine how dynamics of

organization, technology, prestige, and age interact to produce social identities not only for individual workers, but also for both the surrounding community and Browar Kostrova as a corporation.

Following a growing body of ethnographic work dealing specifically with understanding the restructuring of Polish industry after the end of socialism (Gurr 1998 & Dunn 1998), this study examines the issues of how human organizations survive crises and seeks to contribute to the ongoing discussion of ideas within the discipline of organizational anthropology, particularly the topics of group versus individual identity developed by Burawoy (1985) and the systems of power and control described by Foucault (1980, 1995). More broadly, the findings of investigations analyzing the drastic ideological changes undertaken in Poland can be utilized to understand similar processes of organizational change and identity definition in any location where an outside force changes the core values of any organization or institution. Understanding how individuals react to these changes, as well as how social groups redefine and restructure themselves, is vital to understanding the nature of a dynamically changing society and the economic and social demands placed on individuals within it.

### **"Shock Therapy"**

In 1990, Poland's adoption of the Balcerowicz Plan initiated the transition from state socialism to market capitalism, deregulating foreign trade and legalizing private enterprise. The Balcerowicz Plan introduced an entirely new economic system, throwing Poland's industrial organizations into a state of crisis. At Browar Kostrova, the timing of privatization was determined by the Ministry of Finance and was out of the hands of both the management and the workers. Dubbed "shock therapy" because of its speed and radical nature, the plan's techniques invalidated old management methodologies, and neither management nor labor could reliably define their

relationship. A process of redefining social identities ensued, during which time the patterns of action developed under socialism manifested themselves during the construction of capitalism (Buechler 1995:1). This process of redefinition continues today, transforming Polish industry at all levels, and reshaping not only how communities and industrial organizations understand themselves, but also how individual workers perceive their role in the new economy. Through the privatization process the ownership and power asserted by the workers during socialism is broadly circumvented by private entrepreneurs. The catastrophic redefinition of social roles in the current labor situation produces an extreme propensity for polarization between management and labor. However, I believe in the case of Browar Kostrova (and perhaps many other companies), changes in the thinking and identity of its workforce driven by the process of reinventing the company in Poland's post-socialist economy, have transformed this weakness into a strength by redirecting polarized action away from management and towards the world outside the brewery walls.

At Browar Kostrova, institutional identity was renegotiated around the old brewery brand, significantly impacting the social construction of the brewery in the surrounding community as it fulfills a role as a community leader not only by providing a stable place of employment, but also by bringing prestige and recognition to both its employees and Kostrova itself. Indeed, every bottle of beer Browar Kostrova produces is an enduring artifact, bearing the name of the city and acting as an advertisement for the community. Because of this high profile, the way the brewery chooses to define itself is integral to the identity of the community. The two places are inseparable and each acts reflexively on the other, shaping the future through a complex and dynamic dialog that negotiates new identities based on the common experience of the community.

### **Investigating Work Histories**

In December 1999, nineteen interviews were conducted for this study: fourteen at Browar Kostrova and five at a nearby municipal hot water heating company<sup>2</sup>. These interviews were supplemented by internal documentation (court records, labor agreements, organizational charts, etc.), which helped outline the history and structure of the brewery referenced by the informants during the interviews. The sample is comprised of seventeen men and two women, and is clearly biased toward the perspective of male employees. This distribution is typical of Browar Kostrova's blue-collar "shop-floor" positions, a place that remains an almost exclusively male world. Most women working at the Brewery filled white-collar positions in human resources and accounting or worked as support staff (e.g. assistants and secretaries). Just under half (nine) of the interviews represent relatively low level workers, while the remainder are members of all levels of management ranging from mid-level supervisors to high level directors. Middle management is represented slightly disproportionately in my sample, but since many of these individuals began as entry level workers at the brewery, I believe they provide an extremely important perspective of change in the brewery over a long period of time.

Interviews followed a "work history" format consisting primarily of open-ended "descriptive" questions designed to elicit a narrative of the individual's experience at the brewery, with the goal of understanding how the individual views the plant's social organization over the history of the institution and the community, particularly during the time since the brewery was sold to a private investor. Methodologically, two primary issues present themselves in this project. First, I was only able to interview those workers that remained after the brewery was reorganized. Therefore, it is important to remember that this paper focuses on how the brewery's employees

are reinventing the company in the present. Second, because I do not speak Polish, each of my interviews was mediated of by an interpreter. In any translation there is the possibility of losing precise meaning as the interpreter reconstructs the discourse and mediates the social roles between the two parties<sup>3</sup>. Any translated dialog is limited by the experience of the translator, both socially and linguistically, and the researcher can not know anything that is outside of this knowledge. However, because of my translator's intimate knowledge of Kostrova and its history, I believe the effects of translation in this project are negligible.

### **Rethinking the Individual**

Central to understanding the implications of Poland's transition from socialism to capitalism is unraveling how actors in society are forced to redefine their own personal identities and the identities of the social groups to which they belong. These various institutions and organizations act upon one another and on individuals, who in turn contribute to the self-definition of the institution through their participation within its structure. Formed through these interactions, identity is malleable at all levels and derived from the summation of many individual cultural factors, particularly the dynamics of modernity, age, technology, and history. Kondo explains, "Identity is not a fixed 'thing,' it is negotiated, open, shifting, ambiguous, the result of culturally available meanings and the open-ended, power laden enactments of those meanings in everyday situations" (1990:24). One of the most powerful examples of this negotiation of identity in contemporary society occurs when an individual participates within the institutionalized microculture, power dynamics, and control structures of a corporation, forming what Giddens calls a "*locale*," or a place "within which systematic aspects of interaction and social relations are concentrated" (1987:13).

The ability of a company to implement an entirely new social system, either intentionally or as a by-product of its organizational structure, is truly an impressive feat. An administration can only establish power when it can, through the coding of information, "detach [human activities] from some part of their involvement with tradition and with local community life" (Giddens 1987:47). In the case of Browar Kostrova, this detachment is expressed as a matter of temporal and ideological movement from the past of socialism to the present of capitalism. Capitalist ideology is the power, moving the workers from collective ideals of community to individuality and detaching them from fifty years of socialist thought. "Capitalism requires workers to identify themselves and capital as their own" (Burawoy 1994 as quoted in Gurr 1998:13). Based on this requirement, Dunn argues that in order to survive in the new capitalist economy, Polish workers must construct "particular sorts of possessive individualism" (1998:112). Understanding how this "possessive individualism" is expressed in relation to a particular set of social and historical circumstances is at the heart of what this study attempts to explain.

Even as socialist history is gradually repressed in Polish society, it simultaneously acts to affect the construction of the workers' new identity in the capitalist system. Dunn argues, "Polish historical experience and cultural values, including those developed by socialism and in opposition to socialism, will have a profound impact on the kinds of personhood that emerge from this social and economic transformation" (1998:112). Because no conversion is complete, old beliefs are never fully disregarded for the new, and the two are often combined into a hybrid ideology. This hybridization is apparent in Poland's conversion to the capitalist system. The construction of identity in new organizations is dependent on the characteristics of the old organization and the history of the organizational change process. Old

ideologies from socialism are played out and incorporated into the new structure, particularly in the way workers view the company's role in the community and their role as a participant within the organization. Dunn notes,

The structural constraints of capitalism are insufficient to dictate particular forms of social organization within the firm. Instead, new social spaces, such as sales and marketing departments, and new practices, such as marketing budgets and quality control, create arenas in which people negotiate social identity and organization (1999:146).

At Browar Kostrova, these arenas are defined through the resolution of internal conflicts between the unions and management, technological modernization, and the role of the brewery in the community.

In Poland, the "recreation [of an individual's] self--both the interior knowing self and exterior façade--[is] crucial to doing business" (Dunn 1998:141). This idea of recreating personal identity is reflected linguistically in Dunn's description of archetypal management personae (1998:138-145). A *Kierownik* is associated with the old system, and is viewed as an "inflexible bureaucrat" who works to "build power while escaping responsibility," and maneuver social networks for personal gain (140). Conversely, the *Menadzer* is characterized as "flexible and eager to change." In this case, "[experience is a liability rather than an asset]" because it is experience within the old system (140). To be a *Menadzer* is to be successful and have opportunities revealed to you, while to be a *Kierownik* means the death of a career. For a *Menadzer*, symbolism is a critical aspect of life, usually in the form of prestige goods. In order to transform oneself from a *Kierownik* to a *Menadzer* is to move from an "orderly, bounded, and rigid system to a fluid, flexible, and global one" (144).

In her study of the Ursus Machine Works in Warsaw, Gurr notes an evolutionary hierarchy in which workers are labeled *Homo sovietus*, a species "characterized by learned helplessness," authoritarian, "lacking in

entrepreneurial spirit," and "unable to enter the modernity of capitalism" because of "a culture of shared poverty and a communist mentality" (1998:193). The *Homo oeconomicus*, a species characterized as economically rational and part of the intelligencia, is conceptualized as higher on the evolutionary ladder than the "more homogeneous, collectivist, conformist, egalitarian and numerous" *Homo sovietus* (193). In the evolution of the individual, "Collective identities are a dangerous anachronism and radical individualism the path to modernity" (193). Because they are less indoctrinated, younger workers are seen as more easily capable of adapting and moving away from the collective, producing an individualized capitalist identity, and making themselves more likely to become *Homo oeconomicus* and a Menadzer.

The President and CEO of Browar Kostrova is a perfect example of this new entrepreneurial persona. He is very young for a person in his position, only about thirty years old, and he provides the vision for the brewery in the modern capitalist economy. Because he is Polish-American, he is in a unique social position at the brewery, and was more readily accepted as an investor than his non-Polish counterparts. Simultaneously, as an American he has no experience working in the old socialist system and no need to prove his understanding of capitalism. Therefore, he is in a position to be more compassionate with the brewery's employees than a Polish manager who must prove his capitalist mindset and ability. One maintenance worker said "I was surprised--he is so young and so educated yet so kind" (141299A-1<sup>4</sup>). This attitude of "human understanding" from the new management satisfies many of the employees, and has eased some of their fears during the transition. High expectations are placed on the personality and vision of the President, as he guides the future of the company by introducing new products to the Polish

market, such as the 1999 Christmas beer, *Gwiazdka Piwo Ciemne* ("Star Beer"), a beer similar to those brewed in Scandinavia.

Symbolically, the President of the brewery owns the ultimate symbol in Kostrova for the town's transition from the old to the new economy--the town castle. Nearly as old as the city charter, the castle has acted throughout history as the symbol for the town, signifying the seat of leadership and the place of protection for the surrounding countryside. Because of Browar Kostrova's importance to the community's economy and identity, this symbolism is easily enlisted in the brewery's effort to lead Kostrova prosperously into the capitalist economy. Fourteen families currently reside in the castle, but they will soon be evicted as it is remodeled to be the brewery President's personal residence, symbolically representing the loss of communal ideals in the wake of the individual. This transition underscores the process of collective socialism giving way to individualistic capitalism and the recombination of socialist thought into a capitalist future. The castle represents the birth of the city, and its renovation represents the rebirth of the brewery and community into the new economy.

The workers at Browar Kostrova also fiercely assert their individualism and personal contribution to the whole of the brewery's organization, especially against the threat of modernization. One maintenance worker said that while he was once indispensable, now he sometimes feels useless. He recalled, "Ten years ago, before going to bed I asked God that no one would come at night to ask me to come to the brewery because something was broken. Now, sometimes I ask that someone would come and ask me to do some work." He counterbalanced this statement with the assertion that "[his] knowledge is quite vast" and he is still valuable to the brewery because he can make things work even in poor conditions. He argued that he helped build the company, saying, "Nothing would exist without me" (141299A-1). Only through

individualistic action can one prove his worth in the capitalist system, causing workers to defend their individual part in the past construction of the brewery as a socialist company.

The way an individual experienced the change in management varies widely by the location of a particular worker in the company. It appears the "human understanding" of the management has been unevenly applied. Middle-age workers whose retirement is still distant and workers in positions ranking low in the company hierarchy see themselves as particularly vulnerable. Because those who fail to prove their individual worth in the modernized brewery are often dismissed, a sense of fear is pervasive among older workers, who feel their jobs are constantly in danger. A transportation worker remarked on his lack of security, "I have three children. I am 45, but the age limit is 35. Everyone asks your age and younger is better" (131299-2). Age is an overt aspect of nearly every social interaction, and one key to how an individual is defined in the social system. Even a member of management remarked, "I'm over fifty years old and I can not say that I feel very secure because I know that in the present situation highly educated people are more valuable--people who know foreign languages. . .so no, [I don't feel secure]. I don't have high education. (141299A-2).

Gradually, a young, highly educated and socially mobile middle class is taking control of Poland's economy, driving a 39.0% increase in beer production and 32.4% decrease in spirits (primarily vodka) production (Główny Urząd Statystyczny 1999:438), a symbolic replacing of old Polish traditions. By 2010 yearly beer consumption is projected to increase threefold from its current mark of 44 liters per person to 120 liters per person, or a little less than Germany's current level (151299A-2). Because the young middle class has made beer an emerging market, the success of the brewery is fundamentally tied to the success of this group. The very force

that threatens the livelihood of older workers is the force that drives the growth of their industry. Therefore, the social group on which the older generation is dependant simultaneously destroys their power in the new economy, a destruction that is directly linked to the characteristics of self determination and individualism the younger generation is perceived to possess. Furthermore, the capitalist identity required to succeed as a member of the younger generation acts in opposition to what this generation considers anachronistic socialist thought.

### **"The Brewery Older than America"**

History weighs heavily in Kostrova, a town of approximately eighteen thousand people located in Silesia, a region of southwestern Poland comprised of gently rolling plains bordered on the south by the Sudety Mountains and the Czech Republic. Small shops flank Kostrova's town square, while the towers of the two cathedrals and the town hall dominate the skyline. The old town section is surrounded by remnants of the ancient city walls, and Browar Kostrova owns and adjoins remnants of the town castle. The entire length of the old town, from the city gate to the castle, is a distance of about half a mile. Symbolically, the castle and the brewery represent the community, and the two are inseparable, even to the point that they share one name. Browar Kostrova is an ancient fixture in the community, and on a number of occasions employees remarked that it was "older than America" a fact they found amusing given the brewery's new American ownership. Beer has been officially brewed at the site continuously since 1538, but the management of the brewery claims to have seen documents that prove the brewery existed in 1321.

Outside the old city walls a series of train tracks and a railyard link Kostrova to the industrial and cultural centers of Wroclaw and Opole. The train station is German in design, one of the many remnants of Lower Silesia's<sup>5</sup> inclusion within Germany's borders prior to World War II. Three

levels of social stratification are evidenced by the building patterns in Kostrova. The lowest income residents live around the city center, often in apartments above shops. On the southern and western side of Kostrova are standardized "Eastern-Bloc" style flats built in the aftermath of World War II, trading aesthetic beauty for functionality. Also on the southern side of the city are high income residences, both recently remodeled and newly constructed double and single family homes, indicating the high profile of the rising middle class. A similar development is located east of the city.

Communities in Silesia identify directly with their local breweries. Nearly all of the local bars, restaurants, and liquor stores in the city display the bright green Browar Kostrova sign indicating they sell either draft or bottled *Piwo*<sup>6</sup> Kostrova. All manner of Browar Kostrova promotional items, from posters and calendars to beer glasses can be seen throughout the town, keeping the brewery in the forefront of people's minds<sup>7</sup>. Silesian beers are generally pale lagers, and over the years have varied widely in quality. Traditionally, there has been little interest in other types of beer, but this is gradually beginning to change. I was told that people in the mining regions of Silesia drank "their beer" for generations, even at times when there was dirt film inside the bottles. While I can not verify this story, it gives some indication of how strongly the people of the region identify with a particular beer as well as the exceptional importance of brand loyalty and product image recognition in an extremely competitive market.

Browar Kostrova produces four main beers, Light, Full, Strong, and Porter, (ranging from 5.5 percent to 9.5 percent alcohol respectively) each labeled with an "K" and a crown. A number of specialty beers are also brewed, some of which depend on season. *Piwo Kostrova* is distributed throughout the local region and in lesser quantities nationally, but currently has little international presence. As proof of the national presence of the brewery, one

of the brewery accountants recalled an anecdote about her son finding a Browar Kostrova bottle cap in the woods around Poznan, a city about 150 kilometers north of Kostrova (171299-1). Any place where a beer bottle is found is an advertisement for the brewery and the city, and for better or worse, even litter can be a form of advertising<sup>8</sup>. The dynamics of a distributed product make anecdotes such as this powerful evidence to brewery employees and Kostrova residents of the status and prestige of Browar Kostrova as a national brewery. By distributing thousands of small pieces of itself, the brewery literally puts Kostrova on the map in terms of a broader Polish consciousness and its residents feel that the beer connotes a progressive view of the city through beer's association with the prosperous, young, and modern middle class.

Paradoxically, the history and traditions of the brewery are central to the construction of Piwo Kostrova as a progressive and modern brand. In the life of the town, virtually nothing existed before the brewery, imparting on it an almost mythical quality as a point of origin for Kostrova, making the community's entire history fundamentally tied to the brewery. Because of its age, the brewery is associated with an ancient feudal past. Therefore, the imagery provided by the traditions of the brewery can be enlisted as a marketing device in the new capitalist economy without fear of being associated with socialism. This strategy is evidenced by two of Browar Kostrova's specialty beers, "Knight Beer" and "Castle Beer".

Through its reinvention as a private capitalist company, the ancient brewery has been reborn as a youthful business legitimized by the wisdom of its ancient traditions. Like the rising middle class, the brewery is coming into its own, demonstrating its individualism and modernity through new technology and products. Within the dichotomy of age versus youth, the old and new are subtly, yet inseparably, bound together. Without the experience

of its past and the efforts of its workers in managing it during socialism, Browar Kostrova would have no history from which to produce identity within the present. However, in order to reinvent itself in the present, the brewery must fully reconstruct its past. Likewise, without the rising middle class driving an increase in beer consumption, neither the brewery nor the older generation that saw it through the tumult of privatization could continue to thrive in the new economy. Without one another, neither generation can survive, and the two must coexist in an uneasy balance. Although actors in the new economy, whether companies or individuals, may rebel against the old socialist system, and perhaps, in order to achieve success, they must rebel against that system, it is impossible to escape its shadow.

### **Organizational History<sup>9</sup>**

After the end of the socialist system, all Polish Breweries remained under the control of the Ministry of Expenses until 1994, when it was directed to sell the breweries to private investors. At this time, many breweries, including Browar Kostrova, were leased to their employees as workers' companies (151299A-1). The leasing process began with an estimate of the company's value and a detailed description of its assets. Workers were then free to take over control of the brewery and create a limited liability company. Shares in Browar Kostrova were distributed amongst the workers, and the appraised value of the company was to be repaid with profits from the brewery over the next ten years at five percent interest. After fifty percent of the debt was paid, these leasing payments changed into equity for the owners (i.e. the workers), at which time the brewery could be sold at the discretion of the shareholders to a new investor (151299A-1).

Unfortunately, in 1994 Poland remained in a severe economic recession and as the workers quickly ran out of funds for capital investment they had

no means to secure the amount of money required to modernize and remain competitive. After it was realized that outstanding liabilities incurred for investments in the Marketing Department and general development could not be met<sup>10</sup>, two options became apparent, either accept an investor or accept more loans. Since the company was already overextended, banks were reluctant to extend the required credit to the brewery (141299-1). Economic policies that distrusted worker ownership compounded this problem (Gurr, personal communication to the author, April 18, 2000), placing the company in a precarious financial position. According to one manager in the Production Department, two primary factions formed, one supporting immediate change through outside investment, meaning the sale of the brewery, and one supporting loans. Finally, the banks refused to make loans available at a interest rate the brewery could afford and the company was quite literally forced to a choose between life and death, a choice which produced a crisis point that marked the beginning of organizational transition for the brewery and the renegotiating of its institutional identity. Before relinquishing their position as controlling shareholders, the workers were forced to choose whom they believed could best lead them into the capitalist economy.

*Browar Kostrova* was courted by a series of investors and two firms were quickly shortlisted, one Polish investment company and the American Illinois-Poland Investment Group (141299-1). On 10 March 1999, 100 percent of shares were purchased from the workers by Illinois-Poland Investment Group. The sale of the brewery gave the banks the guarantee they needed, and capital was again made available to continue the modernization process. The brewery's legal status remained the same, a limited liability, but Illinois-Poland Investment Group provided the brewery with credibility, the first step in the self-determination process.

### **Reorganizing the Workforce**

After the sale of *Browar Kostrova*, the overall workforce was decreased by between forty and fifty people to 253 employees organized into a hierarchical system of four divisions, Sales & Marketing, Finance & Economics, Production & Maintenance and General Business. The number of white-collar jobs doubled with the addition of a western style Sales and Marketing Division. The workers disproportionately shouldered this "small difference" (141299-2) of a fourteen to seventeen percent reduction in the workforce. Furthermore, a total reduction of about fifty people indicates that more low level positions were eliminated to make room for the new white-collar positions. Blue-collar workers bore the brunt of the organizational overhaul, as modern technologies replaced older workers. The reasons provided for dismissals were that fewer workers were needed since "uneconomical" departments were being closed, while others were "unqualified" to run new machines. Instead of training these workers in the new production processes, management chose to replace them with younger workers either from within the company or newly hired. Thus, in some cases managers explicitly chose who would be unable to make the transition to the new system. The difficulty for workers on the shop-floor to understand the reasoning behind these dismissals was explained by a maintenance worker, but even he admitted that not all could be saved,

I observed a rotation in the staff that didn't make much sense to me. Some of the workers were dismissed and new ones were employed in their positions. If there had been a need to reduce the number of workers it would have been understandable. But if you dismiss some workers and employ others in their place you still have to pay. . . additional money to those workers who were dismissed (i.e. severance pay). So it doesn't make sense. Of course there were some cases where workers--unqualified workers--couldn't accept the new situation. [In this case] it was somehow understandable. But still lots of workers were dismissed (151299-1).

While the Production Department was shrinking in human terms, the Sales and Marketing Department was developing, including the hiring of new sales representatives, district directors, and regional directors. This increase in marketing is typical of the restructuring of a company toward a more "modern" capitalist system and is considered a fundamental element in the modern economy, especially in the beverage industry<sup>11</sup>.

#### **"Kostrova Will Be Famous"**

Resulting from the privatization process at Browar Kostrova, technological change and modernization quickly became one way the brewery defined itself as its own company in relation to its competitors. The brewery now operates what it claims are the most advanced laboratory and bottling facilities in Poland (151299A-1), with what one accountant described as "a disciplined staff which has a firm vision for the direction of the company, and places an emphasis on modernization" (171299-1). January 2000 underscored the scale of the new management's development, with production reaching roughly six hundred thousand hectoliters per year, which doubled 1998's production figures. Browar Kostrova produces about 2.9 percent of Poland's total beer production of 20,926,000 hectoliters (*Główny Urząd Statystyczny* 1999:438), making it a middle-sized brewery in a highly fragmented market. Current projection goals for 2000 are to increase the brewery's production by about sixty-seven percent to 1 million hectoliters per year. In contrast to this recent success, at the time the worker's company was created, only about sixty percent of the brewery's product was bottled in-house (141299-1). The amount of in-house bottling gradually increased until recent modernization finally drove the figure to 100 percent, making the brewery self-contained and therefore self-defined<sup>12</sup>. The new management of the brewery has continued the vision for modernization begun by the workers who laid the foundation for the brewery's success in the capitalist economy.

Through its association with success in the new economy, new technology increases the prestige of the brewery in relation to its peers, which in turn increases the prestige of brewery workers and the community. A brewer proudly asserted, "The brewery is [mentioned] more often in magazines devoted to the brewing industry. . .In this way not only the brewery, but also myself are being recognized" (141299B-1). Another maintenance worker explained, "We used to go to other breweries. . .and we admired them. . .now other people will come here. . .and will admire [us]. Kostrova will be famous in the country because of the brewery" (141299A-1).

Incorporating technology is a vitally important contributor to the workers' acceptance of the new investors. According to Dunn (1998), technology's symbolic value is fundamental to redefining the workplace in the eyes of the workers. Dunn outlines technology's symbolic importance in the new Polish economy by explaining why people carry cellular phones, "[cellular phones] represent membership in a network of people who are important enough that they must be able to be reached at any time" (1998:142). These individuals are viewed as a group that "bypass[es] the antiquated [(i.e. socialist)] Polish telephone system", instead using a communications system that "transcends national borders and infrastructure," an action which demonstrates their participation in the modern world economy (142).

Technology is synonymous with prestige and success and the visibility it brings through media attention enhances prestige for everyone associated with the brewery, from its customers to its employees. Technology is used to both increase the volume and quality of the beer and as an important marketing tool. At Browar Kostrova, the workers appear to be satisfied with the brewery's current level of modernization, finally realized through new investments and personal sacrifice by the workers as a group. Of course, because technology is constantly progressing, it is unlikely that the brewery

will remain on the cutting edge indefinitely, and the desire for prestige must be balanced against pragmatic concerns of cost efficiency. It is unclear how the workers will react if the prestige they currently enjoy gradually fades away, especially when viewed in terms of how much the implementation of new technology has actually cost.

### **Technology's Catch-22**

Although one accountant asserted that the "brewery is more prestigious now, as it employs people with high qualifications, and demands these qualifications" (171299-1), the cost in human terms of redefining the workforce is high. Adopting cutting edge technology precipitates the loss of jobs, especially for many older workers, making the realization of their desire for prestige also their downfall<sup>13</sup>. Under the new management, the modernization of the brewery is no longer created by the workers collectively, but rather, it is applied to them individually. New technology destroys positions for older, less highly trained workers, while opening positions for young, technically educated workers. Because this process occurs at the level of the individual worker, there is little opportunity for a worker to change his perceived skill set and social position within the company. Unfortunately, there is no way around this issue, and those that remain have little choice but to go forward and enjoy the benefits even at the cost of their former coworkers. Most workers seem to accept some dismissals as an inevitable side effect of the choice of private ownership, and in the long run will benefit both the brewery and its employees. One warehouse worker summed up his opinion saying, "It's a good way that has been chosen, but it simply must go forward" (131299-2). When it comes down to the choice between the collective of one's fellow workers and the individual rewards of enhanced prestige, it appears that prestige, as achieved by innovation through technological modernization, always wins.

Modernization in Poland has created a technological elite that is gradually subverting the traditional socialist workers' elite that once formed the backbone of manufacturing industry<sup>14</sup>. Because this technological elite is young, mobile and in control of a large disposable income, it has subverted the position of older, often highly skilled, manufacturers, gradually destroying their unions as collective action gives way to individualism. For workers to survive in the new economy, they must distinguish themselves from this old socialist persona and embrace new technologies. New technology acts as a form of social control by assigning group identities. Through differences in education, technology molds young workers into an image of skilled, mobile, flexible, and individualistic laborers, while leaving older workers in a past of immobility and collectivism. Because they are collectively judged as unable to adapt to new technologies, older workers are at a severe disadvantage in the new economy, even if they have individually embraced new capitalist ideologies. Ironically, the position of the older workers is being subverted by the very technological innovations and social changes they worked so hard to make a reality.

#### **Redefining the Organization<sup>15</sup>**

From 1994 to 1998, organized unions at the brewery wielded considerable political power, often challenging the management's decisions. After Browar Kostrova was converted to a workers' company in 1994, much of the original management of the state enterprise remained in place and a supervisory board comprised of a group of workers was created. Three factions therefore competed for control of the brewery--the management, the supervisory board and the workers. Although the supervisory board had no official executive power, the management was supposed to consult with it before instituting policy. The brewery's two unions, Solidarity, Poland's national union, to

which most of the workers belonged, and a brewers' trade union, whose membership included support staff as well as some supervisors and directors, further contributed to the brewery's internal division. These divided loyalties led to social fragmentation within the brewery, apparently preventing any single group from reaching a critical mass of power that could be used to assume effective control of decision making processes. As this fragmentation continued to develop, many workers assumed seemingly contradictory roles as members of both the managerial and union power structures, eventually leading to the destruction of union effectiveness and increased individualization. This situation destroyed much of the workers' collective social identity and union power structure, replacing it with individualized constructions of identity and an organizational system controlled by management alone.

There were at least three different definitions of "we" in the brewery as a workers' company, polarizing the brewery's organization between Solidarity, the brewers' trade union, and the management. These groups were layered into definitions of "we" based on organizational divisions in the company's hierarchy and between departments. Coupled with the broader adversarial dynamic of "we" and "they" created by management and labor relations, the factionalization of the brewery led to a segmented structure of shifting loyalties making the pragmatic definitions of "we" and "they" variable based on the particular situation at hand and the groups involved--a situation that made broad institutional identity impossible. Within this complex layering of variable social structures produced an environment in which definitions of group identity were constantly revised and questioned. Golzalez develops the idea that for companies to function well in a capitalist economy the "we" and "they" mentality between management and labor must be eliminated so that the entire company can be reconstituted as a

single "we," while "they" is defined as the competition that must be beaten and overcome (1996:19)<sup>16</sup>. At Browar Kostrova this is exactly the type of ideological redefinition that has occurred.

The new leadership of Browar Kostrova, has helped this reconstitution to occur by providing a common vision for the brewery as an emerging company poised to make its national presence known. Adversarial tensions between management and labor are transformed ideologically into warfare of "our" company against the remainder of the industry, internally privileging the "I" of the individual, above the "we" of collective social groups, while externally privileging the "we" of the company above the "they" of the competition. Competition is the enemy; management is an ally. The adversarial dynamic is virtually the same, but the actors have changed roles. The perceived threat of competition has led to a closed system inside the brewery walls that protects the workers during the battle for markets and focuses their efforts against a common enemy. A distribution worker predicted Browar Kostrova's victory in this competition, "We are going to win new markets I believe" (141299A-2). As socialism gave way to capitalism, small collective groups gave way to a single company group made up of many individuals.

Although internal divisions are focused towards a single goal of winning markets through the externalization of competition, the transition remains incomplete, and the potential for an adversarial role between management and labor remains. Most workers retain their union memberships, and conduct regular, if primarily symbolic, meetings. One accountant remarked, "The unions are quiet now" (171299-1). Even in silence, the underlying organizations of the two unions remain intact, suggesting that a strong union with considerable collective bargaining power could reemerge, perhaps a way for workers to reassert power over technological change.

However, I believe that the current dynamics of mobility so favor the individual "I" that the possibility of a collective consciousness required by an effective union will be impossible to obtain. The idea of the individual initiative is strongly encouraged by the brewery's management and is gradually being adopted by the workers. One manager described the new way of doing business, "It's the best way to work for yourself, trying to be a good worker [and] to be useful" (131299-1). An older brewer similarly noted, "Your work--this is what really counts now" (121299B-1). Indeed, capitalist corporate ideology and organizational structure works against returning to a collective socialist consciousness. The tendency of new "Western" style departments such as Sales and Marketing to support individualized reward programs reinforces this process, and even the traditional bureaucratic hierarchy instituted during socialism now leads toward division and specialization, qualities which support further movement away from collective groups.

#### **"We are Partners"**

The workers at Browar Kostrova individually see themselves as participating in a partnership with management rather than with their fellow workers as a whole, as socialist thinking would suggest. The idea of partnership acts as powerful force in defining the cooperative "we" mentality of the company and creates a place where workers can assert their individual contribution to the success of the brewery. One maintenance worker spoke of a partnership between the management and the union, noting that the president listened to the union's opinions and even his own. The two are no longer adversaries, but share a common self-definition. He continued, saying of the union, "before if a manager did not agree with a proposal from the union, [the workers] would take up the flags<sup>17</sup> and go out into the streets, so that the manager was forced to agree if he wanted them to go on with their work.

Now I think I can put my flags in a museum. . .the flags are relics now" (141299A-1). The shared history and knowledge of the workers that once gave them a common bond and a group identity is now gone. Flags are only needed to identify groups, not individual persons and should be put away as a relics of the old system. He concludes, "[I am] glad someone treats this brewery seriously. . .and I can say we are partners"(141299A-1).

A shipping and warehouse worker outlined the importance of partnership when reorganizing Browar Kostrova as a capitalist company. He explained, "It's a very important thing for a worker to feel that he is part of a company, that somehow he not only works for the company, but also builds it with the management. [Such a] relationship is very positive, and it is so here" (131299-2). Dunn observes an opposite trend in her study of the Alima-Gerber baby food plant in Rzeszow, asserting that under socialist ideologies of labor "people often believed that by investing parts of themselves in an object through labor, they [create] some kind of enduring property rights to the product and an enduring relation to coproducers" (1998:246). Curiously, some element of this "socialist ideology" of labor is retained at Browar Kostrova through the partnership mentality the workers exhibit. The brewery workers still see themselves as owners, although they retained no shares in the company. Instead, the self is viewed as part of the brewery, a unique combination of socialism and capitalism. A manager explained, "When working for the brewery, one identifies with what the company achieves and works for the success of the company" (131299-1) A brewer also demonstrated the binding of personal success to the success of the brewery saying, "I see a [successful] future for this brewery, and somehow I hope I will have success together with the company" (141299B-2). These assertions of the self within the company's achievements indicate the intersection of personal identity

with commitment to collective goals, a point where old socialism and new capitalism merge.

At Browar Kostrova, the workers view themselves as collectively building the company while also as acting as a host for the company in the community. This atmosphere is extremely important to the community. One worker observed that after the change to capitalism, "People look after the town now, people feel the town belongs to them" (141299A-2). This feeling appears to be a change in mentality opposite to one's expectation of socialism. Although socialism promoted public ownership, it appears that at Browar Kostrova an individual's personal assertion and self-direction is a more powerful force. Because Browar Kostrova's workers identify themselves as participating in an enterprise that is larger than they are capable of alone, the goals of socialism are finally completed through the capitalist system--a situation that appears to be a unique creation within their company, as old and new ideologies are renegotiated and combined to produce an entirely new social reality.

### **"I have a Vision"**

Part of the feeling of partnership requires that a company give something back to its community, a tradition that began during socialism when companies were overtly public institutions. Dunn explains the position of the old public Alima plant as opposed to the new, private, Alima-Gerber plant, "People had a livelihood because of Alima,--it gave them life. It fulfilled multifunctional roles in meeting social needs, not only consumer needs, but also employee and supplier needs. However, as Alima-Gerber fired managers, laid off shop floor workers, outsourced jobs, and cut back agricultural contractors, it was clear that the firm existed only to fulfill one function; to make a profit" (1998:122).

The workers at Browar Kostrova worry that the brewery will end its support of the community in social terms. One transportation worker remarked, that in order to prosper the brewery must be integrated with the community. He suggests the brewery must continue to take a proactive attitude toward the community, providing more jobs and more job security (151299-2). A brewer who had recently been hired by the company spoke of the brewery's place in the community, "a lot of people living in this region come here because they want to work for the brewery. [This] means that the company is respected. . . because it provides jobs and people want to work for the brewery" (141299B-2). Similarly, another young filtration worker asserted that he "knew where he was going to work since he was fifteen" and that the brewery sponsored his study at a brewing school "with great traditions in brewing" (141299C-2).

Since most employees are from Kostrova, the brewery provides stability for the area, but many workers believe its responsibility goes further. One accountant reflected, "I have a vision. . .that finally the castle will serve the people who live here." In one statement she summed up not only the history of the city, but also the idea of individualism combined with socialism. As a symbol of community leadership, the castle and whomever controls the resources it represents, whether noble lords, the socialist government, the common, workers or finally the American businessmen, is responsible as a community advocate—at least in the eyes of the population. Furthermore, because of the Brewery's unique ability to export the community's image to the rest of Poland, this responsibility weighs especially heavy as it acts as the voice of a social group much larger than its own employees. Within this community responsibility the idealism of the socialist era lives on, and its employees judge the brewery socially and morally against this model, even through the workers' participation in a

capitalist system provides the definition of the company. Gurr remarks of this process, "Workers [use] the past to critique the present, by which I do not mean that they [recur] to an idealized past--they [have] lived through and in communism and [are] astute critics of communist practice. . ."

(1998:240). Thus, in every aspect of evaluating the new economy, the past can not be escaped, but rather, the past is integral to the construction and evaluation of the quality of the present--this is the legacy of socialism.

### **Conclusion--"A New Hope"**

While, "the Polish working class was a class identity shaped by and in opposition to communism" (Gurr 1998:235), the nature of the new individual in Poland is fundamentally tied to the future and the evolution of the capitalist system. Roles of individuals and institutions are constantly developing and the brewery's organization is not stable. Instead, it adjusts to the necessities of survival in the state of flux considered critical in the reality of a capitalist economy. A transportation worker particularly emphasized how foreign capital has changed the way the brewery works and is perceived in only one year (131299-1). Simultaneously, the definition of new individual and institutional identities are driven by the interplay between tensions and dynamics unique to the present state of Polish culture and to the history of its individual communities and institutions. At Browar Kostrova, social dynamics, technology, prestige and organizational structure interact with tensions produced by the juxtaposition of age with youth, history with modernity and collective action with individualism, to produce an institutional identity delicately balanced between seemingly contradictory social positions and formed through the reinvention of the individual identities of its workers.

Defining identity is not necessarily a conscious process. It is created and negotiated by the relationships between individuals and

institutions within the social order of a society, and the power exchanges involved in these relationships. New capital investment has brought technology and considerable prestige to the brewery, subsequently producing a new feeling of partnership amongst workers and management and making social pressure, modernization and self definition the only control processes necessary. The worker's desire for both personal and community success in the new economy makes producing change its own justification. As a symbol of the community, the identity of Browar Kostrova as an institution is fundamentally caught up in the community's history. Because of the extreme identification of the community with the brewery, it is viewed as both a community leader and advocate, and is expected to fulfill expectations of social responsibility developed during socialism. As the brewery's financial success in the capitalist economy grows, so does the expectation of its responsibility to its workers and to the community. Ultimately, the identity of Browar Kostrova is neither entirely socialist nor entirely capitalist. Instead it is a hybridization of both ideologies. In the new Polish economy the brewery must act as a capitalist enterprise, but within its community it is judged by the standards of socialism.

As the Browar Kostrova progresses through the construction of its new identity, workers meet the future with hope and apprehension. One worker spoke wistfully, "Its going to be alright--It's the only attitude you can have. This is what I am doing" (131299-2). A worker at the local heating company summed up the workers' position well, "Hope is the mother of fools, but it is better to have such a mother than none at all" (161299A-1). At the intersection between socialism and capitalism, the fate of the worker is unknown, but in the end this fate lies in the construction of new individuals and new identities, negotiated by the workers' interaction with the complex social realities of the brewery and its community.

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## Notes

<sup>1</sup> In the interest of confidentiality, I have used a pseudonyms for the brewery, the investment group which owns it, and the city in which it is located. To my knowledge there is no city in Poland named Kostrova, and no brewery named Browar Kostrova. All personal names of participants in this study have been removed and personal identifiers (e.g. specific job titles, exact age, etc.) have been changed or omitted. No confidential information regarding the business practices of the brewery is contained in this paper.

<sup>2</sup> So that I could obtain a more complete view of Kostrova as a community, my host suggested that I speak with the employees of Kostrova's municipal heating company. After I was introduced to its President and Vice President, they were kind enough to speak with me and to allow me to interview a group of workers on their morning break. These three workers made a total of five interviews at the company.

<sup>3</sup> A problematic discourse genre in its own right, the act of translation adds an extremely interesting dynamic to the research process. As language is coursed through the mind of an interpreter it is inevitably changed, even if only subtly. Thus, the researcher interprets an interpretation, making the translator the only person in the dialog who has primary information on all aspects of the research. I am indebted to Davidson (2000) for an excellent discussion of the discourse genre of translation.

<sup>4</sup> Quotes from interview transcripts are cited numerically indicating the date of the recording and the minidisc and interview numbers. For example, 141299A-1 indicates 14 December 1999, minidisc A (i.e. the second disc of the 141299 series), interview 1.

<sup>5</sup> The northwest lowland region of Silesia containing the Odra river and Wroclaw.

<sup>6</sup> The Polish word for beer.

<sup>7</sup> Indeed, when returning late one evening on the train from Wroclaw, I knew I had arrived in Kostrova when I saw these bright green Browar Kostrova signs.

<sup>8</sup> I personally saw Piwo Kostrova advertised outside a small bar as far away as Krakow, a distance of about 150 kilometers to the southeast.

<sup>9</sup> The historical information provided in this section was gathered from members of upper management that participated in the creation of Browar Kostrova as a workers' company and its sale to Illinois-Poland Investment Group.

<sup>10</sup> These investments included new production processes and products, a new brewhouse, and a new bottling department.

<sup>11</sup> Dunn (1999) provides an excellent description of the process of creating a marketing department and the importance of projecting a "modern" image when "niche marketing" beverages in Poland.

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<sup>12</sup>The filling of aluminum cans remains off-site.

<sup>13</sup> Many workers' perceptions of technology as a predatory force were even more apparent during a discussion I had with a group of workers from a nearby heating company, who saw their jobs gradually disappearing as inefficient and ecologically harmful boilerships are closed. One man even said "people are afraid of technology—afraid to go on the dole (161299A-1)"

<sup>14</sup> Gurr (1998:47,219) discusses the demise of the workers' elite during her time at the Ursus Machine Works in Warsaw.

<sup>15</sup> The narrative described in this section was compiled from a number of workers' accounts of Browar Kostrova's organizational structure over the last ten years. My primary sources were two managers (141299-1 & 151299A-1) who experienced the entire privatization process. I believe this account is accurate, and I have attempted to stay as true to their description as possible.

<sup>16</sup> Gonzalez (1996) examines the "we" versus "they" dynamic only in a capitalist system. In order to achieve an ideological reorganization, capitalist companies must give the workers a stake within the social groups that make up the company. Conversely, socialist companies must eliminate that stake in order to celebrate individualism. The processes are therefore in opposition, but the principles remain the same.

<sup>17</sup> Union banners.