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THE TRAGEDY OF
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The tragedy of the privates? Postsocialist property relations in anthropological perspective

I. Introduction: property, embeddedness, entitlements

Anthropologists, beginning with Victorian lawyers such as Sir Henry Maine, have traditionally taken a broad view of property. They emphasise its social aspects: property relations exist not between persons and things but between people in respect of things. Second, these relationships are ‘multi-stranded’ and involve membership of various overlapping groups, based on kinship, the local community, religion etc. Third, property rights can be thought of as forming a bundle, which it is instructive to disaggregate. Rights to regulate and control are usually distinct from rights to use and exploit economically. For example, different persons or institutions may have different kinds of rights over the same piece of land. Even in societies in which the system of private law allows a high degree of ‘individual ownership’, this right is never ‘absolute’ but, on the contrary, is significantly qualified by public law.

Ethnocentric understandings of private ownership were characteristic of European colonial powers, not only in the ‘tribal’ societies of Africa which they conquered but also in the Indian subcontinent and elsewhere. Sometimes they decided that a native chief or a *zamindar* was the private landlord of all the territory in his neighbourhood. In other cases they postulated that the tribe or village community was the collective owner of this territory.

Neither of these models was adequate for understanding the actual hierarchy of rights and obligations that prevailed in these societies. Yet this European dichotomy, either individual or

collective, continued to dominate popular and academic thinking about property in the age of the cold war, since this was central to the self-definitions of the rival superpowers.

It ought to be possible to do better now that this phase in world history is over. In particular, it ought to be possible for anthropologists to promote alternatives by recovering some of the more differentiated approaches to property developed by classical figures such as Malinowski (1935) and Firth (1939). Above all the work of Max Gluckman (e.g. 1965) showed that, towards the end of the colonial period, anthropologists were capable of developing alternative theoretical frameworks to understand land tenure in tribal societies. Caroline Humphrey (1983) later applied Gluckman's approach to a Soviet collective farm, where complex unwritten status norms were, as in Africa, more important than formal legal rules; but this was a unique study. With a few exceptions, notably Jack Goody (1962, 1976), the subject of property became unfashionable. Of course it did not disappear altogether. In particular, hunter-gatherer specialists paid attention to the radically different, 'disengaged' character of property relations among the groups they studied (Woodburn 1998, cf. Myers 1986). But for the most part property was left untheorised even when it played a central role in the study, as in Leach's (1961) argument about the character of kinship in Sri Lanka, or Hirschon's (1984) feminist perspective, or even Maurice Bloch's neo-Marxist approach (1975).

I have suggested (Hann 1998) that one reason for the relative neglect of property has been increasing specialisation in the discipline of anthropology. Property straddles at least three sub-branches, economic, political and legal, and cannot be snugly confined to any one of them. I argued that it was high time to bring property back to centre stage and the simultaneous appearance of the wide-ranging collection of Hunt and Gilman (1998) suggests that we are

now indeed witnessing a significant revival. Four inter-related areas of interest are especially prominent in the literature of recent years.

First, there is the surge of interest in ecological and environmental anthropology. In his well known essay on the 'tragedy of the commons' Garrett Hardin argued in 1968 that, under property systems which did not restrict access, conditions of rising population would soon lead to over-exploitation and degradation of the resource. His logic was unassailable. Hardin's own solution was reminiscent of coercive socialist central planning. Economists, who had in fact been debating these issues long before his contribution, usually favoured the interpretation that only private property systems could avert environmental disasters and ensure that resources were conserved for the common good. Anthropologists, on the other hand, have pointed out that communal ownership systems are not the same as open-access systems, that a group may restrict access to its members and regulate usage by custom and tradition, and that this can be more efficient than private ownership solutions. (McCay and Acheson 1987)

Second, the land claims of indigenous peoples in many parts of the world, but especially in Australia and North America, have caused anthropologists both to engage practically and politically in support of local groups and, in some cases at least, to rethink concepts of ownership and property. The Mabo case was a watershed judgement for Australian Aboriginals, but the anthropologists have not always managed to agree with each other as to whether Aboriginal groups held title to territory in a sense consistent with that of English common law, or whether a radically different basis for recognition should be promoted (see Williams 1986, Rigsby 1998).

Third, conceptual work on property has also been stimulated by a renewal of interest in intellectual property rights, ranging from the rights of native peoples to profit when their

environmental knowledge can be harnessed commercially to claims to hold exclusive rights to cultural or 'symbolic' property. The rapidly developing field of reproductive technologies has brought a host of ownership issues into the realm of the family and kinship (Strathern 1999).

Fourth, the demise of the socialist states has already led to a number of fine studies of new property relations in Eurasia, covering both material and symbolic dimensions (see especially Verdery 1999a, 1999b). This is the field to which the work in the new Max Planck Institute in Halle will connect most directly, and it brings us right back to that European dichotomy between private and collective. After all, this was the basis on which socialist societies were constructed in the first place, as an alternative to the property relations of capitalism (for the importance of an evolutionist approach to property for the nineteenth century theorists see Engels 1884). The dichotomy certainly did not die with the collapse of the Soviet Union, since neo-liberalism and an emphasis on privatisation have been prominent in the recipes offered to the ex-socialist countries and in the policies they have implemented in the 1990s. This means that the familiar European dichotomy is still very much present in 'folk models' of property, and not just for those old enough to remember socialism as it actually existed. Grasping these local models must be one important aspect of anthropological approaches to property in this region. The other side must be to question how far this dichotomy is analytically helpful in explaining the new social patterns of the first postsocialist decade.

From an anthropological perspective, both western (neo)liberal approaches and the socialist approaches of Marxism-Leninism perpetrate an unhelpful *disembedding* of property, to use the term popularised in economic anthropology by Karl Polanyi (1957, following Richard Thurnwald). The one camp usually claims to privilege economic

performance, the other claims to privilege politics and social justice, but in their contrasting ways both the liberals and the socialists attach excessive importance to a particular vision of property relations. Their simplifications, emphasising either private ownership or collective ownership, cannot do justice to the complex bundles that actually prevail in all human societies. Even the most collectivist socialist systems did not disturb individual rights over many items of personal property, while even the most extreme neo-liberal regimes depend heavily on a set of conditions that can only be maintained by the state. It is therefore clear that a more realistic and less ideological approach is needed. The investigation of property cannot be confined to the 'private law' notion of ownership but must open up to include 'public law' aspects of authority, citizenship and social cohesion.

The modern discipline of economics cannot meet this need because it is too closely wedded to the liberal paradigm. Most economists simply assume that measures to extend the scope of private property in all sectors will necessarily increase certainty and improve the functioning of markets, thereby conducing to greater efficiency and both public and public welfare. Without plunging into arguments as to whether there exists a universal human propensity to accumulate 'goods', it is clear that the desire to possess objects is often a powerful motivating factor and that economic behaviour is likely differ when more exclusive forms of property rights develop (Schlicht 1998). This does not mean that it always makes economic or social sense to promote such forms through legislation or otherwise. Unfortunately even the so-called 'new insitutionalists', those who (following Demsetz 1967) take a more anthropological approach to property as a 'bundle' of rights, tend strongly to this position, despite the clear evidence from China

that rigour and certainty in property rights in the liberal sense are by no means necessary for impressive rates of economic growth (Oi and Walder 1999).

A stimulating alternative framework has been outlined by Franz and Keebet von Benda-Beckmann (1999), who will be joining the Institute shortly to lead a *Projektgruppe* working on legal pluralism. They point out that, even when a person appears to have a ‘single-stranded’ economic relationship to a particular property object, this is *embedded* in social, legal and political contexts. In the postsocialist context, this means that the enhanced rights of individuals to accumulate private property, in production as well as in consumption, must be assessed in the context of what is happening to rights and *entitlements* in these wider domains. In the next section I shall present their framework in more detail, before in section III giving some examples from the post-socialist society in which I happen currently to be living.

II A multi-layered analytic framework

The von Benda-Beckmanns distinguish between four ‘layers’ of social organisation at which to study property. These are: ‘Cultural ideals and ideologies, more concrete normative and institutional regulation, social property relationships, and social practices.’ (1999: 22) Property may mean quite different things at each of these layers and it is important to study their interrelations without assuming that these form a unified compound. The von Benda-Beckmanns criticise the economist’s assumption that the most fundamental function of property is to raise the level of economic performance. They argue that social functions of property are equally important, e.g. concerning religious identity, the social security of group members, and the long-term continuity of

the group. When these social functions are properly understood, they argue, drawing on detailed empirical investigations of Southeast Asian cases in the same volume, the economic advantages claimed for the liberal model may vanish. The introduction of a further level of legal complexity in place of existing customary law is unlikely in reality fully to displace that earlier system, which is itself likely to have several variants and sub-variants at the layer of practice. Rather, it may serve to increase uncertainty and do nothing to improve credit systems and the propensity to invest.

Like so many others before them, the von Benda-Beckmanns find the notion of a 'bundle of rights' helpful in analysing the relationship between property holders and others in respect of different 'objects of property'. They argue that 'in all societies some distinction is made between rights to regulate, supervise, represent in outside relations, and allocate property on the one hand, and rights to use and exploit economically property objects on the other' (p. 25), a distinction that corresponds to that drawn by the modern lawyer between public and private. Many property rights have both public and private aspects, but the bias of western academic analysis has led to concentration on private law and neglect of the political character of property relationships. In the colonial context this could mean that an African chief was treated as the private law owner of all the land of the group, in other cases communal property was created, but again according to inappropriate European criteria. The von Benda-Beckmanns argue that the 'reduction of property to property in the private law sense encouraged false comparisons in which the private law notion of 'ownership' and its bundle-characteristics were measured against the totality of socio-political authority and use and exploitation rights in Third World societies.' (p. 28)

They next proceed to examine each of their four layers in turn, beginning with ideology and culture where they note that norms of sharing and the long-term preservation of the collective identity of the group are unlikely to coincide with the developmental ideology of a modern state. Secondly, legal concepts may themselves contain a component of ideology, but they ‘tend to be more specific in their definition of the property status of resources and the legal consequences in terms of rights and obligations.’ (p. 30) Here they pay particular attention to situations of legal pluralism, e.g. situations where land that one legal system classifies as ‘waste’ is classified by another, ‘customary’ system as fundamental to the long-term survival of the group and/or its religious identity.

The third layer consists in ‘actual social relationships’, as distinct from all normative regulations. ‘The bundles of rights people actually have in these concrete relationships are different from the general abstract characteristics of normatively defined general types of property rights.’ (p. 33) It is important to consider ‘multifunctional’ relationships, those cases where property is fully embedded in relations of kinship and the local community. Actual property relations may show substantial divergence from legal norms (*Funktionswandel* without *Normwandel*).

Finally, it is necessary to consider the layer of ‘property practices’, both in relation to specific items of property and in relation to actions and processes in which all the rules and practices surrounding property are contested, reproduced and, on occasion, transformed. This is the layer at which conflicts can be identified, and this is where there is most scope for cooperation within the new Institute in Halle, i.e. with the group of researchers working under Günther Schlee on problems of conflict and integration.

The von Benda-Beckmanns' 'functional' approach has nothing in common with old usage of this term in anthropology. On the contrary it highlights the political character of property relationships and, in contrast to the synchronicism of the Malinowskian functionalists, it emphasises the movement of societies through time. Because neo-liberal paradigms neglect the 'social continuity function of inherited property' they are unable to provide the certainty that their advocates claim and hence economic benefits. The von Benda-Beckmanns emphasise that questions of economic efficiency and legal regulation must always be placed in wider social and cultural contexts. They criticise Garrett Hardin and many more recent commentators on the 'tragedy of the commons' for making unwarranted inferences from consideration of the legal form alone. As they point out, 'what seems to be an outcome of rules and normative constructions of rights may in effect be a result of the specific set of property relationships people are involved in. It is not the type of property right which is the crucial element, but rather factors such as land scarcity, population pressure, the absence of alternative income opportunities, long-term insecurity, greed, and disdain for any legally imposed restriction which contribute to over-exploitation. Unfortunately this may happen with private ownership, communal and open-access property.' (pp. 37-8)

The framework of the von Benda-Beckmanns, though designed to deal with problems of land and natural resources in a remote part of the world, is sufficiently general and abstract to be adapted to deal with the imposition of neo-liberal property paradigms in postsocialist Eastern Europe. Collective farms provide a good illustration of how property rights have both public and private aspects, e.g. when members are able to inherit use-rights to household plots within the framework of 'socialist property'. It may

be worth making comparisons with the misunderstandings of the colonial period, particularly in the neglect of the inclusionary, 'public law' aspects of property. Similarly false comparisons lie behind the more recent imposition of western models of private ownership in the postsocialist countries. As in the colonial period, the policy advisers to the postsocialist countries tend to minimise the many ways in which the state constrains the exercise of private law ownership rights in their own countries. The discrepancy between what western advisers have recommended (basically, 'privatise, and then let market competition prevail') and what their own countries actually do is nowhere greater than in the agricultural sector, where state regulations and subsidies heavily qualify the property rights of the western farmer.

Where the von Benda-Beckmanns emphasise legal pluralism and ties of kinship, religion and community, in most postsocialist settings I think it is primarily the legacy of socialist *entitlements* that we need to address. We need a very broad idea of what constitutes a 'property object', to include intangibles such as the right to security and the right to employment. These intangible public forms of 'new property' are the effective preconditions of citizenship; without them, the capacity to exclude others from material forms of private property may not be worth very much.

Of course, despite the radical increase in the actual range and strength of individual ownership rights in the postsocialist countries, these are still qualified by the legal and political powers of the state and other authorities. Outcomes are also influenced by the historical and ideological traditions of different countries, and perhaps of smaller units within countries. Thus pan-German traditions of *soziale Marktwirtschaft* dating back to the nineteenth century have had some impact on the new forms of property that

have emerged in Eastern Germany, but more local traditions, including the experience of socialism itself, must also be taken into account. The general framework does not predict how, or how quickly, changes in legal norms will lead to changes at the cultural-ideological layer, or indeed at the other layers identified by the von Benda-Beckmanns. These mechanisms have to be explored empirically in each case, though we naturally hope that systematic comparative work will lead to some general patterns and even to causal explanations for them.

III. East Germany

So much for the general approach. Let me now continue with the German case and offer further illustrations. I emphasise that these are not based on systematic fieldwork, since there has been no time for this during the busy months of establishing the new Institute, but on a bundle of recent personal experiences in Halle. What follows may be dismissed as naive, superficial, anecdotal, reliant on rumour and hearsay etc. Indeed I would say something like this myself if one of my PhD students were to return from the field with this sort of report. Nonetheless, for all their shortcomings and possible misunderstandings, these observations and descriptions have an empirical grounding that grows deeper daily.

East Germany is of course in many ways a special case: the only post-socialist country that did not develop a new democracy independently but instead voted to unite with a neighbouring state, the Federal Republic. Ten years after the *Wende* there has been a welter of publicity to recreate the euphoria of 1989-1990, including reminders of the dedication and ideals of many oppositional leaders. It is nonetheless clear to me that the material aspirations of east German citizens also played a decisive role at every stage in the process. People wanted

western levels of consumption, they wanted enhanced private access to property, and a significant number of them quickly proved that they could be adept practitioners of the new market economy. But I have also seen plenty of people who could not, for whatever reason, adapt so smoothly.

If one looks at the postsocialist countries comparatively in terms of the extent to which a neo-liberal model of property relations was embraced, East Germany is by no means the extreme. That distinction belongs possibly to neighbouring Poland, which under the influence of the American economist Jeffrey Sachs adopted the policies known as ‘shock therapy’ in the early 1990s. Maurice Glasman (1996) describes this period in Poland as ‘market Leninism’, by which he means that the commitment to an ideological view of economic organisation was as strong among the neo-liberals as it had once been among Bolsheviks. Drawing explicitly on the theories of Karl Polanyi (1944), Glasman argues that the postwar West German conception of *soziale Marktwirtschaft* avoided the pitfalls of ideology-driven disembedding. This is the normative model that is taught to schoolchildren in their *Sozialkunde* lessons in all parts of Germany. It precludes the sort of neoliberal fantasies that caught on and were even partially implemented in other former socialist countries. The pure market principle continues to be qualified by *Bund*, *Land* and municipal tiers of political authority.

However, it seems increasingly clear that, even in Germany, privatisation fever was out of control in the early 1990s and that the country continues to suffer the consequences. The *Treuhand* did not exercise proper control as it disposed of public assets, not only due to corruption (though it now seems increasingly apparent that this was a major factor, e.g. in the case of the Leuna refinery, not far from us in Halle) but because its mandate was impossible to fulfill responsibly. Given the collapse of eastern markets, a radical restructuring of the Eastern

German economy was a necessity. But this could have been handled in a responsible public manner, much as the structural adjustments of, say, the mining industry in Western Germany have been responsibly handled (in contrast to Thatcherism in Britain). The privatisation policies were an invitation to western firms to ‘asset strip’, or simply to close down to preclude competition. The consequences are very visible throughout Sachsen-Anhalt, where unemployment rates are the highest in the country.

Meanwhile the Max-Planck-Society, funded overwhelmingly by taxpayers though not legally a state body, having played a significant role in the asset-stripping of the academic structures that existed here previously, has worked hard to establish a network of new Institutes in the east. Our Institute is located in Halle, not because there is any tradition of anthropology here, but because Halle has a greater need of educational investment at this level than Dresden or Leipzig, both cities with rich traditions in our discipline. I accepted this argument, indeed I found the implicit premise attractive – that our Institute should play a role, however small, in enriching an impoverished scientific environment, with further non-scientific spinoffs. However, in the course of establishing the Institute I have become a little disillusioned. It is true that the great majority of our non-scientific staff have been locally recruited, and it was no surprise that we could not find any anthropologists trained in East Germany (they were never very numerous and in any case our recruitment prioritised a younger generation, those who graduated after the *Wende*). But in other areas where a Director is supposed to have some competence and responsibility, I have gradually come to see myself as a small cog in the colonisation machine.

The best example that I can present at the layer of practices concerns the Institute’s designated permanent building. We were initially given several possibilities to choose

between. My co-Director and I were agreed that the Lehmann'sche villa, with a splendid location and an easy tramride to the centre, should be our first choice. We were assured of full support from the Martin Luther University, which had been using the building for musical instruction, and from the Land of Sachsen-Anhalt, its legal owner. The plan was given some publicity in the University newspaper. Unfortunately it failed when the Estates Department (*Bauabteilung*) experts of the Max Planck Society in München judged this building too risky a proposition for the Society, given high conversion and maintenance costs and possible dangers of subsidence. Instead we have been granted our second choice, a somewhat smaller villa nearby, which will require complete refurbishment and a large new extension. One advantage of this alternative seems to be that in this case the Society need not become an owner at all. It prefers to pay rent to a private company, which will carry out alterations to our specifications. This company has its seat in West Germany. It seems to have acquired a lot of real estate in Halle, though I have never been given any detailed information. So far none of the work seems to be undertaken locally: the architects are based in Köln, and even our office furniture all has to be imported from the west.

It is not clear at present what will happen to the Lehmann'sche villa, since neither the University nor the Land has the resources to undertake substantial renovation work. Everyone is agreed that there is a public interest in securing its future. The Society is financed overwhelmingly from public funds. I asked if it would be possible for its officials at least to sit down and see if some compromise could be reached with the local and regional authorities, with a view to sharing the long-term risk that was of such concern to the *Bauabteilung*. But it was not even possible to start a conversation. I concluded that, at least in this case, the public

interest could not be effectively pursued. In reunited Germany even publicly funded bodies like the Max Planck Society have to think and behave as if their concerns were purely private.ⁱ

The real estate market more generally seems to confirm the pattern of western domination. I have been fortunate in finding a family house that suits us very well. Like most of my staff I pay my rent to a West German. I understand that the tax system gives individuals good incentives to buy or to build houses for letting. The housing market has also encouraged private firms (including the owners of our Institute building) to construct many new estates of family houses with small gardens. Meanwhile the collectives which still own the greater part of the urban housing stock are facing bankruptcy. Some of their buildings are being deserted, as people move away in search of work. This of course accentuates urban social problems. The rational solution for these collectives is to reduce their stock and some high rise blocks have already been destroyed. In other words, perfectly useable accommodation is being destroyed at a time when other parts of the country still have a problem with homelessness.

The most shocking illustration of the new logic was widely reported in March 2000. A man who had moved with his wife and four children into a new family house at Zwintschöna, near Halle, killed all five of them and then attempted (unsuccessfully) to take his own life – on the day that they were due to be evicted for non-payment of rent. No one should forget the brutality and the personal tragedies caused by the repressive régime of East German socialism, but here I want to make the point that the logic of the market and privatisation policies have also led to tragedies, to what Glasman in the Polish context terms ‘unnecessary suffering’. The West German norms of ‘social market economy’ have not been strong enough to avert this pattern when transferred too quickly into the east (in any case I have the impression that these cultural-ideological norms have been seriously eroded in the west as well). The social damage

elsewhere, in countries lacking the resources to maintain a significant redistributive safety net during their 'transition', has been far greater (for examples see Szalai 1998).

My current label for this condition, echoing Hardin's title from 1968, is 'the tragedy of the privates'. 'Freedom in a commons brings ruin to all' wrote Hardin (p. 1244). Ten years after the *Wende* some East Germans seem to have given up the faith they pinned in freedom in a 'privates'. Of course they now have greater access to a much wider range of consumer goods, but they themselves insist on qualifying this freedom with assertions of what they have lost. Their city streets are dirtier than they used to be, and you cannot walk down them without being pestered by beggars. The atmosphere in their workplaces has changed for the worse. Compared to West Germans, they are still paid significantly less for the same work. Reinhard Kreckel (1992: 295-6) predicted soon after the *Wende* that, despite the major structural imbalances in the new unified German labour market, as a consequence of system integration East German income levels would speedily approximate those of the West, if not at the level of practice then at least as norm (*tarifrechtliche Ebene*). Ten years later this has still not happened. The Max Planck Society is required to observe these differentials, though no one can explain why my secretary should be paid less than the secretary of a Director in an Institute in the west. I am sure that her qualifications are at least as good.

Many people, of course, no longer have jobs at all. They find it especially objectionable that many school-leavers cannot find apprenticeship positions; formerly one of the key elements in the West German *soziale Marktwirtschaft*, this has been gradually abandoned in recent decades. People feel as powerless to exercise any influence over these trends as they were over the old communist system. At the recent run-off election to determine Halle's new mayor for the next seven years, only 30% of those on the register bothered to vote

(the SPD candidate defeated the PDS candidate by a majority of 2 to 1). On the other hand there is potentially a high level of support for extreme right wing parties (such a party obtained 13% of the votes in the *Landtag* election in Sachsen-Anhalt in 1998). Most people seem aware that these trends, together with a host of social problems, notably more alcoholism and increased criminality, especially anti-foreigner criminality, are somehow a consequence of the new property relations, though the precise causal links are not properly understood.

IV Conclusions

Anthropologists have warned against the dangers of simplistic cross-cultural application of the dichotomy that has emerged in western legal and economic theorising between collective and private property. In reality all known human societies have practised some form of ‘third way’, based on complex hierarchies of rights and obligations. Garrett Hardin’s critique of open-access property rights attributes excessive weight to the form of the property right. When the legal norm is socially contextualised it emerges that private ownership, too, can lead to environmental destruction, not to mention the negative impact of increased inequality upon the human community.

My counter-slogan ‘the tragedy of the privates’ is open to the same critique, and one of the main tasks of the Institute’s researchers is to go beyond these simplistic dichotomies, to understand actual social relationships and property practices. This requires that attention be paid to different histories. In Germany, for example, it is clear that the norm of ‘free market’ has never had the force that it has enjoyed in Britain, and that actual property practices in the *neue Bundesländer* are also profoundly affected by four decades of socialist normative regulation.

Having said this, there is nonetheless a sense in which postsocialism has meant above all the privatisation of property relations. The costs have been considerable. Ten years after the *Wende* it is at last becoming possible to evaluate the activities of the *Treuhand*, the institution charged by Helmut Kohl with privatising East German industry in the shortest possible time. Private ownership was supposed to increase certainty and conduce both to competition and to long-term investment, yet many of the new West German owners were evidently interested in closing factories down to prevent any possibility of competition, or in extracting the highest possible short term return without any regard to the future of the industry and of its workforce. The entire reorganisation was accompanied by massive dislocation and, whatever time horizon is chosen, it is difficult to argue that the emphasis on private property has been conducive to macroeconomic efficiency.

But property must also be examined in wider social, political and legal contexts. An anthropological concept of property must be broad enough to encompass rights that are more commonly treated as aspects of citizenship or even of 'human rights', such as the right to walk city streets in safety, to subsistence, to the long-term continuation of one's primary collective identity, to a job of some sort. From this perspective the destruction of socialist property relationships in Eastern Europe and the attempt to substitute a (neo-)liberal model has been multiply misjudged. These misjudgements can be compared to the errors of those colonial officials who looked in vain to identify the exclusive owners of all the (non-commoditised) land of the tribe.

In fact *all* systems offer a range of social entitlements. Private, exclusionary rights are always complemented by public, inclusionary rights. Perhaps this, too, is a European

dichotomy, but it seems less dangerously ethnocentric than the way in which the private versus collective dichotomy has been applied hitherto. To speak of the ‘tragedy of the privates’ is no doubt to overdramatise. Still, the shift in normative and actual property relations in the postsocialist countries may have been sufficiently significant to undermine security and the sense of community that were formerly central to citizens’ entitlements. If so, this would be basically the same process that anthropologists have documented in other parts of the world. That new property systems bring losses as well as gains is so obvious to citizens that it scarcely needs social science documentation. More research is needed, however, to understand causal chains and the full consequences of altered property entitlements. The work in the new Institute should make some contribution to this task in the years ahead.

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NOTE

¹ I supplied a copy of this paper, which was prepared for the Institute’s first Open Day on 13th April 2000, to Max Planck Society officials in Munich. Contrary to the impression I received in 1998-99, it seems that there were after all conversations between Munich and Magdeburg concerning the Lehmann’sche Villa. Unfortunately they were literally telephone conversations and no records are available. Concrete steps to fund the acquisition of this building through a *Sonderfinanzierung* (special financial package) were not explored, apparently because it was clear from the start to Max Planck officials that Sachsen-Anhalt was too poor to be able to make any significant financial contribution.

In further discussion Dr. Hardo Braun, head of the Max Planck Society *Bauabteilung*, assumed full responsibility for the course of events that I have described here and provided ample confirmation of my main theses. Above all, it was not politically feasible for the Max Planck Society to justify a building proposal with reference to the general public interest. Arguments grounded in *Denkmalschutz* (conservation) had only recently been explicitly rejected by the ultimate decision-taking body, the *Bund-Länder Kommission*. Following expensive investment in a prestigious building in Rome, the conjuncture was particularly unfavourable for the Max Planck Society to propose any significant deviation from the lowest cost solution. The fact that, at the end of the day, the German taxpayer might still have to finance the conservation of the Lehmann’sche Villa, could therefore not have any bearing on Dr. Braun’s professional decision to rule out the building that was the first choice (on general academic grounds) of the future

Directors. Each one of the three options remaining available to us involved the firm Frankonia. The reputation of this firm had been confirmed not only by the authorities in Magdeburg but by a distinguished son of Halle, the former Foreign Minister Hans-Dietrich Genscher.

Another important consideration drawn to my attention by Dr. Braun concerns the tax system, which makes it disadvantageous for the Max Planck Society to acquire a building in need of extensive repair work. A private firm, however, is able to set off the costs of this work against tax liabilities.

According to Dr. Braun it is entirely conceivable that the Max Planck Society will purchase the Riedel'sche Villa in due course, when the alterations and repairs have been completed, financial conditions permitting.

I am grateful to Dr. Braun and also to Herr Werner Feser and Herr Rainer Gastl for their interest in this paper, and for the trouble they took to comment on my analysis. Our discussions took place on 7th-8th June 2000 in the remarkable new building which houses the administration of the Max Planck Society in booming downtown Munich. (Ethos of the building: *Ein Haus der Offenheit und Transparenz*; building costs: DM 81.4 Million).