

A Tale of Two Enterprises: Production and Decision-making at Skoda Auto [DP1] and AvtoVAZ, 1960 – 71

Abstract: In 1965, when the first Czechoslovak people's car came off the assembly line at the Škoda plant in Mladá Boleslav, the Soviets signed a contract with the Italian automobile firm Fiat to build the giant VAZ (Volga Automobile Factory) in Tolyatti [DP2], on the Volga River. The two factories represented two radically opposed approaches to using foreign technology and technical assistance in automotive production (Zhuravlev et al., 2006; Siegelbaum, 2008, 2011; Fava, 2004, 2014, 2018; Vilimek, 2012, 2017). After the collapse of the Communist regimes, the trajectories of the two manufacturers diverged further. Škoda-Auto was quickly integrated into the Volkswagen production networks, becoming a key brand of the German group (Rugraff, 2008; Pavlinek, 2008, 2011, 2012). AvtoVAZ [DP3], by contrast, followed a more tortuous route, the result of strong organizational dependency and in [DP4]stitutional *inertia*, which trapped the industry in its “exaggerated Fordism” (Zhuravlev et al, 2006, Richet and Bourassa, 2000; Chanaron, 1998).

The paper demonstrates that the trajectories of the two manufacturers were already divergent under the socialist regimes, despite the similarities in their macroeconomic and political systems (planned economy, state socialism) and the structural homogeneity of the socialist enterprises. The roots of these differences can be traced back to the different interpretations that experts have since the 1920s given to foreign technology and managerial knowledge in motor vehicle manufacturing, an industry that had a highly symbolic significance for both socialist modernization and national identity (Czarniawska and Sevón, 1996, Czarniawska, 2005, p. 10). In order to do so, the paper reconstructs the organizational and technical narratives that accompanied the key strategic steps – the implementation of new product and process technologies – in the history of the Škoda Auto Plant (AZNP) in Mladá Boleslav and the Volga Automobile Factory (VAZ) in Tolyatti in the years between the construction and modernization of their plants in the 1960s and the fall of the Communist regimes. Organizational narratives have become a quite popular topic in business history research (Kipping, Bucheli, Wadhwani,

2014; White, 1987): the paper shows that they might provide a fruitful instrument to look at the socialist enterprise and at its transformation.

Sources: Archivio Storico della Fiat, Torino (Fondo URSS; COMAU; Agnelli; Fiat Allis; Pedrana); Škoda Auto Historical Archives, Mladá Boleslav, Czech Republic; Rossiiskiy Gosudarstvennyi Arkhiv Ekonomiki (RGAE), Moscow; Czech Republic State Archives, Prague (Státní ústřední archiv), records from ÚPV (Úřad předsednictva vlády- Prime Minister's Office), 1954–59 and 1960–90.