IBM in Central and Eastern Europe

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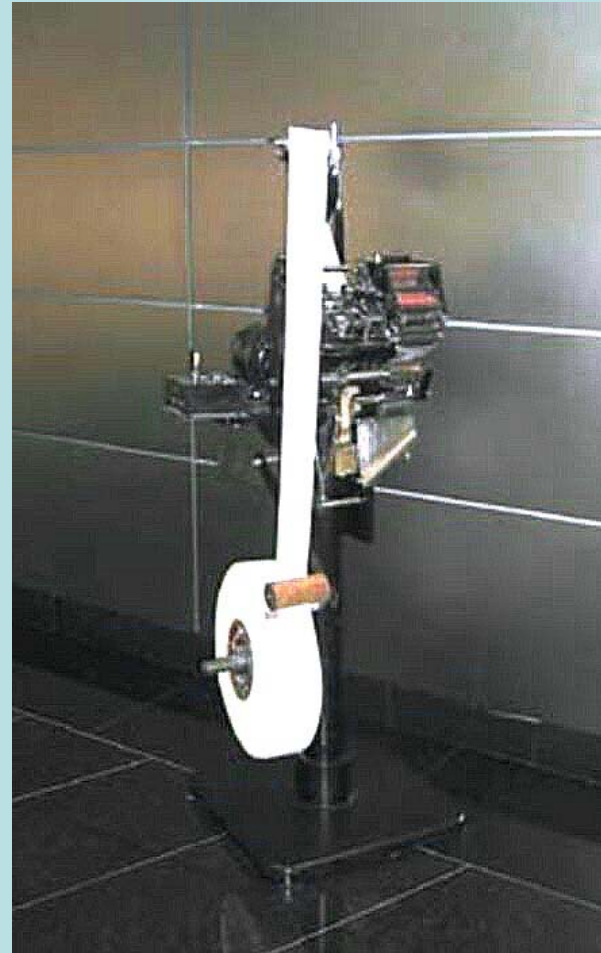19.9.2014

Introduction

- In the mainframe era, International Business Machines, IBM influential also in Central and Eastern Europe

- International computing history needed; Part of a larger project

- How was IBM present in this region; what could IBM do; (how) did it contribute to IT development?

- Answers in key periods

Outline

- Entered in the punched card era; manufacture
- The late 1940s divided the countries; nationalizations and surviving companies
- Selling IBM computers, from 1965

- Shift in late 1980s-early 1990s

Enter IBM

- Early Hollerith start in Vienna: 1891
- First subsidiary in Central Europe: IBM Czechoslovakia in 1927
- Several IBM companies in the mid-1930s
- Punched card presses, first in Prague 1930
- Carroll Press (from IBM Archive's website)
- Card printing spread

IBM in Europe

- IBM, or CTR founded 1911, led by Thomas J. Watson Sr. 1914-1956
- Expanded to Europe in the 1920s
- Chairman, International Chamber of Commerce (ICC), 1937-39

- Main sources: Records from the IBM Archives, in New York State
- Personnel magazine *IBM World Trade News* (1949-71)
- Memoirs
- Transnational approach

Post-war problems (East)

- IBM machines – taken or not (by Soviets)?
- Divisions in the the late 1940s
- IBM Poland in ruins; Janusz Zaporski to Brasil
- IBM Czechoslovakia in trouble from 1948

- The COCOM embargo on technology
- IBM Hungary performed a cencus in 1950

1950s, Shut-down?

- Hungary: IBM's Julius Sandorfi jailed in 1950

- Released 1956, left country

- However, IBM Hungary carried on

- In the West-E: Marshall plan; IBM computers imported from 1955; manufacturing expansion

IBM Electric Typewriters – OK to import?

Via Vienna, Austria

- Competitors in the East first
- In 1965, IBM could establish (with permission from the US – governments' roles?):
- "Austria Control Centre"; prepared earlier?
- Lead by Ralph R. Stafford
- Centre renamed IBM Regional Office Europe Central and East (ROECE)
- Austrians and assignees from elsewhere

Product example

- IBM 1402 Card Reader-Punch, then IBM 1403 printer
- Made in the 1960s in Vällingby IBM factory, Sweden, for customers in Europe
- Parts of the very successful IBM 1401 data processing system, on sale 1959-1971

ROECE Business

- Exhibitions
- Connolly 1967: Hungary purchased its very first IBM computer in 1967 (System/360 Model 20)
- Operations in seven countries in 1973: Yugoslavia, Bulgaria, Czechoslovakia, East-Germany, Hungary, Poland and Romania
- By 1976, sold 300 IBM systems, (half to Yugoslavia)

Soviet 'IBM influence'

- Decisions for the Unified System in the late 1960s
- To be based on IBM System 360 technology
- Production in and export to Comecon countries
- Brought 'IBM solutions' in also from the East

- IBM expanded sales to the Soviet Union from 1971
- Unified Systems exported also to the West: incl.
  - Finnish-Soviet joint venture Elorg-Data Company

1980—1990s shift

- Personal computers and again increasing import restrictions by the USA and allies
- Late 1980s: Western contacts in growth?

- After the regime change in 1989–1990, IBM early on invested in Central and East European countries, established plants etc. – the region regained its pre-war role?

Conclusion

- IBM expanded early to Central and Eastern European countries

- After WWII: a divided history also inside the socialist camp

- IBM 'present' in many ways, from an ideal to written materials to mainframes and education; most competitors too?

- How big an influence on computing etc. in the region?

[Research to be continued…]

Thank you!

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