



DioscURI Research Project
Eastern Enlargement – Western Enlargement
Cultural Encounters in the European Economy and Society
after the Accession

**Citizens and Governance in
Knowledge-based Society**

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DIOSCURI

FINAL REPORT

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The Consortium

The DIOSCURI project (June 1, 2004-May 31,2007) was coordinated by the Center for Policy Studies at the Central European University in Budapest in close cooperation with the principal researcher, a Permanent Fellow at the Institute for Human Sciences in Vienna. The Consortium was constituted by nine partners.

Project website: <http://www.dioscuriproject.net>

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Introductory remarks

Let us imagine for a moment a continent with a short supply of culture in its spiritual sense. Religion is almost lacking, philosophy, ideology, ethics and aesthetics have degenerated, and even popular myths and historical legends are scarce. The *Weltanschauung* and everyday choices of the inhabitants are instinctive and capricious, reflecting a fundamentally instrumentalist/secular – i.e., cold -- attitude to life. Spontaneous relativism and social anomy prevails. The inhabitants speak the language of a kind of deserted, hollow post-modernity – and they speak it with a post-communist accent. Culture has been replaced by economic culture, and even the latter is devoid of spirituality unless one calls a desperate pursuit of a rough and merciless version of economic rationality that way. In other words, we have to imagine a continent with a short supply of capitalist spirit in its Weberian sense.

Indeed, the self-appointed guardians of civilization in Eastern Europe, ranging from Milan Kundera through Aleksandr Solzhenytsin to Slavoj Zizek, have always liked to use the metaphor of a continent that, following a desperate struggle for protecting “the European values” against both the decadent West and communist barbarism in the East, will inevitably lose its traditional spirituality, sink in a cultural vacuum or, prior to that, suffer from a decay of civilization for a long time. This *Untergang der Morgenlandes* will reveal a chaos of languishing spirituality until culture as such disappears, or what is the same, boils down to a bunch of “how to do” manuals based on pragmatic/utilitarian considerations that do not even deserve to be regarded as values. Frequently, this prediction is accompanied by a whole series of jeremiads, nostalgic references to the “good old days” or a demonization of the current state of humankind hit by globalization, neoliberal conspiracy, junk culture and the like. Even those critics who, right after 1989, respected certain types of capitalism, especially its small-scale and/or welfare-oriented models, lament the spiritless, dry, cynical, etc. nature of “neocapitalism” in the region today. In their view, Eastern Europe displays the worst face of modern capitalism, reminding the observer of other areas under post-colonial rule in the world.

Normally, in particular in the upward phases of the business cycle, economists do not pay attention to such apocalyptic warnings, and contend in an irreverent mood: “perhaps, it is not too bad to sink in a cultural vacuum if that gives birth to our Eastern European ‘tigers’ with brilliant growth rates, marvellous market indicators and comprehensive institutional change.” Undoubtedly, the empire of post-communism (especially, if one also considers the former Soviet Union and China) has gone through a stage of breath-taking economic development during the past one or two decades, following what was called the period of “transformational recession“. New capitalism seems to be robust, and its catching-up trajectory was recently legitimated by a geopolitical enfranchisement (NATO) and economic integration (EU) of a large part of the region by the West.

Can this “capitalist revolution“ be primarily explained as a result of capricious choices made by economic and political actors representing an increasingly empty, spiritually poor and declining culture? Should one necessarily interpret the certainly turbulent cultural conditions under post-communism as a chaotic precursor of a final decay of civilization? Is spirituality evaporating or changing its fervor and configuration? In any

event, does Eastern European new capitalism really need as solid and coherent spiritual foundations (religions, ethical norms, intellectual convictions, passions, etc.) as some other “Great Transformations“ in the past? Can not one become a capitalist entrepreneur (or his/her hard-working employee) in an ex-communist country of the region at the turn of the millennium without going to a protestant church every Sunday, repeating Confucian truisms when falling asleep or studying Adam Smith’s teachings on the virtues of the market in a business course? Anyway, do his/her role models behave like this?

What happens if he/she just continues to follow certain quasi-capitalist routines acquired under communism and refine them under the new conditions? What if he/she also imports a spirit of capitalism (eventually, from various corners of the world) but not primarily in its airy and elevated forms as e.g., Protestant ethics but in those of down-to-earth cultural practices embedded in economic and political institutions, modes of behavior, habits and the like? Can not “worldly philosophy“, to use a forgotten expression, complement (or even substitute for) philosophy, especially if the former has already permeated everyday economic behavior? Can not spirituality emerge a bit later?

Currently, the post-communist success stories in economy tend to intersect those spiritual (primarily ethnic/national and religious) boundaries which served for a long time as important explanatory variables in making distinction between “modern“ and “backward“, “liberal“ and “conservative“ as well as “Western-style“ and “Eastern-style“ societal regimes (pre-communist, communist and post-communist alike) in the region. No matter if a given country of Eastern Europe belongs to the sphere of Western or Eastern Christianity, lies closer to or farther from to the West, had a more or less advanced capitalist society before, and more or less radical market reforms under communism, was more or less deeply imbued with the spirit of liberalism, it is sharing a general capitalist take-off with its neighbors today. Sooner than later, this take-off may result in more homogeneous economic cultures than communism could ever hope for.

What is the driving force of the current capitalist revolution in the region if not – at least to a certain extent – spiritual factors? How could we grasp the new “spirit of capitalism“ with the help of social sciences? What is the *spiritus loci* of Eastern Europe today?

DIOSCURI is just an attempt, albeit a systematic one, in a long series to answer these questions. Ideally the answer should first disprove the recycling of traditional explanations based on an allegedly strong religious and/or national(ist) revival in the region. The reason why we skip this phase of reasoning is twofold: a general lack of precise information about the new landscape of Eastern Europe in terms of religious/national awareness, and a number of *a priori* counter-arguments concerning the relevance of these factors in deeply secular and superficially/rhetorically national-minded societies of the former Eastern Bloc. We are afraid it would be rather difficult to explain the upsurge of new capitalism in the region (especially in its Western borderlands that have already joined the European Union) referring to certain ethnic groups or national ideologies that would engineer its processes. Similarly, the rebirth of old religions whose pro-capitalist messages are controversial anyway, to say the

least, or the new -- more "capitalism-friendly" -- religious movements, most of which have not reached a critical mass yet could also serve only as auxiliary reasons for the upsurge of capitalism.

As suggested above, DIOSCURI has been looking for the spirit of new capitalism in Eastern Europe in the "harder", "more tangible" realm of economic culture, which includes habits, modes of behavior, rules, institutions, etc., even if it focused on the transnational exchange of economic ideas. At the same time, however, we presumed that this realm tends to be permeated by "softer", "more ethereal" elements of culture, pertaining to the world of values, religions, beliefs, ethical norms, knowledge, emotions, myths, etc. In this sense, one can speak of important spiritual developments in society even in the absence of strong religions or political ideologies like nationalism, if the "harder" components of culture incorporating a degree of spirituality (not necessarily religion) become more (or less) prominent. Similarly, what at a first glance seems to be a cultural/spiritual misery may be regarded, from another perspective, as an enrichment of the "harder" part of culture.

* * *

Below, we will first sketch up the road that led the Consortium to seeking the spiritual assets of new capitalism in Eastern Europe in inherited and imported economic cultures. Then, focusing on cultural exchange, the main components of our research project will be presented. In this part of the report, we will discuss both the methodological design of DIOSCURI and its major products. Finally, the basic scientific findings and political recommendations of the project will be summarized.

I. Antecedents

In striving to understand the cultural attributes of capitalist evolution in Eastern Europe after 1989, one is advised to consider both their internal and external sources. Among the internal sources, it seems helpful to focus on (a) the mindset of the Westernizing elites, the engine of the post-communist transformation; as well as on (b) the capitalism-prone cultural legacies of communism (and pre-communism) affecting the behavior of the main economic actors. The external sources include (c) those cultural impacts that have left lasting traces on emerging capitalism in the region after opening up to the world. Here, a basic issue is the harmony/disharmony of the incoming cultural packages and the resistance to and/or acceptance of them by the "natives", or, more concretely, what kind of cultures arrive in the local economies, where they come from, who receives them and in what ways, and how they relate to the local cultural assets. To use military language, do the latter surrender or defeat the "invading" cultures, do they agree on a truce or conclude a longer-term peace treaty, do they start cooperating even intermingling with the other, not to speak of a dozen other intermediary solutions?

(a) Westernizing elites. Back in 1989, one was tempted to start searching for the *spiritus loci* of capitalism in the process of endogeneous cultural change in Eastern

Europe. However, the quasi-market attitudes of part of the main economic actors, resulting from the economic reforms under communism and/or the proliferation of the shadow economy; as well as their representation by the reformist economic theories and political ideologies could not be explored in their own right. They appeared, almost automatically, in the larger context of (1) an emerging conflict between this kind of “economic“ liberalism with the human rights-based “political“ liberalism of the anti-communist opposition; (2) a culture war between “Populists“ and “Westernizers“ whereby the Westernizing programs embraced both kinds of liberal narratives¹.

This secular cleavage between populism (nationalism) and Westernizing liberalism, that is, between two dominant mentalities, world views, political norms in the region did not cease to exist under communism, and has exerted a vast influence on cultural choices in the course of the post-communist transformation. The ruling cultural elites found refuge in the new political parties, and continued to fight over national isolation versus opening up to the West, discovering “Third Roads“ versus borrowing Western patterns of capitalism, collectivist/ethnic versus individualist/civic social philosophies, etc. More importantly, they still tend to criss-cross the frontlines to end up with rather controversial (but sometimes) viable programs of societal change. As mentioned before, nationalism did not become a driving force of new capitalism, it worked as a brake rather as an accelerator in these hybrid programs. Its rhetorical strength and recurrent spectacular political breakthrough is not to be mistaken with its actual achievement in the economies of the region.

At the same time, the liberal spirit of new capitalism could not also unfold freely. It remained ambiguous, oscillating between conservative (economic) and communitarian/egalitarian (political/social) programs. Thereby, the “harder“ part of capitalism-friendly culture, which had primarily been accumulated in the everyday practice of certain social groups and economic institutions under late communism (half-legal forms of entrepreneurship, consumption, ownership, etc.) lost much of its ideological, ethical, etc. support “from above“; a support that was not extremely strong even in 1989 anyway. Economic cultures that had formerly been considered as legitimate due to their incongruence with the planned economy came to be labeled as corrupt, asocial, “wild-Eastern“, etc., and this change of meaning weakened the message of the “economic“ liberals considerably.

Moreover, the idea of Westernization became fragmented due to a growing uncertainty in defining its target. As a consequence of an enhanced competition between the old and a number of new variants of capitalism in the West, borrowing economic cultures became for the Eastern European elites a rather complicated task to be performed amidst heated debates over globalization, the “European Social Model“ or the “Asian values“.

(b) Local assets. In exploring the “harder“ components of the cultural legacies of Eastern European economies,² one cannot avoid answering the following question:

¹ J.M. Kovacs, *Uncertain Ghosts. Populists and Urbans in Postcommunist Hungary*, in Peter L. Berger (ed), *Limits of Social Cohesion*, Westview Press 1998.

² J.M. Kovacs, *Vergangenheit oder Vorvergangenheit? Kultur und Wirtschaftsentwicklung in Osteuropa nach 1989*, *Berliner Debatte* 2004/5-6; *Which Past Matters? Culture and Economic Development in Eastern Europe after 1989*. in Lawrence E. Harrison and Peter L. Berger (eds), *Developing Cultures*, Routledge 2006.

which past matters? Is the precommunist or rather the communist one that shapes the spirit of today's capitalism in the region? This question is provoked by a master narrative of the current economic history of the region, which tends to identify communist economic culture with its totalitarian stereotype and regard it as a weak determinant of capitalist development after 1989. Allegedly, in the Western lands of Eastern Europe this type did not strike as deep roots as in the Southern and Eastern ones, and following the collapse of the Soviet empire it has faded away more rapidly. In both cases, however, secular cultural determinants are decisive. According to the narrative, Eastern Europe consists of two -- so-called historical -- subregions, Central (more exactly, East-Central) Europe as well as Southern and Eastern Europe (whatever they should mean), to which the following syllogism applies: the former had been more Western/capitalist/modern than the latter prior to Soviet occupation, *therefore* it resisted communism more vehemently, and *therefore* it became more Western/capitalist/modern after communism. The emphasis is on a direct link between pre-communism and post-communism, that is, on some kind of a preservation of pre-communist cultures under communism. The finer differences between the various legacy mixes are obscured.

In contrast to this kind of interpretation, one may suggest that communism *did* and *does* matter, it also represented a major cultural turn, and had at least forty years to remix the cultural cards, thus substantially influencing the initial record of the individual countries of the region in "building capitalism" during the past two decades. The rankings of the countries in an imaginary hierarchy of "more" or "less" capitalism have changed over the past century substantially, showing little correlation with the distant past. To be sure, communism did result in a high degree of homogenization of economic cultures. Thus, the gaps between the cultural assets of the individual economies in 1989 were not so large that they could not have been bridged over the past two decades or could not be bridged in the near future. Also, the current external effects on capitalist evolution became so decisive in our times that a country could climb up in the hierarchy without possessing a considerable amount of cultural assets (e.g., market behavior, entrepreneurial skills, etc.) accumulated under communism in its economy.

The conventional cultural explanations for the success of post-communist transformation do not work well if applied to the whole region and for a longer period. For instance, geo-cultural proximity to the West loses its importance in the era of globalization. Ethnic homogeneity that paved the way to smooth political transition in Poland or the Czech Republic, does not seem to foster capitalist evolution to a larger extent than in many of the multi-ethnic countries of the region. Protestantism, Catholicism, Orthodoxy: there is no such hierarchy in terms of capitalist success stories. Today, the "Catholic" Slovenes are still better off, for example, in terms of certain capitalist virtues than the "Protestant" Estonians, and the "Catholic" Poles may be worse off than the "Orthodox" Russians or Romanians tomorrow. What remain as significant explanatory variables for post-1989 capitalist development are the cultural exit status of the given communist regime and the change of that status due to external effects as well as the internal challenges by the post-communist transformation.

As regards the exit status, one cannot capture it relying on the old, totalitarian-style concept of *Homo Sovieticus*. Actually, this cultural stereotype had been Janus-faced already under communism, and its legacy became even more complex in the period of the transformation. State paternalism and informal markets, public ownership and private redistribution, central commands and decentralized bargaining, over-regulation and free-riding, collectivist economic institutions and individual (or family-based) coping strategies, apparatchik and technocratic mentality, learned helplessness and forced creativity, etc. – one could go on listing the controversial features of economic culture in Eastern Europe prior to 1989. To a varying degree country by country, it combined the command economy with elements of a rather diluted *Soziale Marktwirtschaft*, and all this with pre-capitalist traditions and a dynamism/aggressiveness reminiscent of early capitalism. (In a sense, it was not double- but quadruple-faced.)

It sounds paradoxical but it is true: even if in a distorted manner, communism was not only a modernizer but also a school of capitalism. Industrialization, urbanization, mass education, public health, etc. are well-known achievements of “quantitative” modernization (or simply, detraditionalization) under Soviet rule. In the course of this kind of modernization, calculative behavior, risk taking, competitive attitudes, etc. were also obligatory subjects to learn -- to be sure, by default, not by design. Communism conserved/reproduced a sort of capitalist ethos (rooted in trust rather than formal rules, personal rather than institutional transactions, small rather than large organizations, human rather physical capital etc.), which in the meantime eroded in the West. Ironically enough, this *Gründerzeit* ethos may grant a comparative advantage to the Eastern Europeans today.

To avoid misunderstandings, this ethos does not reproduce the old Weberian prototype of the Protestant entrepreneur, and does not have much in common with such neo-capitalist success stories as confucianism and evangelical protestantism. As a crucial part of the spiritual capital of present-day Eastern Europe, it has no religious foundations, contains weaker feelings of responsibility for the family or the community, it is less self-denying, less savings-oriented, etc. In addition, its components are not distributed proportionately among the countries of the region. The “Orthodox” Romania and Russia, for instance, may have more of these components than the “Catholic” Slovenia and the “Catholic-Protestant” Czech Republic. And that may lead to peculiar consequences. While in 1989, most observers expected that it is the legacy of the social market that would possibly create an organic connection between the economic cultures of Eastern and Western Europe in an enlarged EU, the past decade has proven that another kind of cultural link is also possible. The virtues of *Gründerzeit* capitalism could qualify the countries, in *both* subregions of Eastern Europe, for taking their fair share in globalization. Moreover, given that contemporary global/American capitalism rests on networks, informality, flexibility, decentralized knowledge production, etc. to a growing extent, the European Union might impede and/or reorient capitalist evolution in the region.

(c) *External impacts.* Turning now to the exogeneous factors of the development of capitalist economic cultures³, the thesis of a cultural vacuum becomes rather feeble. Besides witnessing the survival of certain precommunist and communist norms, habits, attitudes, etc. in the alleged vacuum, one can not ignore a series of large cultural transfers from the West (and, increasingly, from the East) either. The absence of a vacuum is, however, not tantamount to sweeping globalization (Americanization, cultural colonization). Instead, one sees a great variety of cultural blends that result from a partial acceptance of *and* a partial resistance to foreign cultures (which are often heterogeneous themselves). Transfer and transformation of cultures go hand in hand, and may reveal quite a few irregular processes such as bricolage, improvization and a simulated takeover of capitalist values.

According to common wisdom, 1989 marked the beginning of cultural homogenization in the region. Since then, goes the argument, global culture has conquered, eradicated, or at least, marginalized its indigenous rivals, while the natives eventually surrendered to the occupants or even fell in love with the civilizers. In disputing this interpretation, one can focus on the ambiguities of cultural import from the West, enumerating quite a few cases of failed globalization as well as a great number of cultural hybrids ranging from eating habits, through welfare policy, to the constitution. These hybrids have emerged from a rivalry between the cultural exporters themselves and from spontaneous, predominantly passive resistance by the locals to cultural influences from abroad.

Currently, borrowing from the West includes two major dimensions of acculturation, to put it simply, Americanization and Europeanization.⁴ The ongoing competition between the two cultural processes for the hearts and the minds of the people in the region is worthwhile studying. At least since the collapse of the Soviet empire, a whole series of economic, political, welfare, and other regimes wearing a US trade mark have put down roots in the region. A low share of public ownership in industry, banking, and housing, emerging forms of “managerial capitalism,” privatized pension schemes, non-progressive tax systems and decreasing tax burdens, a low rate of unionization, permissive hire and fire regulations, a high degree of social polarization, lax rules of environmental protection—could anyone disregard these systemic features of new Eastern European capitalism? Is it possible not to recognize the striking similarity between the region and the United States in terms of the style of entrepreneurship (reckless rivalry, informal business-making, underregulation), propensity for self-exploitation, individualism and self-reliance, suspicion toward the state, and so on?

At the same time, one can not help discovering a large dose of ambiguity in the reaction of the European Union to this kind of cultural change in the region. On the one hand, in demonstrating its liberal, perhaps even American, face, the EU is resolutely expanding the single market with all its freedoms toward the East. On the

³ J.M. Kovacs, *Rival Temptations – Passive Resistance. Cultural Globalization in Hungary*, in Peter L. Berger & Samuel Huntington (eds), *Many Globalizations*, Oxford University Press, 2002; J.M. Kovacs (ed), *A zárva várt Nyugat. Kulturális globalizáció Magyarországon. (The West as a Guest. Cultural Globalization in Hungary)* Budapest, 2002 (in Hungarian).

⁴ J.M. Kovacs, *Little America*, *Transit* 2004/27; *Little America. Eastern European Economic Cultures in the EU*, in Ivan Krastev and Alan McPherson, *The Anti-American Century*, CEU Press, Budapest 2007.

other, it has expropriated the old slogan of the anti-communist dissidents of the region, "Return to Europe." Two decades ago, the dissidents wanted their region to leave the Soviet Bloc for the West. Currently, however, the same region is strongly requested to come back from their "Little America" to the celebrated but partly imaginary "European Social Model".

II. The project

The above propositions do not inform the student of cultural change in the economy under new capitalism in Eastern Europe about the actual structures, sequences and outcomes of transnational cultural encounters. Yet, such an inquiry might help examine what has happened to the cultural exit status of communism in the course of the transformation. In other words, it might contribute to identifying the spirit of capitalism in the region.

Research problem

In order to illuminate the basic problématique of the project, let us present a stylized talk between the eternal *Wessi* and the eternal *Ossi*, typical figures in German popular discourse. This is how we imagined our research terrain at the very outset.

What the *Wessi* calls Eastern Enlargement of the EU (and of the West in general) not only covers all civilizational benefits that the West generously and light-mindedly offers to the East but also refers to the Westward expansion, a sort of "Western Enlargement" of the dangers originating in the former Soviet Empire. The *Wessi* is anxious about what will happen to his job, family, savings, etc., after "those over there" (the renowned Polish plumber and Hungarian truck driver) are allowed to enter the West, either as employers or employees, for more than brief visits. Will you pay taxes properly?, he asks the *Ossi* with deep distrust in his voice. Will you not accept lower wages, less safe working conditions than us? Will you protect *our* environment? How long do you want to capitalize on our budgets? Will not your "Wild-East" entrepreneurs ignore the social standards in our country? Will they observe the business contracts? Will they leave the mafia behind?

As a mirror image of how populists in Western Europe portray the Eastern "savages" *ante portas*, one witnesses in Eastern European nationalist discourse the icon of the "honest" and "creative" Czech, Slovene or Romanian worker and businessman who, while matching their Western colleagues in terms of capitalist virtues, are allegedly better-educated, respect family values, religion and rural bonds. Accordingly, the West should feel honored to receive the newcomers and be lucky to gain so much "fresh energy and culture" at such a low price.

This pride mingles with the worries of our *Ossi*. For him, the Eastern Enlargement of the West seems risky because, as a result of it, he also may lose his job. Similarly, he is also anxious about the lowering of the social standards (e.g., a less safe workplace) in his country. Moreover, he fears the erosion of both his precommunist traditions and the filtering of his new entrepreneurial freedoms, consumption habits,

etc. in the world of more regulated capitalist regimes (cf. the *acquis communautaire*). For instance, as an employer he may have to comply with equal opportunity rules, and as a consumer he may be forced to abandon shopping around the clock. Or, to quote even more profane examples from Hungary occurring in the first years after the EU accession, he is not allowed to slaughter pigs in his backyard, distill *pálinka* in the bathroom, and what is the *non plus ultra* of his fears, he must reconcile himself with the fact that the Romanians may also call their traditional drink, the *tuica*, *pálinka* (a Slovak word by the way).

Will you not use us as cheap laborers and buyers of low-quality consumer goods—a poorhouse of the West? Will you not paralyze our innovative spirit and abuse our talent? Will you accept our quest for informality or will you simply subsume it under the heading of lawlessness and corruption, and keep on stigmatizing and monitoring us? Questions such as these reflect the concerns of our *Ossi* who would prefer to see a kind of Western Enlargement that brings his old and new virtues to the West.

What, on the surface, seems to be a regular *Ossi*-*Wessi* conflict of perceptions, a two-person game, is in a closer scrutiny an interplay of at least three actors, including also a powerful challenge by global (basically American) capitalism. As the aforementioned reference to an imaginary “Wild East” demonstrates, Eastern Europe and the United States are supposed to forge a peculiar coalition in the game, and the eternal *Wessi* finds himself in the crosshairs of similar economic cultures. For those who tend to think that this kind of *Wessi* mentality is only characteristic of the potential losers (ranging from the employees in industries moving Eastward, to employers in the service sector facing Eastern competition moving Westward), and of a few noisy trade unions, chambers and small populist parties that do their best to instrumentalize the fear from that coalition, we have bad news. That fear already sits in the minds of a whole series of influential European leaders such as the conservative French president, Nicolas Sarkozy or the German social-democratic leader, Franz Münterfering when they are heaping curses on Eastern-European tax dumping or U.S.-based *Heuschrecken-Kapitalismus*—a metaphor portraying financial investors as swarms of locusts.

The talk between the *Ossi* and *Wessi* seems to be a dialogue of the deaf, full of mutual distrust. We are wondering what the *Wessi* would think of his interlocutor if he also knew that the robust and massive nature of Americanization of economic cultures in Eastern Europe is largely due to a rather peculiar coincidence with part of the communist legacy. As mentioned above, communism produced quite a few quasi-American norms, attitudes and habits in the economy and society, which would have probably withered slowly if the region had been co-opted and “disciplined” by the EU and its social market economies right after 1989.

Thus, one might believe, DIOSUCRI started off to explore East-West cultural encounters in a minefield of prejudices. The economic actors to be observed were expected to indulge in essentializing arguments about the “Other”. We presumed to face the usual catalogue of rhetorical stereotypes that would make the understanding of the actual processes of cultural exchange extremely difficult.

As far as our Western respondents — entrepreneurs and managers working in Eastern Europe — are concerned, they did exhibit some confusion when narrating their cultural encounters with the “natives.” On the one hand, they brought along to the region the traditional concept of *Homo Sovieticus* and characterized the local authorities, business partners and employees by means of old adjectives such as collectivist, egalitarian, unorganized, short-termist, irresponsible, passive, negativist, lazy, rule-bending, corrupt, nepotist, paternalist, even alcoholic and thievish. Such Soviet-type people, according to the Westerners, prefer improvisation to following routine procedures, free riding to cooperative behavior, conflict to compromise, and promise to contract, and mix up politics and business, work and private life, public and private property, etc.

On the other, our respondents ostensibly had great difficulties harmonizing this list with many of their new experiences, basically with the clear upswing of entrepreneurship in Eastern Europe. In any event, their traditional — Orientalist — pride *vis à vis* Eastern Europe faded. They did see less and less helpless, dependent, egalitarian-minded economic actors there while, at the same time, they witnessed the emergence of increasingly risk-taking societies with a rather creative, informal and socially not too sensitive economic culture.

This — let us call it — “shaken Orientalism” was confronted with a sort of “shaken Occidentalism” of our Eastern European respondents who also entered the encounters with ready-made, albeit less condescending, mirror images in their mind. Accordingly, their Western partners were supposed to be socially insensitive, rigidly formalistic, overspecialized, stressed, unimaginative, etc. Of course, the attitudes varied country by country with both the Western and Eastern respondents. The Eastern interviewees, for example, developed a kind of “thermometric language” to reveal their preferences. In quite a few in-depth interviews, especially those made in South-Eastern European ex-communist countries, the local entrepreneurs and managers often use the word “warmness” when talking about the relationships with their business partners from Italy, Greece, or Spain, representing as a rule small and medium size firms, frequently in family ownership. They say that if they could choose, they would opt for a sort of “Mediterranean economic culture” as they call it as opposed to a “Nordic” one (meaning German in the first place), which they describe as megalomaniacal, rigid, and impersonal. The Americans, although they are not depicted as champions of Mediterranean mentality, also receive a couple of compliments for their easy-going, non-hierarchical, flexible, and informal business practices.

Both the traditional stereotypes and the metaphoric generalizations such as the one “measuring” the temperature of the encounters and the ensuing cohabitation point to a multitude of key spiritual elements of Eastern European economic cultures resulting from the cultural exchange. But how can one distill from the popular (and often populist) mind/mythology/rhetoric what actually goes on in that exchange, i.e., what elements of capitalist culture(s) are being imported?

Concepts and hypotheses

In order to avoid manoeuvring in the minefield of essentialist judgements all the time and to reduce the stress of deconstructing the discourse of the economic actors, the DIOSCURI project opted for studying “real” stories of cultural encounters embedded in “real” cases and explored by loosely structured, narrative in-depth interviews. This anthropological approach gave us some chance for testing the language of the parties in the encounter – a privilege difficult to grant by means of large impersonal surveys or standardized interviews. Of course, we had to pay the price of this methodology by lowering our requirements with regard to comparability even if the unusually great number of interviews, cases and countries under scrutiny did provide some opportunity to make broad generalizations. These generalizations concern the “harder” components of economic cultures rather than the “softer” ones. Of course, even the hard parameters did not lend themselves to measurement. What we could hope for was a tentative typology of East-West cultural encounters in the economy; a typology that helps orient the observer in the thick of rival scientific narratives.

A rather unique feature, we neither resorted directly to the established explanations (such as the one offered by modernization and globalization theories, the concept of clashing civilizations or multiple modernity as well as the models put forward by Ronald Inglehart or Gert Hofstede, etc) nor copied scientific discourses e.g., on post-communist transformation, social capital, trust, corruption, which are currently *en vogue* in Eastern Europe. Instead, we tried to take a detached look at the cases and stories of cultural encounters, let the actors (our interviewees) talk, and did our best to make *ex-post* rather than *ex-ante* generalizations. Although it was not our primary objective to launch a research program on Eastern European economic cultures *per se*, DIOSCURI did not conceal the fact that it cherished certain (partly non-conventional) ideas about these cultures, and eventually, it was eager to know more of the overall cultural change which was partly generated by the East-West encounters in the region. Finally, the participants of the project agreed on focusing on empirical discoveries instead of wasting our time by engaging in a post-colonial-style critique (not even in a liberal version of it) although it was clear from the very beginning that on the level of political ideologies and popular sentiments in the West, Eastern Europe’s reintegration in the “free world” would be accompanied by powerful waves of Orientalism. Condescension toward the region can be packaged in both economic optimism (“the market breaks through anyway”) and cultural pessimism (“civilizational obstacles to modernization”), not to speak of dividing the region in two subregions, the “hopeful” Center and the “hopeless” South and East.

Without going into the details of the initial methodological design of the project, let us summarize its principal features:

1. *Twin cultures*. The project was named DIOSCURI because the story of the twin sons of Zeus, Castor and Pollux, provides an allegory for understanding the future cohabitation of “Eastern” and “Western” economic cultures. In complementing each other, the Dioscuri never strove in rivalry for leadership – this is the promising (probably too promising) message of Greek mythology. Nevertheless, they did not find eternal peace but had to spend a number of days on Olympus (as gods) and in Hades (as deceased mortals). Ours is the

first time in postwar history that the two economic cultures meet *en masse*, and the real probe of brotherly love between Castor and Pollux has only begun about two decades ago. One has to reckon with sudden relapses, or even longer periods of deterioration in the relationship of the twins, which may hamper cultural transfers.

2. *Colonization?* The analogy reflects some kind of equality between the two brothers, assuming that they both have cultural assets to exchange. Although the transaction may be asymmetric, we believed that it would be a grave simplification to describe it in the language of cultural colonization. Instead of putting our faith in a “strong Western” culture that devours (civilizes) the “weak Eastern culture, we expected to find a great variety of lasting cultural hybrids. Part of the hybrids may be “bad”, combining the worst features of the two worlds of culture, while the “good” combinations would also contain elements that Eastern Europe brings to rejuvenate economic cultures in the West. Thus, in an unprecedented way, Eastern Enlargement of the West was studied in conjunction with its neglected counterpart, Western Enlargement of the East. “Eastern” and “Western” economic cultures come across each other in a varying mix of competition, conflict and cooperation. In comprehending that mix, we did not expect to witness any spectacular “clashes of civilizations”.
3. *Economic cultures.* In the DIOSCURI project, the notion of “economic culture” encompassed not only individual values, norms, beliefs, discourses, concepts, etc. of economic actors, but also the institutional arrangements, habits, modes of behavior even policies, in which these elements of culture are embedded. The term “culture” was frequently used in plural to express the prevailing diversity of cultural types in both the East and the West. At the same time, ours was not a comprehensive survey of all possible functional subcategories of economic culture (such as work culture, consumption culture, financial culture, etc.). Also, the project did not strive to suggest an overarching taxonomy of cultures emerging from the encounters.
4. *Transnational cultural encounters.* Our interest in transnational encounters did not rest on an identification of nations with cultures, thereby ignoring cultural exchange *within* the countries under scrutiny. Moreover, it was assumed that intra-national cultural differences between generations, genders, regions, etc., though often caused by international differences, may overshadow the latter.
5. *East and West.* The terms East and West ought to be put in quotation marks in most cases to express the fuzziness of the boundaries separating them. As mentioned above, the “inner West” of Eastern Europe and the “inner East” of the West were for us of great interest.
6. *West, Western Europe, EU Enlargement.* The project (especially its second research field, see section III/Field 2) included quite a few cases related to the Enlargement and intra-European encounters because they provided abundant and timely empirical material for cultural analysis. Nevertheless, if possible, the cultural exchange between Europe’s two former halves was studied in a

comparison with encounters between Eastern Europe and the non-European West.

7. *Eastern gaze*. Although some kind of symmetry of the cultural encounters was a basic assumption of the project, its gaze basically remained one from Eastern Europe. It focused on Eastern European economic cultures, the bulk of empirical research work was done in the region, and we were primarily interested in cultural importation and its impact on cultural change in the selected countries. Nonetheless, in exploring ways of mutual adjustment, we hoped to gain new insights in the changes of Western economic cultures as well.
8. *Countries*. DIOSCURI covered *eight countries* of post-communist Eastern Europe: to use the conventional classification in symbolic geography, four of them belong to East-Central Europe (Czech Republic, Hungary, Poland and Slovenia), and four to South-Eastern Europe (Bulgaria, Croatia, Romania and Serbia/Montenegro⁵). Two Western “test countries” (Austria and Germany) were also included in the project but their study had a limited research focus.
9. *Research fields*. We identified *three research fields* (1. entrepreneurship, 2. state governance, 3. economic knowledge), in which transnational cultural exchange between Eastern Europe and the West has been frequent during the past twenty years. The group of businesspeople studied in Field 1. included, besides the owners of the firms, also the top managers/executives and the chief consultants/advisors. The civil servants in Field 2. were leading officials working on both central and local levels. As regards Field 3., the group of economists primarily included academic experts. Nonetheless, advocacy specialists, cultural brokers, economic journalists, etc. were also observed. The selection of the fields was based on the conviction that among the producers and mediators of economic culture, businesspeople, civil servants and economists play a decisive role.
10. *Research methods*. The project combined the following techniques: in-depth interviews, participant observation, case and country studies, comparative analyses as well as literature and media reviews. On the average, 90 interviews, nine case studies, two media reviews and one literature review were made in each country. They served as raw material for ten comparative analyses, the main pillars of the final report.
11. *Interviews*. Due to the delicacy of the subject matter and the high social status of the target groups, it was difficult to get access to most of the respondents, thus random sampling was not required. Owing to the same delicacy, loosely structured in-depth interviews with a partly *thematic*, partly *sequential* logic were conducted in each field. The interviews were of predominantly narrative nature.

⁵ At the start of the project in June 2004, Montenegro had yet not seceded from Serbia. Hence, Serbia/Montenegro is used throughout the report.

12. *Sequences*. The thematic issues of the interviews varied by fields and cases but the questions concerning the sequence of the encounters reflected the following hypothetical logic. We assumed that the encounters may include many or all of these phases:

- preliminary expectations by the actors concerning the cultural specifics of their partners (mental baggage)
- surprises, embarrassments, culture shocks
- cultural differences/gaps/frictions/conflicts between the partners (in terms of practice and/or discourse)
- crafting coping strategies by the partners to bridge the gaps
- bridging the gaps: solutions ranging from resistance/dissimilation to acceptance/assimilation.
- emergence of cultural compromises/hybrids
- drawing the lessons

It was also presumed that this learning and adjustment process may turn to be irregular: it may get stuck or derail, the partners can skip certain stages, etc. As regards the consecutive stages, the expectations can be high and low, negative and positive, the conflicts can be peaceful and wild, the partners can be passive and pro-active, the coping strategies can be instinctive and conscious, the conflict resolution can be spontaneous and mediated/institutionalized, etc, not to speak of a great number of intermediary types.

13. *Structures*. The sequence of the encounters was examined parallelly with the structure of the encounters. By structure we meant the configuration of the main actors, the scenes of their encounters and the major cultural components that influence each other in the course of the encounter. It was presumed that the encounters may differ by

- number, profession, age, etc. of the actors
- their nationality (which West?, which East?, repatriates, etc.)
- two- or multi-person games, networks
- the power relations (horizontal/vertical) within the encounter: employer vs employee, the firm and the state, competitors, the EU and the nation-state, etc.
- the role of mediators
- the segment of culture affected by the encounter
- the case, in the framework of which the encounters take place (small and large institutions, entry to or exit from the market, cohabitation of the partners or occasional meetings between them, etc.)

14. *Outcomes*. As outcomes of the encounters we expected to identify cultural blends that differ in their internal composition ranging from "Western victory" -- "Eastern defeat" (assimilation, acceptance) to the opposite extreme (dissimilation, rejection), in the ratio between symmetric and asymmetric,

actual and simulated, formal and informal, etc. compromises, voluntary takeover and imposition, etc. The outcomes can be stable and provisional, even cyclical. Again, the intermediary types are numerous. A given case may contain quite a few encounters whereby the individual outcomes can be synergetic or compensatory. If the sequence of the encounter is irregular, and for instance, there is no conflict whatsoever between the partners (say, the “Easternized West” meets the “Westernized East”), or both partners insist on their original cultural parameters, i.e., a continuous conflict *is* the outcome, or the coping strategies are incongruent, then no compromise occurs, and the hybridization hypothesis may fail.

15. *Case studies*. The case studies offer a “thick description“ of the cultural encounters as well as of the institutions/issues that provide a framework to them. The cases were selected to represent some diversity in terms of size and affiliation of the institutions, national origin of the actors, cultural importance of the encounters, etc. The loci, time frames, key actors, etc. of the encounters are presented in the studies in a way to make subsequent comparisons between the cases possible. The studies covered cases such as these (for a complete list of the case studies, see Annex 1):

- Field 1: large banks, various industrial companies ranging from car factories to breweries, wine producers, repatriate entrepreneurship;
- Field 2: the SAPARD program, EU monitoring committees, an EU twinning project, various development projects (Phare, UN and USAID), Eastern European Members of the European Parliament (MEPs);
- Field 3: economics departments, institutes and schools, consulting firms, think tanks, new institutional economics.

16. *Media and literature reviews*. As the cultural encounters in the three research fields take place in a discursive space shaped by the media and social sciences, the final products of DIOSCURI included - a) a voluminous state of the art report on research into economic cultures in Eastern Europe, b) two media reviews - using critical discourse analysis, of the image of transnational companies in the region, and of the European accession in the new and the would-be member states. (For a complete list of the reviews, see Annex 3)

17. *Comparative analysis*. Many of the case studies (in particular, those with identical topics and institutional background) were subjected to comparative analysis to obtain, if possible, region-wide results. We have prepared altogether 1tencomparative papers. (For a complete list of the comparative analyses, see Annex 2.)

- Field 1: a transnational bank’s regional network, other transnational companies, foreign direct investment in food industry, rural enterprise;
- Field 2: the SAPARD program, regional development projects, Eastern European MEPs;

- Field 3: economics departments, think tanks, new institutional economics.

Changes in the methodological design

As compared to the methodology of field work suggested by the project proposal, the Consortium initiated two kinds of changes that, without modifying the basic rationale of the research program, promised a more coordinated and efficient way of making interviews and gaining deeper insights in the transnational cultural encounters. After the first drafts of the case studies had been written, we also had to decide on what trajectory of comparison we would opt for. Here a predictable structural shift was made among the final products of the project. With all these changes, the work load of the national research teams was largely increased but the quality of reasearch could also be improved.

Case studies instead of “free-floating” interviews

Because telling the story of a well-defined case/issue mobilizes the memory of the respondents better than responding to questions that have a looser connection with their personal history and daily experience, we decided to organize field work in and around specific institutions/themes. Moreover, it was presumed that concentrating the interviews would not only enhance our understanding of the encounters in their own context and make the empirical results more comparable but also lower the transaction costs of conducting interviews. Thereby, we tripled the number of case studies as compared to the original project proposal, and changed their thematic logic (agriculture, labour, environment) into an institutional one.

“Guided” instead of free narration

Another revision decided by us concerns the level of interference by the interviewers in the narratives of the interviewees. The Consortium did not want to switch to the other extreme by squeezing in the conversation with the respondent as many thematic questions as possible or by using a standardized questionnaire. The story remained his/hers but it should be more complete in terms of the structure/sequence/outcome scheme. Some sort of guiding was indispensable in our view but it had to be flexible and almost imperceptible for the respondent. And of course, we remained reluctant to present him/her a prefabricated list of “typical” cultural features of the partner to choose from, or to ask him/her to measure the difference between his/her own features and those of the partner.

Preferring case/field-based to country-based comparison

In the original project proposal, the country and field studies played an intermediary role between the case studies and the final comparative analysis. At the same time, the Consortium agreed in the very beginning that the composition of the final research products of DIOSCURI would be reconsidered upon the completion of the

field work. Two basic questions were anticipated already in the proposal phase: should comparison be primarily made between countries or research fields (or both)?; if field-based comparison is preferred, how should it be organized? Following a long discussion within the Consortium, we decided to downgrade the country studies, upgrade and reshape the field studies, and build the international report on the latter. Accordingly, the case studies in each field were arranged in comparative subprojects following certain predetermined criteria, and these subprojects were planned to serve as main pillars of this final report.

Case studies

(1) Plan

Number of case studies per research field per country: 3

In order to enable our Consortium to engage in comparative research on the basis of these studies, we were keen on achieving a rather high level of similarity between them in terms of research techniques while, as mentioned above, allowing for some kind of diversity in terms of the size, affiliation, etc. of the institutions/issues observed. We paid special attention to the so-called “close comparisons” (such as the Raiffeisen Bank, the Sapard Program and new institutional economics), in which it was essentially the countries that served as an explanatory variable. We hoped that each and every case study would stand on their own feet and feature as genuine research products instead of being only raw materials of the comparative analysis.

Sources and techniques. The case studies were planned to draw information from various sources ranging from brief, fact-finding and longer in-depth interviews, through focus group meetings and participant observation, to the life histories of the respondents and the organizational histories of the institutions under scrutiny. The authors were also instructed to make detailed reviews of relevant data and documents (including media and secondary literature).

Thick description. The case study authors were asked to offer a thick description of the case, providing in this way other members of the Consortium with important pieces of comparable knowledge. What was to be described in order to grasp the story(ies) of cultural encounters, that is, in final analysis, to reconstruct the structure(s), sequence(s) and outcome(s) of these encounters? We decided

- a. to observe the institutions/issues and their key actors in the context of their cultural scenery, and
- b. to reconstruct the stories of cultural encounters, including the evaluation of these stories by the respondents.

In presenting the locus (loci) of the cases, the authors were requested to display the organization under scrutiny (various levels of hierarchy), its institutional environment (authorities, competitors, etc.) and, if possible, the personal environment of the respondent. As to the time frame, we were interested in the history of a given case

(possibly from its very beginning) but also presumed that the life history of the respondent before the case came into being could contain crucial information. The set of key actors was determined by the case itself. As regards the structures and sequences of the encounters, we used the above-mentioned hypothetical schemes as yardsticks to make distinctions between the “regular” and “irregular” cases.

Bold conclusions. The Consortium expected this conceptual framework to be criticized and reshaped in the light of the empirical findings. The case study authors were asked to suggest new concepts and typologies they found helpful in understanding their own cases, and not to shy away from drawing bold conclusions. It was also presumed that the case studies would prompt the researchers working in the same field to raise a number of new research questions and to revisit the research field in order to gain additional information.

Including “research failures”. We also decided to keep those segments of the research design which might prove irrelevant during the field work. They also carry precious information, especially for the authors working in the same field or on the comparative studies.

(2) Implementation

The number of completed case studies was larger than planned, occasionally they included a few micro-case studies as well, and were based on a greater number of interviews than planned. Despite the delicate issues covered by the interviews, the refusal rate was very low. The authors (who typically made the interviews) met a friendly reception by most of the institutions, got hold of the necessary data and documents, and were allowed to make participant observations within the organizations.

The cases exhibit a necessary degree of diversity in each research field, and – an unexpected result – we were able to cover quite a number of almost identical cases in the different countries. At the same time, although all case studies have been completed successfully, about a dozen from among more than seventy studies would need further research work to fill the gaps either in the description or the analysis of the cases. A great many case studies were, however, in a publishable form upon the completion of the first drafts.

All sources of information were available with the exception of the detailed life histories of many of our respondents but all of them were ready to provide us with important facts relevant for assessing their professional career. The authors were happy to offer a detailed description of the cases containing a great number of interview excerpts. We were more successful in grasping the structure of the cultural encounters than their sequences. It was rather difficult to gain enough information about the prehistory of the institutions concerned.

As to the conceptual framework of the project, the freedom offered to the researchers to experiment with new categories proved to be instrumental in gaining new insights in the unexpectedly vast amount of empirical material. The authors managed to refine

most of the hypothetical concepts, and came up with interesting new research questions. Most of the “bold conclusions“ drawn by them were fruitful.

Interviews

(1) Plan

Number of planned interviews: 45 (field1), 30 (field2), 15 (field3) per country

Guided narration. During the preparations for the field work, the Consortium focused on the in-depth interviews, presuming that the briefer ones with a fact-finding mission needed no special instruction. We agreed that the interview questions should be determined in a way to diminish the redundancy of the interview narratives, increase the comparative force of our inquiry, and help involve our respondents in controlling the working hypotheses of the project. Our aim was to conduct loosely structured narrative interviews combining a thematic with a sequential approach. What we called “guided narration” was envisaged like this:

Since narration takes place in the framework of a case, first we have to ask about the history of the case, and wait patiently for the story(ies) of the encounter(s) to appear (provided we do not already know from another interview that the story exists). Obviously, we do not conceal the main thrust of our project. Therefore, the opening sentence is this (below we will use the example of a foreign entrepreneur/manager in the first research field): *“We are making research on the relationship between foreign entrepreneurs and their local environment. I would like to ask you about your own experiences in starting a business in our country.”* We avoid using terms such as “economic culture”, “cultural encounter”, “cultural differences”, etc. as long as possible, and include them in the dialogue only when a story of cultural encounter starts crystallizing. Even then, they could be substituted for everyday words such as “habits”, “behavior” or “way of thinking”.

After having found the main story, we try to reconstruct its dynamics (structure, sequence, outcome), first without interfering with the narration. If, as compared to our ideal-type, we see large gaps in the story that should optimally lead from the first ideas/expectations to drawing the lessons, we will politely ask the respondent to fill them. In that case, we may stick to the technical elements of the story (such as a major change in technology, a market entry of a new product or a layoff of part of the employees). Ideally, these questions must not contain suggestions by the interviewer about any “essential” feature of Eastern European economic cultures or any allusion to conflicts between “Eastern” and “Western” cultures. Nevertheless, particular segments of economic culture (e.g., work intensity, risk taking, trust, attitude to money, contractual discipline, etc.) can be brought into the dialogue if they are logically connected with the story being told by the respondent. In other words, we may ask what the interviewee thinks, for instance, about the work culture of his/her partners in general, or about their attitude to time in particular, but should avoid confronting him/her with say, the widely-held thesis of short-termism.

Another key feature of the interviews is the involvement of our respondents in controlling the working hypotheses of the project. This goal is to be attained by a closing attitudinal question (*"In your opinion, what could the foreign and local partners learn from each other?"*), and by introducing questions to be asked from time to time in the course of the session about differences (incompatibilities, inconsistencies, etc.) in habits/behavior/thinking between the respondent and his/her partner during the encounter. These questions serve as a partial test of the encounter stories; provide some information on the asset-liability ratio between East and West; and gives the interviewee an additional opportunity to mobilize his/her own memory. In asking about the "Other", we have to avoid using the terms "East" and "West" until the respondent mentions them. ("Foreign" and "local" are the substitutes.) If time allows at the end of the session, the inquiry about learning from each other can be followed by questions about the most/least interesting experiences, positive/negative impressions, understanding and misunderstanding, power and weakness, pride and humiliation, etc.

The mere fact that we link the interviews with an entire case provides a chance for being patient, and not squeezing all relevant questions in one or two in-depth interviews. Maybe a detail missing in the first interview will occur in the narrative of the fifth respondent. Similarly, "living together with a case" enhances the viability of making mirror interviews of all kinds.

(2) Implementation

The actual number and length of the in-depth interviews exceeded the planned figures in each field and country research team. In contrast to our fears, the respondents were rather easy to gain access to, although the foreign actors were often absent and had to be represented by their local substitutes. The relative lack of genuine East-West "mirror interviews" was a more or less preprogrammed deficiency of the project, which we tried to offset by applying other research techniques such as participant observation and the analysis of the relevant documents.

Guiding the conversation worked well and, with a few exceptions, the interviewees proved self-restraint in forcing a large number of additional questions on the respondents. Interestingly enough, we received more detailed information about the cultural gaps and the ways of bridging them than about the initial expectations and surprises or the lessons learned at the end of the encounters. All in all, the culturalist language of DIOSCURI was not alien to the respondents, and the interviews led us to the main stories of encounters very quickly.

The texts of the interviews were summarized in a standard format and made available for the other country research teams. We consider this "data bank" of interviews a significant product of DIOSCURI.

Country and field studies

(1) Plan

As mentioned above, a key decision was taken on the alternative trajectories (scope and level) of our comparative inquiry. In other words, we identified new proportions between intra-national comparison (that is, comparison between the individual fields in a given country or between individual cases in a given field in a given country), and international comparison (that is, comparison between the same fields in different countries, between same or similar cases in different countries or between the countries themselves).

How did we come to this conclusion? After having browsed through the first drafts of the case studies written by the national research teams, it became clear that

- Although in terms of the structures, sequences and outcomes of the encounters, the case studies made in a particular country show some degree of similarity across the cases and the fields, the other national research teams found almost the same similarities in their own countries;
- Therefore, the country studies would not differ too much, and the project might end by postulating a rather homogeneous (strong) type of cultural encounters in Eastern Europe as a whole, and conceal important differences between fields and cases in the individual countries;
- At any rate, a sample consisting of no more than nine case studies per country promised interesting new hypotheses for a country study rather than offering enough empirical material for constructing country types;
- Actually, a change in methodology was also required by the unexpected richness of the empirical findings of the case study authors and the remarkably good quality of the case studies. At the planning stage of the project, we did not dare to hope that we would be able to cover the same multinational bank, EU program or economic discipline in almost all countries under scrutiny. If we had kept insisting on country comparisons, the heuristic value of the cases would have been diluted, and plenty of new insights might have been lost.

Hence, it would not have been helpful if the country studies had featured as a supreme final product of DIOSCURI. But what should the field studies look like? In responding to this question, the Consortium decided to take a two-step approach: first, case studies of similar topics within a particular field would be compared across the country line; secondly, these comparative studies would be summarized by the field coordinators as chapters in this final report. Thus, the final report would rest on field rather than country comparisons.

The country studies were not abandoned but organized in a way to deliver fresh food for thought to the comparative authors. The national research teams were requested to avoid writing a “copy and paste” summary of the case studies or giving a general

overview of economic cultures in their countries. The country studies continued to serve as indispensable prerequisites in completing the final international report but that service became less direct.

We were sure that what had been postponed, would not vanish. If in the final analysis a sufficient number of the case/field-based comparative studies pointed to certain country types, they would be included in the final international report of the project.

(2) Implementation

Country studies. The eight studies were prepared in good quality, and they not only covered the three research fields but also suggested a great number of additional concepts to be included in the case/field comparisons. Two Western country studies (Germany, Austria) were also completed to feature as “test cases“ for East-East comparison.

Below let us present a selection of the conceptual experiments for illustration:

Bulgaria

- Immunity to the incoming culture
- (best/worst) West versus (best/worst) East
- Foreigner, alien, Western
- Internal Westerners who are more Western than the real ones
- Western culture that reinforces communist legacies
- Internalization versus mimicry
- Capital versus the provinces: differences in adjustment

Croatia

- Genius loci
- Embedded knowledge
- Cultural drivers, change agents
- Compressed encounter
- Types of positive surprise
- “do not wave” philosophy

Czech Republic

- Types of framing the encounters
- Non-verbal features of the encounters
- Unintended consequences of the encounters
- Rural/urban divide overriding the East/West divide
- Rigid discourse versus flexible practice
- Fictive internationality

Hungary

- Multiple locality of encounters
- Invisible preliminary adjustment
- Virtual/imagined partners
- Irregular sequences
- Selective borrowing
- Free-riding on others' adjustment
- Reversed colonizers
- Types of enterprise-making
- Keen student, trick-broker

Poland

- Role of history, traditions of Westernization
- National dignity as an obstacle to adaptation
- Superficial cultural adjustment
- Imitative modernization
- Public versus private: differences in adjustment
- Cultural transmitters
- Institutions versus individuals: differences in adjustment

Romania

- Types of culture shocks
- Rites of reversal
- Natural versus artificial hybridization (field1 vs field2)
- Interaction types: interpersonal, institutional, indirect
- Top convergence, bottom differentiation
- Adjustment by calling (versus career)

Serbia/Montenegro

- Cultural divides within the institutions observed
- Positive versus negative surprise
- Stereotyping, reading in
- Types of the foreigner
- Cultural brokers/mediators/translators
- Green-field versus old projects: differences in adjustment
- Modes of adaptation

Slovenia

- Shocks/surprises versus differences
- Individualism combined with collectivism in decision-making
- Western models – Slovenia – East-Central Europe

Comparative analyses. The Consortium proposed to launch 10-12 comparative subprojects altogether within the three research fields. Ten studies were produced, each of them embracing at least five countries. (There were high-quality case studies that, in the lack of strong twin papers, could not take part in meaningful comparisons.)

As to the conceptual framework of our comparative efforts, the authors were given rather large room to manoeuvre. The structure/sequence/outcome triad was meant to serve as ideal-typical means for *starting* to compare the individual cases, and the comparative authors were free to experiment with original concepts of their own. We did not want to produce extremely systematic yet boring comparisons. Nevertheless, we could not envision a comparative study without

- identifying the locus, time frame, participants, process, etc. of the encounters,
- explaining their specific traits as compared to the ideal type(s), and
- situating the outcomes of the encounters on an imaginary scale of hybridity.

In the field-work phase, i.e. in mapping the cultural encounters, we were keen on *not* taking an essentialist approach to what we think of Eastern European economic cultures as such. In the final phase of the project, however, we had to draw conclusions pertaining to those changes in economic cultures in the region, which stem from such encounters.

III. Research results

Below we will present the final research results of our project according the three research fields, as well as the media and literature reviews.

Field 1 - Entrepreneurship

It was evident from the literature review and research experience of the participants that this field will show a great variety of actors and their institutional contexts and background cultural knowledge.

We have identified the following types of institutional contexts and locations of case studies:

(1) Multinational companies (MNCs) have appeared in all countries of the Consortium ranging from machinery through food industry to service sector. We assumed that in the globalizing environment of MNCs regardless of their origin creates a special setting for foreign/local cultural encounters. It appeared that the banking sector is one of the fastest growing sector in the region in which older and newer multinational corporations anchored by competing with each other. Therefore, the first choice was to select a bank in foreign (multinational) ownership. The Consortium has managed to appeal to the Raiffeisen Bank leadership to get their gate opened for country

fieldwork in five of the eight countries concerned. In the rest of countries, researchers selected other major banks.

(2) It was also visible that within the food industry one can find some typical types of enterprises. To our inquiry, it occurred to be salient that beverage and beer industry several rounds of privatization efforts preceded a successful positioning of local firms. Some few enterprises in this sector managed to survive by family (home-grown and foreign) capital investment and ownership producing to specific markets. Moreover, in this industry changing production and management was impossible without altering or establishing marketing and other consumer related services, highly visible presence in social and media spaces. Therefore, the industry was assumed to offer a variety of possible cultural encounters between foreign and local businesspersons, entrepreneurs, and professionals. The second case study in each country explored the beverage and beer industry (or tobacco in one case).

(3) The research plan intended to extend the investigations to different forms of home-grown capitalism (mostly small and medium enterprises). Preliminary discussions revealed that rural capitalism generates a peculiar environment for post-socialist capitalist transformations. Wine producers in particular have numerous virtual encounters with global market rules, effects, and models, many times with little direct personal encounters. In this sector, the production and commerce turn the local geography and culture into commodity, thus complicating the interlocution of local and foreign. In other countries expatriates launch IT or various service providing enterprises. Thus, the third case was decided to target home grown enterprises of smaller size.

Some exemptions were allowed due to specific inspiring or constraining forces experienced in the countries of DIOSCURI. Thus, some countries developed two case studies in one of the three types but trying to incorporate elements of the missing type as well.

List of Case Studies in Field 1 (Entrepreneurship)

Bulgaria	Croatia	Czech Republic	Hungary
Privatized Bank <i>Tanya Chavdarova, Georgi Ganev</i>	Cultural encounters in a bank in Croatia: between global aspirations and local embeddedness (managers' view) <i>Drago Cengic</i>	A study of a Bank <i>Irena Kasparová Lenka Stepanova Marek Kaspar</i>	International Bank, Hungary – The flagship or the recalcitrant (Kurutz) <i>Violetta Zentai, Janos Matyas Kovacs</i>
Wine production between the local and the global <i>Ivaylo Ditchev</i>	Wine producers in Kutjevo – Pozega Valley – between local culture and European Market <i>Drago Cengic</i>	Czech Brewery: from Socialism to Internationalism <i>Kamil Mares</i>	A small miracle in the lack of foreign investors – the Villany wine and westernized local knowledge <i>Eva Kovacs</i>
Small milk producers' case <i>Ilija Iliev</i>	The Croatian brewing industry: case study of two breweries <i>Davor Topolcic</i>	Opening of a small firm in the East by a 'Repatriate' <i>Michaela Pysnakova</i>	Takeover by privatization in a Southern Hungarian Brewery, 1993-2006 <i>Tibor Mester</i>
Poland	Romania	Serbia / Montenegro	Slovenia
The transfer of knowledge a bank <i>Mikolaj Lewicki</i>	Western culture, Eastern culture: romance with a satiric twist – a case study of a bank <i>Liviu Chelcea, Diana Mihaloiu</i>	Cultural encounters in the banking sector: case study of a bank <i>Jelena Pesic</i>	On entrepreneurs and managers in one of the bigger Slovenian banks: domestic and foreign managers in the bank with mixed ownership <i>Mateja Rek</i>
Hybridization. Analysis of restructuring process in the Polish company taken over by a Western investor <i>Pawel Kaczmarczyk</i>	The success story of an import and export company <i>Alfred Bulai</i>	The success story of a brewery <i>Ildiko Erdei</i>	Case study on entrepreneurs and managers a French-owned car company <i>Borut Roncevic Mateja Rek</i>
Convergence – Establishing a company with Western capital in Poland <i>Slawomir Mandes</i>	Western supermarkets in Romania: shopping as entertainment <i>Liviu Chelcea, Iulia Mihaloiu</i>	Repatriate entrepreneurship <i>Vesna Vucinic-Neskovic</i>	Domestic and foreign managers and professionals in a Slovenian software & consulting services firm with mixed ownership <i>Mateja Rek Jasa Jarec</i>

Field work and case study panorama

In most countries, field research on entrepreneurship revealed a variety of stories on how behavior, norms, meanings are shaped and understood in post-socialist economic spaces inhabited by domestic and foreign actors. Most case studies followed the original methodological agreement according to which we intended to describe institutional stories laced into cultural encounters between domestic and foreign actors. As the methodological guidelines were relatively lenient on the way in which structure, sequence and outcomes of the encounters could be examined through institutional biographies, case studies diverge on how they sorted out specific dimensions of culture and cultural encounters, and how they followed the articulation of culture by the observed actors or trusted on some theory of economic culture instead. Some case studies pronounced the problem of connecting individual and institutional stories and accounts, while some other ones used individual accounts only for constructing institutional cases. Although three case studies per country in Field 1 proved to be a very small sample for distilling knowledge towards building a typology of cultural encounters, some general lessons could be drawn in preparation for a comparative inquiry.

Variety of institutional contexts shaping and shaped by cultural encounters

It seems that the *post-socialist genealogy*, particularly the property structure of the firm has a decisive role in facilitating specific cultural encounters. Classical privatization stories, within which quick or gradual take over often creates distinctive paths, help certain types of dynamics between the old personnel and new owners, old and new managers, new managers and old clients, etc. Family owned and operated enterprises have their own characteristics in embracing and accounting for cultural encounters, often with strong package of values and specific filters for any kind of cultural impact. Repatriates returning to their home country also generate specific stories, in which the source (regions within the West) of their capitalist experience matters. Self-made local entrepreneurs building small and medium size companies represent another important genealogical path with particular inclinations for engaging in cultural encounters and reacting to capitalist transformations.

Both case studies and country studies pointed out that institutional stories depend to a large extent on the very *sector of economy* the firm belongs to. Transnational impacts differently reach enterprises in banking, care manufacturing, or agriculture. The market competition in specific sectors (e.g. the availability of regional markets), the typical purpose of the privatization of multinationals, global trends in consuming practices and fashions (e.g. food industry) generate different encounters due to particular sets of local and foreign actors, institutional design, and communication needs in different sectors.

Case studies revealed that different *types of enterprise* may also limit and enhance cultural encounters between local and foreign actors. Classical (global) and well-established multinationals trend to bring more ready made patterns for institutional design and business policy and thus tailor the perceptions and inclinations of both locals and foreigners within the firm in contrast to regional multinationals, which are often in the making and by default have less norms and rules of conduct available in

standardized and tested format. Family owned businesses have specific characteristics often irrespective of size.

Although *business success* is mostly an outcome or intervening factor in our inquiry, it is impossible not to notice that greater success and convincing market results legitimate different autonomy of action for managers and thus different space for negotiating cultural compromise. Some case studies are complex enough to highlight the differences of the cultural encounters in subsequent stages of decline and growth in the life of an enterprise.

Institutional stories constructed from the individual accounts depended on the availability of the *main actors* in the life a particular firm for our research. All case studies articulated the problem that accounts for cultural encounters are shaped by the very position of the informants in the firm observed. In some cases key positions in the enterprise may mean key role in cultural negotiations: economic power is strongly associated with cultural competence and championship, although not necessarily in a strict causality.

Basically all cases tell about the significance of *preliminary cultural knowledge* of the involved actors, e.g. the exposure of foreign managers to living and doing business in post-socialist contexts, and the availability of pioneer local managers pursuing studies abroad (through formal or on the job training), or experimenting with entrepreneurship already during socialism. This knowledge is frequently obtained in other post-socialist or sometimes developing countries, which generates specific expectations, prejudice, and cultural understandings. Several cases discuss the relevance of a globalizing managerial culture, class, way of life, in which localities, local knowledge may have a diminished role. Cultural encounters are also shaped by the preliminary experience of the main actors, depending on their Western, local, or mixed socialization and business career. In some cases, the impact of predominantly rural context of the enterprise or its owners is also revealed, which is not necessarily controversial to some forms of capitalist transactions. Preliminary cultural knowledge could also be seen as an outcome factor of the age and typical socialization models of the main actors.

Methodological variations

The field work methodological guidelines proposed to examine three aspects of cultural encounters allowing a lot of autonomy on how one grasps those in a case study: the structure, the sequence, and the outcomes of cultural encounters. In several case studies, including the most convincing ones, it was not easy to separate structure and sequence of the cultural encounters. Sometimes the structure, other times the sequence of the cultural encounters did proved to be difficult targets for research due to selection of the available interviewees, and discontinuities within the institutional biographies. Several case studies managed to grasp the basic structures of the encounters but could not trace the sequence of the encounters, perhaps because there was no sequence at all in the institutional story. For example, conflicts and articulation of cultural differences had been part of the initial position of the main actors and the institutional biography. Or the other way around, due to preliminary

expectations and knowledge, the main actors started to take part in an institutional story with some coping strategies to handle differences right from the beginning. Yet another sort of structure with no sequence is revealed by some of our stories, in which a relatively smooth collaboration is formed between the locals and the foreigners, and little or no friction is experienced over time. Some institutional stories, however, reported crucial changes in the collaboration of the foreigners and locals, and in their mirror accounts on who they are and what they are doing.

Some researchers took on their own understandings of economic culture and East-West cultural competition, occasionally relying on well-known theories of economic culture. In other cases, researchers turned to more common sense reasoning or intuitive description of the outcomes of cultural encounters, replacing generalizations with convincing metaphors. Almost all cases center on one specific institutional story, only two case studies capture a specific group of actors not tied to one single institution. Thus, it is fair to say that case studies sort out individual and institutional encounters, some of them giving equal significance to both, others targeting primarily institutions but through individual accounts.

Many of the case studies distinguished between institutional and business cultures when seeking key realms of economic culture. Other cases examine the Hofstede-dimensions of economic culture and interpret the words of the informants accordingly. Some case study writers are lucky enough and diligent to shed light both on foreign and local perceptions, some other ones could essentially rely on the local informants and get insights into cultural encounters through their lenses (more accessible or only available due to the nature of the story).

Avenues for interpreting cultural encounters

Some teams in Field 1, often supported by inspiring country studies, made efforts to refine our conceptual frames by trying to anchor the cultural encounters in the complex arena we investigate in Field 1. The Bulgarian country study proposes to zoom on “institutional change as a result of a widely understood cultural encounter.” In this view, something crucial is taking place between larger patterns of culture (perhaps East and West, or related to social groups more and less embraced in transnational encounters), which reconfigures institutions of entrepreneurship, among other things. The Serbia/Montenegro country report argues that institutional change and cultural dynamics are two realms, often with inconsistencies with respect to each other. This latter concept (relying on a somewhat different understanding of culture) may help us sort out and explain institutional stories in which naming and arguing for certain values and norms do not correspond with observed practices.

Some authors, not necessarily supported by the respective country studies, seem to believe that the outcomes of cultural encounters could be grasped by the degree, pace, completeness of some kind of cultural adaptation to Western-style capitalism. Another version of this developmental interpretation portrays the main actors of the institutional stories as bearers of cultural differences within the same Western civilization going through different stages of capitalism. More than half of the case studies describe a tri-partite cultural space in which foreign actors and two main groups of local actors could be identified (more and less exposed to international

business). The Romanian team talks about two simultaneous dynamics in the outcomes of cultural encounters: on the top there is convergence, whereas on the bottom there is growing differentiation in terms of modeling actions according to Western or some other local sets of values.

Some researchers put more emphasis on critically examining the way in which the vocabulary of cultural encounters is constructed in the encounters of individual actors, institutional customs, and broader social discourses. It is noteworthy that in many contexts the main actors of our stories are not willing to use a “cultural” language, they interpret their experience through business concepts. In other cases, respondents tend to use East-West, foreign-local, global-local binaries yet often denying simple contradictions or duality. References to regional and national constructions of cultural patterns also surface in some case studies yet it is not evident when and why. One could assume that the way in which the interviews were conducted influenced the intensity of this sort of coding.

It should also be noted that some case studies do not tailor the case study research according to the original concept of the research, but bravely expand that. They make an inquiry into important domains of post-socialist capitalism instead of sorting out specific cultural encounters. The main actors are foreigners and locals, but the interest of the researcher is in the new landscape of rural production and consumer culture in post-socialist settings, the institutional story is a direct consequence or an example of larger identifiable dynamics, reconfigurations of economic culture.

Comparative studies

The Consortium decided to pursue the following comparative inquiries. The selection refers back to the original triadic typology of the field refining it by the fieldwork results.

(1) Emergence of a regional transnational company (Raiffeisen)

Based on: Raiffeisen case studies in Croatia, Hungary, Poland, Romania, Serbia/Montenegro (Bulgarian, Czech and Slovenian bank stories used as test cases)

It was assumed that the comparative case had the unique chance for examining a regional multinational in the making with specific local chapters. Banking is a saliently new business in most countries after the fall of socialism and banks seem to set norms of actions due to their actual economic and symbolic role.

(2) Enterprises (privatized, created) by major multinationals

Based on: all case studies discussing MNCs, including banks, food industry enterprises, car and IT factories

There are a number of cases describing larger enterprises established directly or privatized by major multinationals. These cases have common characteristics despite the fact that they belong to different sectors of economy, in particular they

demonstrate the power and drive of standardized multinational practices following certain globally circulated models of management and institutional design.

(3) Privatized food industry companies

Based on: Weifert Pivo, Pecsí Sorfozde, Croatian breweries (referring to European Drinks as a test case)

The food and tobacco industry cases show distinctive properties: they have relatively modest (often regional and thus localized) market shares in the respected countries even if operating under larger multinationals. The property take-over by multinationals, often of regional relevance, is not radical. They are shaped and forced to reflect on consuming patterns and marketing/sales business culture in respective countries. European Drinks (family firm) and the Croatian breweries (privatized by the largest multinationals in the business) could be apt test cases.

(4) Rural capitalism practiced by local enterprises

Based on: Bulgarian, Croatian, and Hungarian wine cases, and Bulgarian small producers

Small and medium-size wine/agricultural producers act in an economic space that is saliently different from the rest of the cases. The wine production itself shows great variety in strategies for opening and resisting to transnational exchanges and market conditions shaped by European agrarian policy. The significance of locality in global encounters is a specific aspect of these stories. Diverse wine producing stories could be contrasted with other typical forms of rural entrepreneurship.

Comparative methodology

A consortium workshop held in May 2006 and further smaller discussions set the major research questions for the comparative inquiry and consider a methodological minimum.

- How could one reconstruct the institutional context of the main encounters? (size, property genealogy/structure, market position, sector of economy, business success)
- What are the most relevant groups of actors and their properties? (profession, responsibility, location on transnational map, generation)
- What are the typical sequences of cultural encounters? (expectations, intensity of surprise/non-surprise, experience of difference/sameness); if possible, distinction between typical individual and institutional encounters and their connections
- What are the main coping strategies? (individuals and institutional)
- How do key actors interpret the outcomes of the encounters?
- What is the typical language/vocabulary to capture and explain encounters and outcomes?

List of comparative studies in field 1:

- (1) Ildiko Erdei & Kamil Mares: *From local to international and vice versa. Comparing the five case studies of privatization in food and drink industry.*
- (2) Mikolaj Lewicki & Pawel Kazmarczyk: *“Lost in transformation”. Cultural encounters in multinational corporations investing in Central and Eastern Europe.*
- (3) Violetta Zentai: *The rise of a banking empire in Central and Eastern Europe. The Raiffeisen Bank International*
- (4) Davor Topolčić with Ilya Iliev: *Successful rural entrepreneurs in the transition to capitalism: Hungary, Croatia and Bulgaria*

Abstracts

Ildikó Erdei and Kamil Mareš: From local to international and vice versa. Comparing five case studies of privatization in food and drink industry

The aim of the paper is to compare five cases which deal with privatization processes in the food and beverages industry, within the research frame of the DIOSCURI project. These cases include brewery privatizations in the Czech Republic, Croatia, Hungary and Serbia/Montenegro and the foundation and operation of a firm in the food and beverages industry in Romania, which was used as a distant case.⁶ Enterprises concerned were different by scope, type of industry, sequence of privatization, strength and business capacities of the companies (“big players”) that privatized the local breweries, economic activities. Still, what is common to all of them is that all went through privatization and reckon their privatization as successful. Therefore we started by questioning what made that success. The preliminary hypothesis was that the success could be explained as a combination of international and local aspects of an organizational and business change. In addition we introduced a distinction between embedded and disembedded notions of locality/internationality, trying to put more light on the ways these two notions are employed in the process of organizational transformation. Conscious, instrumental usage of these notions reveals both their artificiality and the importance of acknowledging the cultural dimension of business change, by illuminating the importance of “playing with culture” in all the cases.

At the beginning of the paper, the ideal type of historical sequence of privatization and internationalization as we have derived it from six cases described in five case studies of DIOSCURI project is introduced. Having outlined the ideal historical sequence type of privatization in several dimensions of the process, we present particular cases relating them to the proposed ideal type scheme. The second part of the analysis is devoted to more speculative analysis using concepts of locality and internationality, and embedded and disembedded, to explain different faces of the enterprises. The preliminary hypothesis about dichotomous (local/international)

⁶ Bulai, Alfred. “The success of Romanian FDI enterprise”; Erdei, Ildiko. “The success story of a Serbian brewery: or How an international company out a local brewery”; Mares, Kamil. “Czech brewery: from socialism to internationalism”; Mester, Tibor. “Takeover by privatisation in a Southern Hungarian Brewery 1993-2006”; Topolic, Davor. “The Croatian brewing industry: Case study of two breweries”.

analytic scheme is at the end supplemented with the importance of medium – regional - level, on which actually most of the localization processes of international business have been happening. We have also pointed to the various articulations between local and international (seen both as social contexts, values and discourses on company and working identity) that have produced different hybrid forms, experiences and identities.

Pawel Kaczmarczyk and Mikolaj Lewicki: “Lost in transformation”. Cultural encounters in multinational corporations investing in Central and Eastern Europe

Usually, anthropological, sociological and managerial studies tend to look at how managerial strategies and companies’ behavior are transformed by local contexts, local circumstances. We propose to turn this perspective upside down and focus on how MNCs (multinational companies) transform local cultures neither by transfer of technological knowledge and know-how, nor by socializing their employees to new life-styles, associated with consumption, but by how they bring social interdependencies creating new kinds of identities inside and outside the realm of work. We also try to observe how local contexts and locally created interdependencies in subsidiaries of MNCs influence market behavior and development of a corporate “universe” in the CEE Region. Since the late 1990s more common strategy increasingly included a process of “hybridization” of cultural and organizational patterns and behaviors within transnational companies. Hybridization consists of relatively deep interaction between local culture, patterns of behavior and perceptual schemes and the rather universal norms and a tendency towards standardization of MNCs. This process involves not only reference to the local resources such as skillful work force, structure of the market or competitiveness of a given company, but also the way local resources can be used by Western and Eastern managers.

Hybridization leads to new “strategies of action” used by local staff to utilize competitive advantages and to cope with uncertainty in the times of change. Employees’ and managers’ reflexivity stems from on-going redefinition of circumstances. On the other hand, those circumstances induce to accept higher levels of risk. Cultural encounters could be understood from such a vantage point more as multilayered tensions and co-ordinations between various strategies of action used by actors who are embedded in interdependencies. The cultural encounters do not occur merely on the level of what actors find artificial, but as in the case of Eastern Westerners or Western Easterners, become parts of their “natural” identity.

Violetta Zentai: The rise of a banking empire in Central and Eastern Europe. The Raiffeisen Bank International

The comparative study on Raiffeisen International (RI) pursues an analysis of cultural encounters between foreign and local business actors that appear to be distinctive in the two major phases of the history of the company: the period of massive expansion based on a Western-based mother firm in a territory where it assumes cultural familiarity, and the period of consolidation of acquired assets and markets in an

international shareholding company with a relatively decentralized organizational structure. In spite of differences of the local institutional stories, most respondents feel that their respective organizational story is something peculiar, not necessarily following mainstream rules of the game in global banking and Western capitalism. In search of the main results of cultural encounters, case study researchers report on various forms of compromises both on individual and organizational levels. It seems that permanently achieved good results and the negative image of other banking models keep foreigners and locals on a common ground in RI.

All case studies in our research articulated the problem that accounts for cultural encounters are shaped by the very position of the informants in the firm observed. In some cases key positions in the enterprise may mean a key role in cultural negotiations: economic power is strongly associated with cultural competence and championship, although not necessarily in a strict causality. Moreover, business success is an important intervening factor in our inquiry. Accordingly, greater success and convincing market results legitimate different autonomy of action for managers and thus different space for negotiating cultural compromise. In sum, it appears that our respondents endorse the self-image that the senior management of RI proposes: “the secrets of Raiffeisen International’s success in Central and Eastern Europe undoubtedly also include two characteristic features of Raiffeisen tradition: the strong local roots of the banking subsidiaries and their high degree of autonomy within the Group.”

Davor Topolčić with Ilya Iliev: Successful rural entrepreneurs in the transition to capitalism: Hungary, Croatia and Bulgaria

The comparative analysis refers to four case studies prepared in a framework of the DIOSCURI research project. One case study focuses on small milk producers in Bulgaria and three other case studies discuss small and medium grape and wine producers from one selected wine district in Bulgaria, Croatia and Hungary. Cultural transfers can help to narrow a gap between the advanced agricultural sector of the West and its less developed counterpart in the former socialistic countries. Wine sector was less attractive for foreign investors, thus wine producers were left alone to ‘self-Westernize’ themselves. Analysis suggests an importance of social and cultural capital of new rural entrepreneurs, which enabled them to take part in successful cultural transfers and to creatively apply Western models in a post-socialist context. Comparative analysis revealed various strategies which agricultural producers use depending to their economic strength, entrepreneurial spirit, market conditions and institutional framework.

The most important outcome of cultural encounters in the agricultural sector is the acknowledgment of the importance of quality over quantity. In Bulgaria this process is marked with conflicts, but in Croatia and Hungary in several wine production enterprises it gives very good results. The bad reputation of wine from former socialist countries increasingly becomes a matter of the past, especially in the cases of Hungary and Croatia. In these two countries the local producers, many of them of growing confidence, may overcome the drawbacks of a relatively small total production output by high quality and increased reputation. Nevertheless, what might seem to be a “clean victory” of a “strong Western” culture turns out to be an invitation

to all actors on both sides for finding new ways of measuring values of the foreign and the local.

Conclusions

(a) Resonating with the relevant literature, our research has revealed that the degree to which an economic organization tends to model itself on Western institutions depends on the stage of transformation in the country, the importance of field/sector, and the ownership structure. Organizations remodel themselves based on Western organizations in a specific field or sector in order to ensure survival, to gain legitimacy and efficiency. The modes of adaptation differ according to the main characteristics of the organization, in particular the ownership structure and size. In foreign owned larger enterprises imposition and imprinting is common, in large domestic firms acquisition, inducement, and incorporation prevail, whereas small enterprises follow imprinting, incorporations, bypassing, and acquisition of knowledge and patterns of economic behavior. Nonetheless, transformation is a more apt concept to describe the nature of the outcome encounters than transfer of knowledge.

(b) It is also relevant to our inquiry how typical patterns in the arrival of foreign direct investment (FDI) are discussed in the literature. More refined pictures are drawn by incorporating FDI motivations, structure of sectors, country origin of the expanding multinational companies, and local labor relations. In this context, the multinationals are becoming contested fields to inquiries that investigate local reactions to global economic effects. Within this field, it is debated how market-seeking investments into retail, tourism, food, beverages and business services are changing local realities. Multinationals in these sectors are becoming the most visible symbols of westernization in the public eye by introducing new forms of services associated with Western capitalism.

(c) The timing of encounter matters both in the individual biographies and the life of the institutions. Actors engaged in early encounters in the history of transformations in CEE and meeting non-local actors in early stages in their career will relate to encounters in a particular story differently than others. It may also matter when actors arrive in a particular institutional story regardless of their former exposure to cultural encounters. Early birds are often cultural innovators, whereas latecomers may have very different roles ranging from new innovations, brokerage, to passive adaptation or resistance. The dimension primarily captures the original position of the actors and some instances of the process of encounters.

(d) It is becoming more interesting to the DIOSCURI agenda how transfer and adoption of Western management concepts, structures and instruments often face cultural barriers. It is observed that organizations in CEE countries tend to solve inconsistency problems by de-coupling different parts of their economic practices and developing a facade of legitimacy. Encounters could be, on purpose or by instinct, intensive, saturating all major dimensions of activities of a firm, institutions, and the life of the individual; encounters could scratch the surface hardly moving any “deep structures”, patterns of thoughts and practices; and various interim results could also be captured by the case studies. It is not only the split within interfaces with global

and local economic realms that cultural encounters generate. Pressure or genuine desire for loyalty often pushes participants to adjust to the more powerful, typically the Western, models of action and business in the life of an enterprise. In micro-practices, or patterns of self-identity and self-presentation among peers, these very actors feel and report feelings of embarrassment, resistance, superiority, etc.

(e) As the comparative study on food and drink industry argues, the localization becomes a task as well as a possibility for multinationals who have to appeal to the local consumer market as well. The professional use of Western/marketing technique plays bravely with shifting and hybrid images of urban and local, traditional and modern, foreign and local. These imageries are contested only by the sales statistics. If that is up, cultural competency is proved. Furthermore, as the comparative study on MNCs highlights, hybridization is a conscious strategy that MNCs devise before they decide to anchor their empire in a particular geographical space. MNCs (multinational companies) transform local cultures not by transfer of technological knowledge and know-how, neither by socializing their employees to new life-styles, but by bringing new social interdependencies and new kinds of identities inside and outside the realm of work.

(f) Our informants often use comparative reasoning or refer to peculiarities of an on-going transformation. They compare the characteristics, skills, and routines of the local staff to actual or idealized ones of the foreigners. In these accounts, it is rare to stress unidirectional relations or neatly set hierarchy between local and Western capacities and values. One could rarely find traces of inferiority, the case is almost the opposite: local managers found many instances in which they could prove their superiority over the foreign managers.

(g) Actors could firmly believe in the ultimate direction of cultural changes and impacts, either assuming that Westernization is taking place as the result of encounters or assuming that the local (Eastern) practices and norms prevail, resist. In most cases, this perception is associated with positive or negative judgment (i.e. the Western is good, the Eastern is bad) but there are a few cases in which the judgment is reversed. In many cases, the actors are ambiguous about the dominance or hybridization of the “Western” and “Eastern” (local) impacts, even more so about the value of these impacts.

(h) It is noteworthy that in many contexts the main actors of our stories are not willing to use a “cultural” language; they interpret their experiences through business concepts. In other cases, respondents tend to use East-West, foreign-local, global-local binaries yet often denying simple contradictions or duality. References to regional (e.g. Central Europe, Southeast Europe), civilizational/cultural (Latin, Anglo-Saxon) and national constructions or traditions also surface. In the case studies on banking, these were supported by some broader social imagery, background knowledge acquired in professional training, and experience based wisdom. One could assume that the way in which the interviews were conducted influenced the intensity of this sort of coding.

Field 2 – Governance

Case study selection

In this field four case studies were selected:

- 1) SAPARD Program (7 countries)
- 2) Rural development programs (4 countries)
- 3) Technical assistance programs (training, twinning, etc.) (8 countries)
- 4) Members of the European Parliament (4 countries)

The main objective of the research in this field was to study the change of “Western” and “Eastern” institutional (administrative, governmental, parliamentary) cultures as a result of different types of cultural encounters regarding different actors and different strategies. The main focus was on the process of transmitting Western institutional and administrative practices to the post-communist government agencies and political elites.

First, the national research teams decided to choose a specific pre-accession European Union program, whose long-term aim was to produce radical institutional reform designed to introduce new governance practices. Our choice was SAPARD, because in spite of the fact that its main purpose was to help the beneficiary countries of Central and Eastern Europe develop their agricultural sectors and rural areas according to the *acquis communautaire* in the sphere of the Common Agricultural Policy, the conditions for its start and implementation were very strict and required the establishment of specific new institutions and procedures. The other reason was that these strict requirements for all the countries (and all the countries included in the research with the exception of Serbia/Montenegro were at the time in one or another phase of preparation for and implementation of SAPARD) gave a very good basis for comparing the different reactions by the national negotiating teams to the same requirements. In this case there is a very clear power relation – the EU imposes norms and standards to the pre-accession countries and if they do not accept them they exclude themselves from the program. So the main questions were the following: Is there any chance for mutual understanding and recognition of differences and similarities within a playground like this? Can compromises be forged? What is the chance of hybridization in terms of the newly established institutions?

The next step was to see whether there are any differences in the implementation of similar Western programs aimed at institutional reforms in the sphere of agricultural and rural development, but operating on a local level, with closer cooperation with the local communities. In that second case the main research question was: Do those programs operating on a local level lead to a full assimilation by the Western norms or is there more space for mutual adaptation and cultural compromises?

The two cases together gave the research teams the opportunity of analyzing similarities and differences in the interpretations of actors implementing Western programs and summarizing the main misunderstandings and successful solutions. The researchers intended to follow the whole cycle of cultural encounters in these

programs and their effects - from the top administration all the way down to the local actors, i.e. to the real target group: peasants who are being transformed into farmers.

Both cases pose the next question - in what ways is the EU governance culture transmitted to the respective non-EU civil servants? What are the techniques and channels through which the norms are carried from the “West” to the “East”, and how are they evaluated in terms of their success or failure. Here comes the third case in our field. There is a large variety of transfers of governance knowledge programs, that is why country case studies differ so much: One is focusing on training seminars, another on a national training center for civil servants, the third one on a twinning program; the fourth on monitoring committees as forms of training, etc. But the common focus for all the different cases was on the “sensitivity” of the training programs to the local context. Do the training programs change according to the local context or not? What makes one training form a success and another a failure? What does success mean in that field – full acceptance of the normative Western model, or mutual adaptation and learning?

The fourth case differs a bit from the other three. It focuses on members of the European Parliament from East-Central Europe (Czech Republic, Hungary, Poland and Slovenia) but in a way the research question was the same – whether there is a change in the parliamentary political culture of the MEPs after becoming members of a European body; in other words, whether there are significant differences between national governance cultures and the culture of the EP as perceived by the MEPs. If there are, how are these differences reduced?

List of Case Studies in Field 2 (Governance)

Bulgaria	Croatia	Czech Republic	Hungary
The impact of SAPARD: producing hybrids or a tool for adjustment <i>Petya Kabakchieva Iliia Iliev</i>	Expecting SAPARD in Croatia: EU solutions versus national aspirations: forging out a growth strategy or producing a conflict? <i>Ramona Franic Natasa Bokan Ornella Kumric</i>	The SAPARD program <i>Blazena Matasova</i>	East-West cultural encounters and the SAPARD process – the Hungarian case <i>Katalin Kovacs</i>
Cultural encounters in a rural development project <i>Haralan Alexandrov Rafael Chichek</i>	Transfer of governance culture in Croatia: case study of institutional adaptation in the postponed accession situation <i>Saša Poljanec-Boric Jadranka Svarc</i>	Czech Members of the European Parliament (MEPs) <i>Alice Navratilova Dušan Janak</i>	Monitoring committees and managing authorities as forums for East-West cultural encounters – the Hungarian case <i>Katalin Kovacs Katalin Racz Gyongyi Schwarcz</i>
Transfer of knowledge and governance culture: EU and the Ministry of Agriculture and Forestry <i>Daniel Smilov</i>	Case study on a partnership for sustainable rural economic revitalization in Croatia <i>Saša Poljanec-Boric</i>	Equal Opportunity <i>Iva Baslarova</i>	Hungarian MEPs in the European Parliament <i>Tamas Dombos</i>
Poland	Romania	Serbia / Montenegro	Slovenia
Analysis of the process of developing priorities for the EU Funds for Agriculture <i>Cezary Trutkowski</i>	SAPARD a space for West-East encounter <i>Floriant Nitu</i>	The two-horned dilemma of the ‘siamese solution’: a case study of the first agricultural twinning project in the Serbian Ministry of Agriculture, Forestry and Water Management <i>Slobodan Naumovic</i>	Implementation of the SAPARD program in Slovenia <i>Darka Podmenik</i>
Transfer of the governance culture <i>Slawomir Mandes</i>	Exchange program with EU-related support on public administration (through PHARE) <i>Dorina Nastase Veronica Junjan</i>	(Mis) Understanding each other’s priorities: Topola rural development program <i>Mladen Lazic</i>	Transfer of administrative culture <i>Matevž Tomsic</i>
Polish MPs in the European Parliament <i>Elzbieta Dydak</i>	Exchange program with the US public administration (through USAID) framework <i>Dorina Nastase Veronica Junjan</i>		Slovenian representatives in the European Parliament <i>Matevz Tomsic</i>

Fieldwork experience

One of the main problems concerning fieldwork occurred in the organization of the interviews. Getting access to the respondents needed participant observation, testing at the same time the rigidity or openness of the administration. Another obstacle was the refusal by some of the officials to take part in interviews. This happened in Croatia and Bulgaria when civil servants were afraid to express positions different from the official one. In addition, case study authors had to keep in mind all different points of views, since every respondent constructed his/her ideological version of the story. It is regrettable that foreigners were underrepresented in the sample of the interviewees, due to few foreign consultants being present in the countries at the time of the field work.

Methodological variations

Theoretical approaches:

Most of the researchers kept to the anthropological approach suggested in the project proposal; some of them used, in addition, an organizational study approach; others applied the neoinstitutionalist paradigm.

Methods:

Similar methods were used in all cases: analysis of the relevant documents; and loosely structured interviews containing a common part as well as country-specific questions. In some of the cases participant observation was used as well. Some of the studies reconstructed the historical background of the cases in question; a few authors also presented data from sociological surveys.

Methodological problems:

A lot of different concepts were applied by the respondents as self-evident, such as institutional culture, organizational culture, economic culture, administrative culture, governance style, political culture and parliamentary culture. Also, the EU and Western governance styles were considered identical rather frequently, and differences between the various governance styles in the West were disregarded.

Avenues for interpreting cultural encounters

The research shows a wide and comprehensive understanding of cultural encounters, proposing and analyzing different levels. Our Czech colleague calls them multi-layered cultural encounters. Nearly all papers in the second field distinguish at least two levels of cultural encounters - interpersonal and institutional (or organizational).

The other specificity is the multi-dimensional nature of cultural encounters. The summaries of the interviews show that it is very difficult to "isolate" a specific cultural encounter, or even the first cultural encounter, because when speaking of cultural surprises a complex picture appears in the mind of the respondent, composed by stereotypes, rumours, written documents, previous experience in countries which look to him/her rather similar. The conclusions about the Other, about cultural surprises are evaluated in comparison to all these factors, which at the end of the day

means that it is very difficult to have a serious surprise. Everything is put into already existing schemes.

At the same time, there are unique situations which are evaluated as quite specific for the Other culture, but usually they are compared to one's own national culture. Probably this is the reason that it is more difficult to grasp an "East"/"West" dichotomy, than national differences. (This is clearly seen in the summaries of the interviews with Polish MEPs. Hungarian MEPs do not even recognize cultural encounters.) If you are socialized in a multicultural social context, cultural diversity is a norm, not a surprise.

Comparative studies

The Consortium decided to pursue the following comparative inquiries.

- (1) SAPARD programs
- (2) Rural development programs
- (3) Members of the European Parliament

Comparative methodology

SAPARD: analysis of the main document which determined a common design for all the pre-accession countries (Council Regulation (EC) No. 1268/1999 of 21 June 1999) and other specific documents regulating SAPARD introduction and implementation in the countries in question; analysis of the organizational structure of the newly created institutions related to the implementation of the SAPARD program; analysis of the interviews

Rural development programs: analysis of the interviews, participant observation, review of documents

MEPs: analysis of the interviews

List of comparative studies in field 2:

- (1) Petya Kabakchieva and Katalin Kovács: Transmitting Western norms to the East: The SAPARD program as a tool for adjustment or as a hybrid
- (2) Haralan Alexandrov: *Rural Development Programs*
- (3) Tamas Dombos and Alice Navratilova: *The European Parliament from a Central European perspective: MEPs' narratives*

Abstracts

Petya Kabakchieva and Katalin Kovács: East-West encounters in the field of pre-accession programs: the SAPARD experience

The comparison of the installation of the first EU assistance program called SAPARD did not fully justify the authors' prior hypothesis according to which *the path for establishing hybrids* and softening the unequal position between the provider and the recipients at encounters *was either non-existing or was extremely narrow*. The six country reports highlighted that the mandatory procedural elements were inserted into divergent political structures and cultures. The exercise of building EU-conform institutions was successful in the sense that – at the end (!) – the new institutions had become operating channels of spending the allocated funds and fulfilled their mandatory tasks (tendering, processing, monitoring, paying). The concrete organizational solutions brought about during the bilateral pre-accession negotiations varied remarkably, *from the fully centralized model* Bulgaria and Slovenia embarked on *to a fairly decentralized model* applied in Poland. The ways of institution building in the remaining three countries - the Czech Republic, Hungary and Romania - represented intermediate solutions between the two extremes. The lack of a uniform model proves that *the path for finding country-tailored solutions existed, therefore the process* of inserting entirely new institutions into divergent administration systems *was managed in a more-or-less adaptive manner*.

However, *the path leading to new institutions was narrow*, in the sense that the procedures, the functions and the mandatory elements of the new institutions were strictly determined by the relevant EU legislation. It was narrow also in the sense that even the legitimate hybrids were (strongly) advised by the EC partners during the negotiations; innovations were not always and everywhere accepted. The inevitably unequal position between the donors and the recipients could show itself as an almost unconditional acceptance of the suggestions of the EC partners (Bulgaria, Romania), in other cases open conflicts, collisions hardened the procedures (Hungary, Poland), whilst in the most westernized countries, in the Czech Republic and Slovenia, the recipients' pragmatic approach eased to find common points.

In four of the six cases, either for the lack of abilities and the relevant skills (Bulgaria and Romania), or because of the “under-cover” resistance during the negotiation phase (Hungary and Poland), the new structures were largely imposed by the donor on the recipient, much more than in the case of Czech Republic or Slovenia, even if the recipients gave in voluntarily. However, good working relations and a mutual appreciation eventually developed, without the cultural encounters between Western and Eastern administrative cultures resulting in a mutual adaptation of the administrative cultures concerned. *It was a one-way process within which Western norms and values were transmitted* to Eastern countries having divergent administrative cultures themselves. SAPARD experiences could lead to improved negotiating strategies and skills in a later phase, but during the pre-accession phase, mutual cultural exchange could not work out. Nevertheless, smaller-scope innovations could be developed by local players if the corner stones, the most important, legally stipulated functions and principles were not questioned. *A specific cohabitation of the elements of the two governance cultures* was brought about by

encounters for the short period of pre-accession years. This applies both to the *organizational peculiarities of SAPARD units*, and the *duality of the administrative cultures* of the then new member states: the new born, more westernized “minority” governance culture represented by the staff members of the SAPARD agencies co-habited as islands with the less westernized “majority” cultures represented by the ministry staff members; a situation prevailing still in the post-accession period.

Haralan Alexandrov: Rural Development Programs

This comparative study is based on four national case studies that address similar issues and share a common conceptual framework and methodological approach. Three of the case studies (Serbia/Montenegro, Croatia and Bulgaria) explore rural development projects, while the Romanian case is focused on a university exchange program. What the four national case studies have in common is that the cultural encounters they address are taking place in the comparatively structured context of projects for rural development and exchange of institutional practices. The encounters are therefore bound and partly influenced by the rules and regulations, governing the respective project. These rules are designed to ensure manageability and predictability of the project activities by providing a frame for the working interactions of the participants. Thus they become an important factor predetermining the nature of the encounters to a certain extent. The four cases demonstrate that it is quite difficult to evaluate univocally the success or the failure of the developmental initiatives. Even the key actors, who were most involved with the respective projects, are ambivalent when reflecting on its performance.

One issue that this comparative study puts forward, and which is worth some theoretical reflection, is the distinction between the two related concepts of ‘mutual adaptation’ and ‘hybridization’. Adaptive changes are shallow and result in altered or enriched behavioral repertoires of individual actors, which enable them to function successfully in the new cultural environment. As the data from the Serbian and Bulgarian cases suggests, adaptive changes take place mostly at the individual level, as a personal socialization strategy, but hardly affect deeper levels of values, beliefs and worldviews. Hybridization on its part presupposes more comprehensive and lasting change, which affects deeper and enduring structures, such as organizational and societal patterns of behavior, group identities and explanatory models of the social world (shared attitudes, beliefs, assumptions, etc.)

The data of the four cases suggest that change is not evenly spread across different dimensions of culture. It occurs first at individual level, later at organizational level and only then eventually at institutional and communal level. Those individuals who have genuinely embraced the values of participation and empowerment underlying the development projects, tend to experience this time lag as a painful and alienating discrepancy since they have to live and work in societies where the changes are lagging behind their personal evolution. From such a perspective the surface adaptation – the imitative and pretended adoption of Western ways – can be interpreted as a legitimate, although largely unconscious defensive strategy for avoiding the loneliness and frustration inherent to profound personal transformation in conservative social environments.

Tamas Dombos and Alice Navratilova: The European Parliament from a Central European perspective: MEPs' narratives

Based on 27 in-depth interviews with MEPs and their assistants from the Czech Republic, Hungary and Poland, the paper aims at reconstructing the cultural encounter resulting from the arrival of politicians from Central Europe to the European Parliament. In these accounts the EP appears as a political institution with a very clear normative self-image, centered around four principles: individual responsibility, professionalism, compromise seeking and the reference to a common European identity. Although these four principles feature in nearly all of the interviewees' narratives, MEPs differ substantially in the way they relate to and interiorize this image. The paper identifies six types of narratives differing along four dimensions: identification with this normative self-image, the evaluation of the institution's operation, the perception of the encounter as a learning process and the form of participation. The six types of narratives are that of 'keen learners', 'ambivalent experts', 'indifferent opportunists', 'embittered observers', 'homeward mediators' and 'noisy resisters'. Rather than following a simple binary logic of East-West opposition, these hybrid strategies incorporate various levels of acceptance, criticism and opposition, making the East-West divide one of the 'liquid cleavages' in operation in the European Parliament.

Conclusions

The cases in the second field show that even in a situation of strong normative pressure, requiring full adaptation to some EU ("Western") requirements (and this is the situation in the field of governance) a path for finding country-tailored solutions existed, therefore the process of inserting entirely new institutions into divergent administration systems was managed in a more or less adaptive manner. The "Europeanization" process is really very interesting, involving a lot of actors with different strategies and it has no easily predictable results. The new rules sometimes are eagerly accepted by those who have to be "Europeanized"; sometimes they pretend to accept them, but stick to the old institutional culture; sometimes they try to change the rules in order to seek an adequate solution. The more self-confident the country (compare insisting on specific national priorities), the more complex are its relations with the EU representatives (Poland, Hungary, Serbia/Montenegro). In the end, the explication of conflicts leads to better solutions for both sides. In other cases one can observe a lip service paid by the candidates and new members: they accept rules *pro forma* and act in the old way; here one can suspect a hidden resistance by the old organizational (institutional) cultures.

Field 3 – Economic knowledge

Case study selection

In identifying the three cases in the third research field we faced the following dilemma. With economists the study of cultural encounters between the "East" and

the “West” requires specific research techniques as compared to the other two target groups of our project, entrepreneurs and civil servants. True, all three groups are veritable culture producers (and cultural brokers) but the composition of their cultural products may differ considerably. While normally, the entrepreneurs’ and civil servants’ basic cultural output is a set of values, norms, attitudes and the like, academic economists primarily create ideas and discourses. As a consequence, in examining how in the latter case transnational exchange affects the local (and occasionally, the foreign) production of economic culture, one is advised to focus on the flow of thoughts (while, of course, not disregarding the values, norms, attitudes they carry) rather than on the flow of those values, norms, attitudes, etc., which characterize the behavior of economists as a professional group.

To put it simply, with economists it has a much stronger cultural influence on the economy and the society as a whole if they subscribe to the ideas of Keynes or Friedman than the fact whether they teach at state or private universities, or whether they are tenured, publish in refereed journals or not. This is especially true for our target group, economists in post-communist countries whose scholarly preferences (sometimes those of a single economist) could decide the main direction of the entire transformation process in the short or medium term. Relative to that it was just a minor cultural effect if the same scholars were also propagating the need to take over Western standards of scientific recruitment or research financing.

At the same time, these factors of the sociology of science may well be instrumental in shaping the international exchange of ideas. One cannot assume them away with a reflex motion. A platitude as it may be, ideas, discourses, paradigms do not travel from mind to mind under sterile circumstances. It would be hard to understand why economists show affinity towards certain concepts (and indifference or hostility to others) if one were not familiar with the historical context of their encounters with these concepts, and with the sociological characteristics, i.e. publication and career norms, education standards, networking habits, etc. of the economists, in shorthand, with their local/traditional professional culture.

To use the economic jargon, the intellectual preferences of the economists are far from being endogenous, i.e. virtually independent from their socio-cultural conditions, and geared by pure reflection. Thus, one is severely tempted to put also the exogenous factors (including what we called professional culture) under scrutiny. Quite frequently, they proved to be decisive not only during the years of communist censorship and *ad hoc* relations with Western scholarship but also in the turbulent times of the 1989 revolution. Moreover, these socio-cultural factors formed extremely interesting configurations. Recently, accidental encounters with just-at-that-time influential figures/theories/fashions in the Western academia, if coupled with the immediate economic and political rationale of the local reform process could easily override many decade long traditions of economic thinking in various countries of ex-communist Eastern Europe. Right or wrong, our primary task was to trace what kind of ideas travel between the West and the East but we also had to identify why and how they do so.

Accordingly, in the third research field one had to make great efforts to capture the intellectual content of the East-West encounters (idea transfer) but paying also

attention to the socio-cultural context of the encounters (carriers/sites/agents of that transfer), including the professional culture of the economists as a social group.

As mentioned above, focusing on the ideas themselves demands from the researcher partly different methods of inquiry in the third than in the first and second fields. Because our respondents' cultural products were available in writing, the in-depth interviews and case studies were, in a sense, contingent on the knowledge of the related literature.

To be sure, in the course of the encounters, important ideas and discourses can emerge in the other two research fields, too. For instance, transnational exchange between entrepreneurs may result in a takeover of sophisticated designs of work organization, and, between civil servants, in that of complex schemes of market regulation. The former has been a frequent corollary of foreign direct investment in Eastern Europe during the past one and a half decades while the latter has featured as a crucial component of the alignment with the *acquis* in the process of EU accession. Maybe, at a given moment, these designs and schemes exert a much greater influence on local economic culture than, for example, a series of key macroeconomic models taught to graduate students at the university.

In the light of the above dilemma, the Consortium decided to cover both sides of it (exchange of ideas, exchange of professional cultures). What is more, we wanted to cover them in a way that, at the same time, three major kinds of knowledge generation (research, education and advocacy) would also be represented in our sample. It was no less important for us to ensure that the research would be quasi-representative in other terms as well, such as age, gender, intellectual and political orientation, etc. of the respondents. By respondents we meant, in accordance with the project proposal, academic economists working at universities and research institutes as well as economic experts employed by advocacy organizations (think tanks, NGOs, etc.). In this way we could capture a large segment of the economic profession both from governmental and non-governmental organizations such as theorists, educators, policy-makers, consultants, journalists, and so forth.

Following a long deliberation, we chose the following three cases:

- (1) applied economics (think tanks)
- (2) new or reformed departments/schools of economics
- (3) new institutional economics

In the first two cases, the main unit of observation was a particular organization of economic advocacy or higher learning. In the third case, we examined a new economic discipline, i.e. the process of its reception in the region. All three cases were rather homogenous, they were relatively easy to compare internationally. While the first two might differ not only in terms of national specifics but also in those of size, financial and ownership status and other characteristics of the organizations, the third was a clear example of what we called a "close comparison" in which differences between the national types of encounters transpired freely.

List of case studies in Field 3 (Knowledge)

Bulgaria	Croatia	Czech Republic	Hungary
A department of Economics <i>Roumen Avramov</i>	The establishment of a new/reformed university department in economics: <i>Denisa Krbec</i>	A department of Economics <i>Yasar Abu Ghosh</i>	Marx Károly learns microeconomics. A tragedy in five acts <i>Balazs Varadi</i>
Agency for Economic Analyses and Forecasts <i>Roumen Avramov</i>	Applied economics: a case study of an institute of Economics <i>Maja Vehovec</i>	Applied economics in Central Europe <i>Dino Numerato</i>	Training Centre for Bankers <i>Andor Daroczi</i>
Transfer and reception of new institutional economics <i>Roumen Avramov</i>	New institutionalism in Croatia: an essay on its reception <i>Vojmir Franicevic</i>	Economic institutionalism <i>Alice Navratilova</i>	Missing the chance? On the reception of new institutional economics in Hungary <i>Janos Matyas Kovacs</i>
Poland	Romania	Serbia / Montenegro	Slovenia
Private institution of higher learning <i>Piotr Korys</i>	The spread of Western economic ideas and local responses. <i>Vlad Topan</i> <i>Dragos Paul Aligica</i>	Transformation of a Faculty of Economics <i>Vladimir Vuletic</i>	Dispute between ‘Young’ and ‘Old’ economists <i>Frane Adam</i> <i>Jasa Jarec</i>
Is there a specific Polish applied economics? <i>Michał Brzezinski</i>	Think tanks, arenas of cultural change. Ideas on the organizational infrastructure of applied economic ideas <i>Alexandru Nazare</i> <i>Dragos Paul Aligica</i>	Multiculturalism and neo(institutionalism) <i>Aleksandra Jovanovic</i> <i>Aleksandar Stevanovic</i>	The role of (governmental) institute for macroeconomic analysis and development <i>Borut Roncevic</i> <i>Frane Adam</i>
Have the Polish economists noticed institutionalism? <i>Jacek Kochanowicz</i>	The change of economic culture and the economic institutions of capitalism: the case of the Romanian economics epistemic community <i>Horia Paul Terpe</i> <i>Dragos Paul Aligica</i>	Case study of an NGO promoting economic neoliberalism in Serbia <i>Sreten Vujovic</i>	Transfer and reception of new institutional economics <i>Tjasa Zivko</i>
		Transfer and reception of new institutional economics <i>Aleksandra Jovanovic</i> <i>Aleksandar Stevanovic</i>	

Field work and case study panorama

The field work unfolded with no serious difficulty. The case study authors in the eight countries covered public and private institutions, “rich” and “poor”, old and new, dealing with research, education and advocacy (or with some combination of these activities), organizations in the capital city and in provincial towns, schools and departments, the latter in both economic and other social science faculties, etc. In other words, the papers offer a very wide panorama of knowledge production and mediation. They provide a thorough description of the main actors (again, a smaller number of Westerners than Easterners), the history of the institutions and/or transfer of ideas, and a whole series of cultural encounters.

From the very beginning, our major concern was how to assure comparability without sacrificing the rich empirical material collected and analytical instruments used by the individual authors. They approached the various cases/issues with specific research techniques adapted to the given conditions, conducting more or less interviews, doing more or less profound literature/curricula analysis, indulging more or less deeply in the prehistory of the case, etc. There were papers that focused on the sociology-of-science aspects of the transformation of the given institution (such as the recruitment of professors, the status of the department in the university, advocacy networks, etc.) while others rather portrayed the intellectual aspects of the transformation (such as the choice of curricula, research programs at the department, Western academic impacts, etc.). Most papers described an unambiguous takeover of Western models while some also asked whether or not local theories also become relevant in economic research and education. Most papers applied a West-East scheme of cultural encounters while some experimented with a West-East-East one, including the irradiation of a given institution/idea to other Eastern European countries.

Variety of institutional contexts shaping and shaped by cultural encounters

Similarly to the first two fields, institutions in the third field also played an eminent role in shaping the cultural encounters but certain clusters of ideas or disciplines had also a deep impact upon institution-building. Any empirical research into the East-West aspects of the evolution of economic sciences under post-communism reveals a complex arrangement of actors, behavioral modes, and value choices. East-West encounters in economics in the region are far from being boring two-person games: many Wests meet many Easts in one country; the Westerner can actually be a Westernized Easterner; the West can arrive from the former Eastern Bloc; the cultural practices of the subsequent generations may differ tremendously before and after 1989; the locus of encounter (whether it takes place in research or education, at home or abroad, at a conference or in the framework of a joint research program, etc) is a significant variable.

Because of a high level of self-reflection in this field, the narratives are dominated by a big dose of ambiguity that washes away the boundaries between the individual actors. The dividing lines often run within one’s own mind. The forms of cultural encounters cannot be squeezed into the simplistic dichotomy of “one-time meeting

versus prolonged cohabitation". They include a great number of intermediary types such as study trips, lecture series, library visits, project workshops, and most importantly, encounters that do not even require that the actors meet in person. It suffices to read a book to start playing the cultural game. And conversely, the meeting/reading/writing game can last for ages, and include actors at various stages of life-long learning. East-West scientific encounters represent a vast international industry with a large web of sub-encounters and a multitude of cultural scenes ranging from underground reading circles to the jury meetings of EU mega-programs.

Because post-communist transformation brought along life-and-death-type changes in higher education, research and advocacy one cannot blame the scholars for not seeing the forest for the trees, and for insisting on talking, for example, about the current stage of the "Bologna process" in their university rather than on a new idea found in a foreign journal, when asked about East-West cultural encounters. At present, the various institutional catalysts promoting scientific development in the long run are frequently more important in their eyes than pure scientific exchange day by day. Indeed, the shutdown of their old research institute, the establishment of a new branch of an American university in their city, or the participation at a PhD course in Paris may leave, in the last analysis, deeper traces in their scholarly thinking than just reading a new book by a leading economist in the West.

The narratives include standard components such as abrupt changes in the social status and the international mobility of the scholars, a dramatic shift in the ratio between research and education as well as between public and private institutions within the academia, a radical reform of the recruitment, competition and publication patterns and the systems of financing, the changing nature of political intervention in scholarly life, not to mention a radical redistribution of the research and education community in space.

The purely institutional explanations, however, did not prove extremely useful. The fact that the new, smaller, private institutions can manage to adapt to certain Western standards in science, education or advocacy, or that they are more flexible in experimenting with new ideas and organizational techniques than the old, big and public institutions is a truism that does not need a large research endeavour to support. What DIOSCURI could contribute to common knowledge in this field was precisely the behavior of the micro-institutions within the institutions (e.g. a group of scholars in a university department, or a think tank of a government).

Methodological variations

The interview sessions revolved less around the physical encounters between the foreign and indigenous actors, a typical case in entrepreneurship and governance, and more around intellectual ones mediated by writing and reading, speaking and listening. The interviews were loosely structured and followed a sequential rather than a thematic logic. The narratives emerged from the personal encounters with Western types of economic thought in general, or institutionalist thought, in particular, more exactly, from situations, in which the respondents experienced some kind of

cultural gap, conflict, shock, friction or surprise and were challenged to cope with them.

Despite the fact that in creating the sample proper random selection was replaced by informed guess on the basis of the literature and of personal contacts within the research community, the group of respondents was fairly representative in terms of age, sex, economic subdisciplines and academic status. The disproportions have partly been repaired by the literature review and the analysis of university curricula.

The research agenda was very well received and approved by the partners. The stories of encounters burst out from them as if they had been waiting for ages to be asked about their relationship with the West. The main concepts of the project (economic science as a cultural good, East-West exchange in retrospect, etc.) did not require special explanation, and detailed thematic guidance was not requested.

To be sure, with think tanks and certain institutions of higher learning, the methods of our inquiry resembled those of the first field, especially if it came to the change in professional/organizational culture in the course of East-West cultural encounters.

Avenues for interpreting cultural encounters

Let us start with the structure of encounters, that is, the configuration of the key actors, the loci of their encounters and the major cultural components exchanged in the course of encounters. The cast of the post-communist play of economic science, education and advocacy in Eastern Europe includes quite a few foreign and indigenous collective actors.

- There were radical changes, particularly in university education where mainstream neoclassical theory (i.e. the most important foreign actor) crowded out textbook-Marxism, driving their representatives out of the profession or into various subdisciplines. At the same time, the victory of the mainstream was not at all convincing in terms of its scholarly contents and quality.
- In the wake of the neoclassical breakthrough there appeared a small number of devoted new institutionalist specialists. This group has not received substantial reinforcement from the neoclassical school because it did yet not produce its dissenters. The group is surrounded, however, by a belt of sympathizers who protect but also loosen up the paradigm.
- Speculative institutionalism has remained the main genre of local production of economic knowledge although speculation became less and less tantamount to analytic imprecision, shaky realism, wishful thinking and self-censorship imprinted in reformist thought under communism.
- Currently, one does not find “big shots” and grand works among those engaged in both neoclassical and institutionalist research in the region. Major original discoveries are still lacking.

The existence of a large number of intermediary cases may suggest, however, that a “muddling-through” strategy prevails among the scholars, with incremental change, improvization and “bricolage.”

As regards the loci of encounters, the case studies offer a large variety of places/occasions in/at which Eastern European economists have been meeting “the West”. The respondents described the encounters as acts of some kind of Westernization in economic thought, with a massive inflow of scientific ideas. This was unequal exchange insofar as, on the whole, the local partner was not able to “pay” for the import commodities with a sufficient amount of domestic products of similar value/quality. However, the fact that the power relations between the exporter and the importer were clearly asymmetric (in particular, in mainstream economics) did not mobilize the conventional troops of cultural imperialism in the minds of the interviewees.

On the contrary, they remembered events that demonstrate a low grade of Westernization in their own professional career with some sense of shame. They spoke of self-Westernization rather than Westernization to emphasize the intentionality of the process. Most of them regarded self-Westernization as a mission: it is them who wanted to take over Western ideas; in other words, they invited the West instead of being occupied by it. Consequently, they regard the diffusion of economic science from the West with satisfaction instead of suffering from exclusion and depreciation. According to their narratives, the loci of encounters were primarily determined by them (under local political and/or financial constraints, of course) instead of being forced by the Western partners onto them.

The encounters were therefore not spontaneous: to exaggerate a little in the style of the older respondents, the East picked and chose from the Western menu, following its own scientific taste. It was not a “take it or leave it” situation; one could borrow the “good” West while leaving the “bad” one in the shop of foreign ideas, as one of the interviewees remarked. In that imaginary shop the commodities were often earmarked with a country or city name: German social liberalism, Austrian economics, French theory of regulation, Chicago School, etc. The respondents recalled quite a few events (study trips, conferences, guest-professorships, etc.) – all serving as an evidence for the multitude of the loci of cultural encounters.

Finally, a few words on the cultural components of the encounters. Typically, our interlocutors talked, in a self-critical fashion, about data gathering (i.e., empirical studies) and the adjustment of a small number of models borrowed from the West as the main contribution of the local research community to the development of universal economic thought at the moment. The literature review provides the same modest picture showing rather few and rather small indigenous discoveries.

Undoubtedly, learning the know-how of writing a research proposal, designing and testing a mathematical model, or structuring a scientific paper or a policy document can be rather tedious. Interestingly enough, on the whole the respondents did not have reservations about abstract-analytical models *per se*, and many of them thought to be prepared for using even the most advanced mathematical instruments in the models. Nonetheless, even quite a few members of the younger generations found

the models they borrowed still too sterile, verbally simplistic, i.e. being rather “far from the real world.”

Most of the interview partners (institutionalists and non-institutionalists alike) also complained about being squeezed into a strait-jacket both when formulating their research and advocacy programs and reporting about it. Many of them felt they would need more space to expose the research problem and explain the working hypotheses carefully; were not satisfied with the small number of variables and narrow samples; and did not think that elegance in economic sciences should be measured by the degree of concision and logical rigor rather than by the way in which the scholar/advisor situates the research/policy program in a historical/comparative/multi-disciplinary context even if that reduces the transparency of the models. Obviously, the old idea of a specific “Eastern European wisdom”, based on both the ironic complexity of the region’s history and a traditional all-social-science approach developed in the region to understand that complexity, has not vanished entirely.

The respondents also contended that an exciting research question that cannot be proved yet, may be worth more than an impeccable standard model built around a boring problem. Preciseness, even if coupled with complex mathematical procedures cannot substitute for “real” relevance. In DIOSCURI language that would mean a selective appropriation of a cultural package. The respondents (above all those belonging to the older generations) tended to assume that they can open the package and choose one or two notions from it. Moreover, in the case of the selected notions they thought they would have an opportunity to contract, expand, recombine or reinterpret them at will. According to their narrative, what they really wanted to have were a discipline’s fundamental notions such as (in the case of new institutional economics) transaction costs, principals and agents, property rights regimes, social costs, social capital, etc., that is, the basic raw materials, and were convinced that they would be able to process them, especially if it comes to research on their own economy, at least as finely as their Western colleagues do. The literature review shows a similar picture: one can hardly find one-to-one transfers in the articles, the borrowed models are frequently transformed (often simplified even dulled and, occasionally, totally distorted) while being transferred.

Comparative studies

The Consortium decided to pursue the following comparative inquiries, based on case studies made in all countries

- (1) Think tanks
- (2) Departments/schools
- (3) New institutional economics

Because of the homogeneity of the case studies in this field, all of them could be used in producing the comparative analyses. Moreover, because departments engage in advocacy, and think tanks also develop economic science, and new institutionalist ideas are being applied by think tanks and taught at universities, etc., all comparative subprojects could rely on much more than just eight case studies.

Comparative methodology

Searching for the structures, sequences and outcomes of the cultural encounters, the authors of the comparative subprojects in the third field had substantial freedom to shape their own inquiries. The largest differences occurred between the second and the third papers: the former focused on the sociological factors rather than on intellectual choices while the latter took a contrary approach. The first paper used both approaches fairly equally. While all three analyses described the structures of the encounters in great detail, there were conspicuous differences in exploring their sequences and outcomes.

List of comparative studies in field 3:

Roumen Avramov: Think tanks in the world of applied economics: a comparative view across Eastern Europe

Jacek Kochanowicz: A bumpy road to the West: Reforming economic education in Eastern Europe

Janos Matyas Kovacs: Beyond the basic instinct? On the reception of new institutional economics in Eastern Europe

Abstracts

Roumen Avramov: Think tanks in the world of applied economics: a comparative view across Eastern Europe

The study compares 11 institutions devoted to applied economic research and located across 8 countries. The impact of specific institutional and national features on the conceptual exchange in the field of applied economics between East and West is assessed. Path dependence is found to play an important role for the style, the smoothness and the efficiency of the transfer of ideas in different organizations. At the same time, a neat convergence is displayed in their messages. Mainstream stance (rooted in the neoclassical tradition; pro-market solutions) largely dominates the scene, due to common sources of funding, to a similar professional tongue and to comparable institutional models. Knowledge produced by the sample's units is characterized by theoretical parochialism, and a stress on inductive and circumstantial approaches. Eastern economists consider themselves as simple theory-takers from the West, while acquaintance with domestic peculiarities is seen as their main asset. Cultural encounters set in motion a plethora of counterparts with

their own manners, messages, tools and impact factor. With time, the room for cultural shocks in those encounters has been patently narrowing, with fewer and fewer surprises awaiting participants. The case studies reveal a great variety of interferences that influence the path of ideas across different institutional settings. A clear trend towards commercialization is also noticeable: going East, in particular, becomes an appealing strategy for many organizations that re-export Western messages and models.

The evidence gathered demonstrates that “national” historical patterns matter for the swiftness and the quality with which applied economic knowledge is transferred. Of prime importance for the process is, however, sociology of knowledge – institutional profile seems more pertinent than intellectual archeology for the understanding of the transmission mechanism. In a more practical vein, encounters materialize in a panoply of reform projects and/or in numerous applied studies. Neither of them are hybrids in the sense of crossbreeds between distant cultural milieus and intellectual traditions: they are rather eclectic mixes between competing imported conceptual models. True hybridity is produced by a different kind of forces at work. From one side are “technicalities” such as conflicting requirements by applied studies’ customers; organizational promiscuity that corrupts or distorts the messages; the semantic material lost/added in the interplay between outsiders and insiders; the compromises imposed by the handling of imperfect data sources... At a more fundamental level, hybridity is nurtured by the dichotomy of the Western economic culture itself. “Old Europe” is a profoundly hybrid cultural topos which combines, in an often traumatic way, two conflicting principles – the statist, dirigiste and interventionist philosophy (embedded in EU bureaucracy); distinctly liberal and free-market values (embedded in the single market and the Eurozone). With its double face Europe delivers ambiguous messages and is a confusing source of inspiration for Eastern mediators.

Jacek Kochanowicz: A bumpy road to the West: Reforming economic education in Eastern Europe

This report synthetizes and summarizes the findings of eight case studies of reform or creation of new departments of economics and bussiness studies in Eastern Europe after the fall of state socialism. The material comes from Bulgaria, Croatia, the Czech Republic, Hungary, Poland, and Serbia/Montenegro. The reasons to undertake reforms, which are an on-going process, were the needs to teach students knowledge and skills relevant to market economies, as well as a willingness to bridge the intellectual gap in economics and business studies between Eastern Europe and the West. In all cases under analysis, there was no ideological resistance to change, and the Western ideas (in particular, the mainstream economics) have been broadly welcomed. Comparisons of the cases suggest that the universities in the Visegrad countries are more advanced in the reform process than the relative latecomers, the schools from Southern-Eastern Europe. Also, the reforms were more successful when introduced in the newly established institutions or units than in the case of those already existing, mostly because of the resistance of the entrenched interests of the faculty. Despite the pronounced acceptance of the need for reform, in most of the cases the change seem to be relatively shallow. Everywhere there has been a far-reaching overhaul of the curricula, making them comparable to what is being

taught in the West. While the content of teaching changed, however, and methods of instruction changed to a degree as well, the way the departments operate still differs much from the best practices of the West. In particular, there is not enough stress upon (and often capabilities for) quality research and publishing. Also, in the process of faculty recruitment and promotion there is not enough stress on research record, and hiring is often done in a way that is not competitive enough. Thus, a fast importation of Western knowledge has been accompanied by the persistence of behavioral patterns specific for the region—the institutions of higher learning are less meritocratic than in the West, and more prone to clientelism and inbreeding. Reasons are economical, institutional, and cultural. Resources for research and education are inadequate. Countervailing powers against the entrenched interest of the faculty are weak. Practices of arranging things informally persist. A possible way to remedy the undesired trends is a policy of upgrading selected universities—giving them more resources, but also putting much tougher requirements as to the faculty appointment and research (publication) record.

Janos Matyas Kovacs: Beyond the basic instinct? On the reception of new institutional economics in Eastern Europe

In planning our subproject on East-West cultural encounters in economic sciences, we wanted to check what happened to the institutionalist instincts of the economists in the region in the wake of an unprecedented upsurge in global exchange of ideas after 1989. Did they remain encapsulated in a research program what was called at the time “quasi-/speculative institutionalism” or have they grown into a more sophisticated theory, among other things, by means of borrowing from the West.

We assumed to explore a large-scale venture of importation accompanied by a rivalry of two Western paradigms (ORDO liberalism and new institutional economics (NIE)) for the hearts and the minds of Eastern European economists. We were convinced that textbook Marxism would disappear while market socialism (“reform economics”) would merge with old and new institutionalist theories prevailing in the West. The communist reformers would become capitalist “transformers” who would badly need reliable (non-speculative) know-how for initiating institutional change. It seemed reasonable to assume that generational differences would matter. The younger you are, the greater your chances for receiving proper education in neoclassical economics – a sine qua non of absorbing new institutionalist ideas. And conversely, if you insist on making verbal-historical research, you will find refuge in older versions of institutional thought.

We disregarded three other options: ORDO would smoothly withdraw from the competition but NIE would not become a winner; neoclassical theory would not produce its “Eastern dissidents” for quite some time, moreover it would distance itself from NIE in certain respects; under post-communism, the economic profession would face an “anything goes” situation.

What was disregarded at the outset has proven to be the reality we had to cope with as the field work unfolded. The paper guides the reader through a chain of surprises with the help of the case studies made in the eight countries under scrutiny. We did

not discover a massive breakthrough of any kind of institutionalism; saw new institutionalism compete (not with the old one but) with the neoclassical paradigm; and were astonished to conclude that currently in Eastern European economic sciences virtually any paradigm can combine with any other. These observations were condensed in a tentative typology of hybrid cases of institutionalist thought in the region.

Conclusions

What kind(s) of cultural dynamics can one expect to unfold from the interplay of the above structures of encounters? The comparative studies demonstrate a rather uniform sequence, ironically, however, with a great variety of outcomes.

When asked about the first encounters with the West, the interviewees recall their preliminary expectations as a blend of benevolence, ignorance and fear from inferiority. The first surprises/shocks were due to one or two ingredients of that mixed attitude. The coping strategies have varied accordingly, oscillating between rather pro-active ones, which aimed at an incorporation of Western ideas, and rather passive ones in adjusting the local sociological conditions of science to Western standards. Despite conscientious learning, even the younger generations insisted on a path-dependent program of coupling their specific empirical knowledge gathered under late communism and the post-communist transformation with a general devotion to Western scholarship (essentially, to the neoclassical paradigm).

The illusion of a specific “Eastern European” ability to make scientific discoveries begins to backfire in our days when the novelty of the post-communist transformation is petering out, and the great inventions based on the “Great Transformation”, including institutionalist discoveries, are hardly to be seen. The ex-communist economies are becoming “boringly normal”, and the younger generations have to decide whether they want to adjust to the “grayness” as one of their members put it. In any event, insisting on the thesis of exoticism/exceptionalism may also be derived from the vested interests of the majority of the research community.

All in all, the strategies of coping with the unpleasant surprises seem to have led in both generational groups of economists in the region to a selective reception of Western ideas, a combination of imported knowledge with the local one, to processing and reprocessing. With learning, the intellectual surprises receded, which did not exclude greater personal culture shocks occasionally. As a rule, however, the surprises were not followed by heated and lasting conflicts between the two worlds of ideas. Instead of culture wars one sees unilateral adjustment (by the East) up to a point, in Hirschman’s terms, weak voice, strong (but limited) loyalty and rare exit. Although peace is not unconditional and eternal, utopian expectations that usually serve as sources of conflict slowly disappear, as do frustrations in their wake. Since the early 1960s, neither Eastern exceptionalism nor an uncritical emulation of the West have ever been all-exclusive options in Eastern European economic thought but the cultural compromises between them have changed considerably.

Finally, let us summarize the typical outcomes of cultural encounters with a view of understanding cultural hybrids. The three comparative studies converge in identifying a great variety of hybrid types, a continuum without strong types at the two extremes. The authors experiment with various metaphors to grasp the quickly changing real types. These types include those scholars/disciplines/institutions who/which are

- Protecting Marxism/reformism in an intransigent manner;
- Seeking refuge under the aegis of imported disciplines and use them in a diluted form as a cover discourse;
- Introducing standard neoclassical thought without making concessions even to new institutionalism;
- Representing neoclassical theory with a pragmatic attitude to other disciplines;
- Challenging economics from the perspective of other social sciences;
- Taking an eclectic/operational approach to importation;
- Trying to synthesize the above types.

The final outcomes of the encounters are only final as far as DIOSCURI is concerned. Similarly to the other two research fields, the real encounters continue to breed new types and new combinations of those types.

Media reviews

The Consortium pledged to conduct media analyses related to changes in economic culture in two specific fields: the growing presence of multinational companies and the reactions on the European accession process in the countries of the Consortium. It was decided that in congruence with the methodological spirit of the whole project, researchers will apply qualitative methods.

I. Multinational companies

Guidelines

- Selection of company

Country teams were asked to identify one company that is “important” for the country. There could be various reasons why a company is important: it is a major investor creating lots of jobs and contributing to the GDP to a large extent; it has had a lot of conflicts; it is representative of MNCs’ behavior in the country, and similar such factors. In order to avoid overburdening the teams, we decided to go for ONE company only.

- Period to be covered

The starting date was when the company first appears in the country or when it is first covered by the media. The closing date was the date of writing the review (possible

exceptions to this are, for instance, if the company had left the country prior to the completion of the review).

- Sampling

The time frame was different in each case depending on how long the company has worked in the given country. Therefore, the number of articles selected varied, but it was recommended to include at least 100 articles. The size of the articles ranged from short news to long reports.

Depending on the time frame, sampling was done in a way that not only a couple of months were covered but the whole period. The following types of newspapers/weeklies were to be chosen:

1. The biggest national daily
2. The second biggest national daily that has a different focus, style, political orientation, or other similar differentiating characteristics
3. The most important economic weekly (or magazine)

Mode of analysis

All studies applied the methodology of qualitative critical discourse analysis (CDA, Gilbert Weiss and Ruth Wodak (eds.), *Critical Discourse Analysis*, Palgrave Macmillan 2003.)

1. The analysis starts with a short *chronology* of the company including all important events related to the company's operation in the country.
2. A short *history* of the company follows.
3. Then the most important *themes* are identified with the help of the chronology and the short history as well as with the collected articles as a whole.
4. Finally, the analysis is done following a chronological order of the themes and using the discourse analysis method.

Themes are important events/topics/conflicts, etc. that concern the company's operation in the country. The media usually covers these themes. Our aim was to see how this coverage is made, what actors are presented and how they are presented, as well as to observe how the relationships between the actors are portrayed. Following the *chronological order* is important in order to discover how certain themes are taken up and then dropped by the media, and how and why new themes emerge.

II. European accession process

Guidelines

Country teams agreed:

1. To analyze the *images of EU* as they appear in the different phases of European integration and in the framework of different *themes* (see above);

2. To apply a *qualitative* method (for CDA, see above);
3. The dailies and weeklies to be selected could be the same as with the MNCs;
4. The time frame could vary:
 - Croatia, Serbia – the period before the accession negotiations start;
 - Hungary, Czech Republic, Slovenia and Poland – the period of accession negotiations and that of full membership;
 - Romania and Bulgaria – the period of accession negotiations.
5. To cover the whole period (instead of a couple of months);
6. To gather visual materials presenting the EU (without detailed analysis). In the end, the goal was to make a virtual exhibition portrayed on the project website.

Mode of analysis

The method of qualitative critical discourse analysis was strongly recommended to all teams (see above).

The following themes were asked to be investigated:

- Which institutions are posited as main actors in the accession talks on EU and national level?
- How are the relations between them understood?
- What issues are articulated as key to conflicts and adjustment in negotiation processes?
- What fears and expectations are portrayed?

Research results

The press representation of MNC-s

The objective of the comparative study of the media reviews on the MNC representations was to provide an additional aspect to and a deeper insight into the findings of the fieldwork case studies of the DIOSCURI project. With inquiries into the individual cases of press representations we aim to hypothesize about how these examples may contribute to the cultural adjustment processes and the outcomes of the actual encounters. The qualitative method of critical discourse analysis was applied in the comparative study. In the first phase of the comparative analysis the aim was to systematically describe the main features of the macro level discourses as those were reflected in the press by taking account of the control strategies of the discourse (in particular on the strategies of legitimization, labeling/ stereotyping and silencing of topics). In the second stage of the analysis a selected number of cases of actual encounters between actors (MNC-s and various local agents) were described and interpreted to reveal how strategies to bridge cultural gaps are being enacted,

what solutions and compromises in such conflicts are suggested and finally what “outcomes” of the individual cases generating “cultural hybrids” (if any) are portrayed.

The selection criteria of the MNCs targeted to include one company that was “unusually important” for the country. L.G. Philips Displays was chosen for analysis in the Czech Republic, another Philips branch in Poland, Vodafone and Suzuki in Hungary, Interbrew (beer) in Slovenia and Knjaz Miloš (mineral water) in Serbia/Montenegro. In the samples the biggest national dailies – different either in political orientation, or style (tabloid, for example) – and one or two of the most important economic weeklies (or magazines) were included. The timeframe was different in each case depending on how long the company had been in the given country. Therefore, the number of articles selected varied as well, but in all the reviews at least 100 articles were analyzed.

The prevailing ‘order of discourse’ of the Czech, Polish and Hungarian press was characterized by the dominance of a pro-MNC position. Critical voices were constantly marginalized and those with little or no power were pictured very negatively. In Slovenia, the media discursive field was very fragmented generating the “national interest” as well as other positions critical of various agents (the government, the EU and both the foreign and the domestic company). In the Serbian press a negative image of multinational companies prevailed. A significant difference in comparison to the Slovenian case was that in the Serbian media discourse the “national interest” position was remarkably stronger as well as the opposite position was more blatantly criticizing and ridiculing its discursive enemy, the “economic patriots”.

It was concluded that the press representations of the actual encounters did not contribute to the resolution of the conflicts between actors but rather accentuated them. The press enhanced the differences between actors and did not facilitate the adjustment process. No elements of the stages of the adjustment were ever represented. We could always see conflicting sides deeply divided by real or imagined differences. The second important conclusion of the study was that apparently the prevailing ‘order of discourse’ – whether it was more inclined to favor MNCs or not – did not influence the outcome of the conflicts. The portrayal of potential cultural hybrids seemed to be in immanent contradiction with the rules of press representation. The dividing line between good guys and bad guys, friends and foes prevailed without allowing nuanced pictures to be sketched.

The images of the EU in Eastern Europe during the pre-accession period

The EU image and representation in six countries (Bulgaria, Croatia, Czech Republic, Hungary, Poland, Slovenia) were analyzed by relying on the concept of “self-colonization” invented by Alexander Kiossev⁷. The concept was conceived in the framework of post-colonial theory trying to explain the similar but very different situation of the post-socialist countries from that of the old colonized countries.

⁷ Kiossev, Alexander (1999). Notes on Self-colonising Cultures. In B. Pejic, D. Elliott (ed.) Art and Culture in post Communist Europe. Stockholm: Moderna Museet. pp. 114-118.

Though often criticized for essentializing and reinforcing binary oppositions and stereotypes about the region, the term proved to be useful in revealing some aspects of the East-West relation as it was perceived and constructed during the accession process. Focusing on the attitudinal and emotional categories of the images led us to a deeper understanding of the construction of the pro-EU and the Euro-skeptic discourses as constructed in various East-West cultural encounters during the accession process.

In the initial representation in the press of all the analyzed countries, the image of the EU as the Promised Land was prevalent. The most seductive aspect of Europe for the new countries was the wealth and the prosperity that the old member states enjoyed. This strong presence of the image was interpreted by drawing attention to the fact that forty years of communism, among many other things, induced craving for consumption. Hence the adoration of consumerism and the identification of the EU with the old image of the rich “West” could be explained.

The further analysis of the images revealed that the perception of the EU changed and the successive discourses on the EU were based on a shared view that accepting the generous offer of the EU obediently could neither eliminate the concerns of not being fully appreciated nor the fear stemming from entering the unknown. Thus obedience, resentment and fear were identified as the main attitudes and emotions that underpinned the discussions on the EU and generated different types of discourses.

The first type was thus the obedience discourse. The initial self-perception of the candidate countries was that of being in a subordinated position. In all national press it was strongly stressed how the countries craved for being civilized by the EU. It was combined with a cruel self-criticism. The resentful discourse arose when realizing that the EU was not necessarily as welcoming as the candidate countries imagined. The all-positive image of the EU was deconstructed and presented as an unreliable, stingy and petty-minded entity. Once accession became a certainty, resentment was replaced by fear. The EU was depicted as an aggressive agent, a foreign oppressor, a colonizer. This type of representation was linked to the fear of losing the national identity. Yet another type of discourse was revealed: the expert one, when the EU was not discussed in relational terms but as an independent entity. These images included the ones that criticized or even ridiculed the complicated European structure and raised doubts about its efficiency.

It was concluded that the effective, influential and persuasive images were self-referential and emotive rather than objective and cognitive. The old-new cleavages between Westernizers and traditionalists were recreated and the process was very much seen as a colonization process either inflicted on the candidate countries voluntarily or imposed by an external power.

The visual representation of the EU in the press

In addition to the analyses, each country team was asked to make a collection of the visual representation of the EU in their national press. In the collections the countries included mainly caricatures and other comic representations. To a smaller extent some other aspects of the EU representation appeared, such as the typical iconography of the EU and national politicians. The most important common feature of the visual materials in all accession countries was the decontextualization of national icons and symbols to counterbalance the inferiority complex characteristic of the CEE countries with regards to the enlargement of the Union. Thus the fear of becoming second-rate citizens was sublimated through the mocking and the self-mocking representation of “them” and “us.” Various features of the European Union were picked to be laughed at, e.g. its over-complicated and bureaucratic structure, its nature of not keeping promises (putting off deadlines, for example), etc. Another significant similarity among the countries’ EU images was the deconstruction of the EU as the Promised Land, an image that was found to be of high importance in the (written and verbal) discourses on the EU. The comic representations were thus used to react to the dominance of the pro-EU discourse observed in the pre-accession press of the candidate countries and express the underlying and suppressed collective fear, hesitation and suspicion towards the enlargement.

State of the Art report (Literature review)

The authors of the country state of the art reports were asked to focus on those research programs and publications in their own countries which meet the following two requirements: a) they deal with economic cultures as defined in our project proposal, in particular, with the description of the three research fields (entrepreneurship, governance, economic knowledge); b) they represent a “good quality average” of the scientific community’s publications in the given country. The amount of the accumulated material was fascinating, and the first attempts at making meaningful local generalizations on the basis of that material was very promising.

Any state of the art report serves slightly different purposes at the beginning of the research period and at its end. Today, we are less interested in what one can learn from other research programs that are similar to ours. Following a three-year inquiry, DIOSCURI’s main question is rather what kind of new knowledge we can offer to other researchers. At the end of the research period, our interest basically concerns Eastern European economic cultures as such.

In contrast to most other research programs, we did not start off by formulating strong hypotheses about, and create essentialist typologies of those cultures. In the empirical phase of DIOSCURI, it was the respondents who were requested to come up with hypotheses and typologies while narrating their own East-West encounters. In other words, all preconceptions (positive or negative, mild or firm, etc.) concerning a given segment of economic culture and/or a given change in that segment were suppressed by the Consortium until the analytical phase of the project ended. Thus, by revising our initial state of the art report we do not mean an up-dated collection of

the relevant literature including the most recent publications by other researchers but situating our new results in the main body of that literature.

In our original report, we shared our concern with the reader that the literature under scrutiny may arouse confusion: if one wanted to learn from the national reports (i.e., from a proper selection of the literature) what are, say, the ten principal features of Eastern European economic cultures of our time, he/she would face ten ambiguities instead.

These – predominantly negative – features originate in the conventional portrayal of traditional/Eastern/communist economic cultures. They usually reflect relative judgement: they are interpreted in terms of a comparison with an ideal-typical model of Western (capitalist) economic cultures. Probably, most items on the list of Eastern European economic cultures could have been put there prior to 1989. The authors quoted by the report writers had great difficulties to harmonize this list with another set of new experiences: on the one hand, with the upswing of entrepreneurship in the region, and on the other, with changes in economic cultures in the West (the base of comparison). To put it bluntly, they had a hard time to grasp the Westernization of the East as against the Easternization of the West. If economic cultures in the West transgress the boundaries of modernity, and some of the post-modern features are similar to what we see in the post-communist East, then the pillars of conventional comparison will become less solid.

First of all, some of the allegedly essential features of Eastern economic cultures (those ranging from theft, laziness and alcoholism, through negative thinking and passivism, all the way through collectivism and egalitarianism, which had a prominent place in the classical portrayal of Soviet-type societies) were either ambiguous under real communism or lost much of their significance thereafter. At the same time, self-exploitation, forced innovation, creativity, flexibility, versatility, individualism, preference for informal/illegal relations and loose organizations/networks, etc, i.e., characteristic traits that were produced by communism by default were rapidly reinforced during the transformation, creating a kind of neo-capitalist culture in the East that reminds the observer of most recent developments in the (postmodern) West.

What do we learn from DIOSCURI, that is, from the analysis of the outcomes of the cultural encounters? How does that analysis modify common wisdom concerning economic cultures in Eastern Europe? Do ambiguities in constructing cultural types disappear or will they be replaced by new ambiguities? These questions all have relevance for the following chapter on “Policy recommendations.”

IV. Policy recommendations

Background

With no intention to promulgate any strong or exclusive concept of economic culture, the DIOSCURI project started from an understanding that the actions of those who take part, govern and think of economic transactions in countries of post-socialist transformations are inspired and challenged by knowledge, perceptions, and values beyond the authority of the legal provisions of the *acquis communautaire*. Our comparative inquiry also assumed that the European enlargement and integration mobilize cultural encounters in which foreign and local actors interact, clash over and negotiate institutions of entrepreneurship, governance, and knowledge generation by producing hybrid configurations of knowledge and norms.

Because of the scope and method of the research, it is more legitimate to draw some lessons, rather than propose specific courses of actions to those who make decisions on economic policy and regulations, craft reform agenda for public administration, and design institutional frames for research and higher education in domestic and European contexts.

General lessons

It would be tempting to understand cultural differences between the “East” and “West” in Europe in the framework of cultural imperialism. Our research suggests, however, that one could rarely meet widespread feelings of inferiority/superiority, fierce conflicts (“clashes of civilizations”) between the parties. Similarly, the outcomes of the encounters between actors in the economy, governance, and knowledge production are only rarely articulated as a major asymmetry in any direction (e.g. colonial desires by the West or stubborn resistance by the East). In most cases, a pragmatic combination and synergy of cultures emerges that we call hybridity.

Most of the sequences of cultural adjustment point to a partial convergence of economic cultures between “East” and “West”. Yet, even if one witnesses voluntary takeover rather than imposition, the adaptation processes are lengthy and messy. Cultural encounters of salience often include simultaneous activities performed by different actors, therefore, diachronic and synchronic developments may alternate, upsetting any linear sequence that would connect the initial recognition of cultural difference with a final compromise.

Entrepreneurship and knowledge generation in economics, including its applied streams, appear to react faster to cultural challenges, and with more potentials and interfaces for innovation and adaptation, than governance and public administration. The latter shows more resilience and explicit resistance, even barriers to spill-over effects, than the two other main domains of economic culture. Invisible preliminary adjustment, to which some of the countries in CEE and SEE were partially open before the changes in 1989 in the field of entrepreneurship and knowledge generation, often intervenes in tailoring the final outcome of the cultural encounters.

Although it is difficult to identify whole countries in CEE and SEE as pioneers and laggards by the DIOSCURI research method, some important types of actors and institutions that are either more or less prone to actively seek compromises could be sorted out. The complexity of the domestic (and local) contexts in which encounters are located as well as the self-understanding of the actors tend to shape the cultural compromises, rather than the actual cultural distance between actors concerned.

Several institutional stories tell about a tri-partite cultural space in which foreign actors and two main groups of local actors could be identified. Among the local actors, the first group thoroughly, the second is not or only modestly exposed to international ideas and practices. “Westernized Easterners” and the rest of “Easterners” sometimes show greater distance from each other than foreign and local actors in general. Some other cases uncover two simultaneous dynamics in the outcomes of cultural encounters: on the surface there is convergence, whereas at the bottom there is growing differentiation in terms of modeling actions according to Western or some transnational or global sets of values.

In line with authoritative readings of the Europeanization trends, our research has endorsed that the logic of appropriateness (desire for legitimacy and acknowledgement), incentives (material and non-material gains or hopes for those), and historical legacies or direct effects of institutions may stand behind following and implementing EU norms and directives. Economic integration has the political, legal and institutional machinery in the larger European project. The DIOSCURI project proposes that its spill-over effects in the sphere of governance and knowledge generation are far from being obvious or paramount. The latter fields embrace often idiosyncratic forms of legitimation, incentives, and institutional settings.

Our research has not ventured in the political economy of systemic change, yet our case studies highlight that there is no single best way to transform former state economies and to build state capacities to govern. The success of Central and Eastern Europe suggest some good sequencing of marketization and democratization. Economic cultures do not compose simple externalities to wise policy making: policy actions shape economic culture by making and avoiding certain decisions. Challenging some institutions and norms, reform measures and pioneer actions could enhance the gains or the transitory costs of economic and social transformation and the European enlargement.

Field 1: Entrepreneurship

DIOSCURI case studies endorsed the mainstream lessons of the post-socialist transition inquiries which argue that the degree to which an economic organization in CEE and SEE tends to model itself on Western institutions depends on the stage of transformation in the country, the importance of the sector, and the ownership structures. Further, organizations remodel themselves on Western organization in a specific field or sector in order to ensure survival, to gain legitimacy and efficiency. The modes of adaptation differ according to the main characteristics of the organization, in particular the ownership structure and size. In foreign-owned larger

enterprises imposition and imprinting is common, in large domestic firms acquisition, inducement, and incorporation prevail, whereas small enterprises follow imprinting, incorporations, bypassing, and acquisition of knowledge and patterns of economic behavior.

Some case studies and county reports refer to the origin or the main reference of cultural packages that arrive to CEE and SEE through investment. For example, main orientation or import from Rhenanian or Mezzogiorno capitalism, or exposure to Anglo-Saxon model, does not exclude to finally arrive at an own template which combines several elements of these models.

The DIOSCURI research revealed that foreign investments through privatization and green field development are the main sites of cultural encounters. In several countries these two main tracks run parallel: the expanding service sector motivated by market access and manufacturing sector motivated by efficiency. Labor intensive investments are still relevant in SEE, the higher-added value investments (considerations of labor quality, productivity not only labor cost) are becoming more and more prevalent in CEE. The latter model seems to offer more space for negotiating and adapting modern managerial technique and European labor standards.

New economic ventures driven by foreign capital often become sites of management experiments and laboratory for regulating labor and marketing. Similarly, the "oases of flexibility" in the "Eastern" economic spaces are seen to attract entrepreneurial innovations. At the back of the foreign investors' mind one may find direct connection between a powerless, unemployed workforce and the comparative advantage of the East towards the West starting a downward spiral in wage levels and working conditions. But the well-trained workforce, productivity and social peace are also key consideration. Local reactions to these experiments vary in their degree of reflexivity or complacency.

Market-seeking investments into retail, tourism, food, beverages and business services show particular dynamics in which local knowledge of doing business and consuming habits is a key. Despite significant local variations, these sectors provide the most visible examples of westernization by introducing new forms and ethos of services. They often turn to the most visible symbols of westernization in the economy and broader social imagination. Economic actors in these sectors strategically localize global knowledge and their overall corporate image (e.g. transnational companies), or strategically globalize local knowledge and their corporate image (e.g. local wine producers).

Transnational companies play an important role in giving face and strong symbolic power to the notion of hybridity and cultural blends. They may tend to see CEE and SEE counties as test fields but they ultimately generate interdependencies: they seem to have leverage to insert major influence on rules of entrepreneurship but they are also adjusting themselves to ever changing local configurations. They seem to be overpowered and ready to move away, by the same token, they are the ones that could not take easy advantage of local conditions due to the enhanced attention of the media. They vie for "intrapreneurship" in the company but they are occasionally

surprised by the genuine capacities of the local managers and employees partially developed and tested during socialism, and partially during hardships of post-socialist transformations.

Success of organizational change lies not only in scrupulous and systematic introduction of internationally legitimated standardization and homogenization of business practices in the enterprises. Success is also dependent on good strategies to prepare and react to the expectations and skills of local managers and employees, and accommodate to local and national legal regulations. Strategies of persuasions in external and internal communication selectively relying on the notion of “internationality” and “locality” may help multinational and domestic companies to take advantage of cultural encounters for business success.

Field 2: Governance

Prior to the EU accession process that concerned four countries of the DIOSCURI project in the recent past and two other ones during the course of the research, reform of public administration and governance was encouraged and supported by various international technical assistance agencies and larger bilateral donors. Externally developed proposals and internally conceived reform measures were inspired by the traditional Weberian approach to and novel entrepreneurial visions on public administration, often simultaneously or contradicting to each other. Professionalization and democratization of governance often appeared as competing principles and thus difficult targets for reconciliation or sequencing.

The EU accession process and its instruments have become the single most important factor to shape policy and administrative reforms in the countries concerned even if the reform of state administration does not compose part and parcel of the *acquis*. The development of capacities to transpose the *acquis* appeared to be an important incentive mechanism to foster changes in institutional culture seen as prerequisites to good governance.

DIOSCURI research revealed that the implantation of EU norms and procedures, and thus the establishment of new institutional cultures is not predetermined by the prevailing political structures and climate. Countries advancing relatively well with political reforms could perform weakly in responding to the accession requirements in certain fields whereas relatively slow countries could be diligent students.

As the Europeanization process involves many actors with different strategies, it has no easily predictable results. The new rules sometimes are eagerly accepted by those who have no choice but to become “Europeanized”. In other cases actors pretend to accept new rules but rely on and maintain an old institutional culture. Even if new rules are implemented due to soft and harder authority of the EU, sustainable institutional change often fails. Encounters between European and domestic actors often result in hidden and overt resistance to accommodate on both sides (in contrast to fields of entrepreneurship and knowledge generation). Resistance is driven by strong political convictions, institutionalized lobby positions, or simple inertia.

As a well-known symptom of foreign aid industry, chapters of the EU accession story cast light on how new institutions can be inserted as islands into frozen structures, in this case, either still fully centralized or reluctantly decentralized administrative environment saturated with corruption and political clientelism.

The pre-accession fund management was an important learning track for the new member states. Selected cases revealed that domestic learners with at least some modest preliminary exposure to Western administrative culture managed better and interiorized more from the European civil service culture than their counterparts. Senior civil servants in some countries took a pragmatic approach, learned quickly and fully adjusted to the new norms. This appears to be the situation in case of the “eminent” countries, Slovenia and the Czech Republic where the accepted norms have found adequate institutional backing. Other countries were not so successful and/or easygoing in the short run (like Hungary and Poland) but could catch up in the longer run, in the post accession phase, like Poland.

As test cases to EU related programs, technical assistance programs delivered by other international donor agencies uncover that in the course of the development projects the basic relation between local managers and experts and their western counterparts has evolved from dependency on outside expertise towards more cooperative partnership. The power relationship however frequently remained asymmetrical due to the symbolic superiority of the West.

Several subtypes of asymmetrical mode of interaction can be differentiated. In the paternalistic mode the West (represented by the respective development agency) is taking the lead and the responsibility for the initiative by imposing the rules and allocating the roles and tasks. The recipients of the aid accept this as legitimate and willingly comply with the distribution of power. In the empowerment mode the international agency assumes participatory approach to development and invites the local people to share the ownership of the project. Still the initiative and the power reside with the westerners, who have generously chosen to redistribute it. The response of the local people varies: they might grasp the opportunity, resist out of distrust or lack of experience and capacity, or simply withdraw in passive dependence. In the emancipatory mode the superiority of the West is experienced as domination and is challenged in terms of different countervailing strategies. As a result the local culture is reconstructed as equal in value if not superior to the western one.

Compared to fields 1 and 3, asymmetrical modes of cultural encounters are more prevalent in the field of governance. The power relations are not static, but evolve in the course of the cross-cultural interaction. The point of departure is the tacit assumption about the superiority of the “West”, shared by both parties. Such an assumption is embedded in the essence and design of the development projects (the more developed support the less developed). This assumption, however, is not taken for granted, but is continuously challenged by the local people vis-à-vis the contradictory evidence of the projects.

It is much more difficult to identify an “East-West” cleavage in the work of the European institutions that have become populated by Eastern actors as well since full

membership granted. For example, the European Parliament appears to be a highly heterogeneous body in which cultural encounters result in a variety of strategies and professional identities. Researchers had failed to find stable cultural cleavages in this institution before, for instance a North-South divide. DISOCURI findings show that active participation and policy making is possible for newcomers as well despite individual strategies and perceptions, diverging ideological convictions and cultural competencies due to the complexity of the institutional environment.

Field 3: Knowledge generation (in economics)

The fast importation of Western knowledge is accompanied by the persistence of behavioral patterns specific for the region. The institutions of higher learning are less meritocratic than in the West, and more prone to clientelism and informal networking of often not the most desired kind. The possible reasons are on the one hand institutional, and on the other hand cultural. Among the institutional reasons are limited countervailing powers against the entrenched interest of the faculty, for whom copying models is often the best survival strategy, as well as limited resources Eastern European societies devote to research and education. Among the cultural reasons are the practices dating from times preceding state socialism, but reinforced by its logic, of arranging things informally and of bending impersonal procedures.

While there has been some change in the content of the knowledge thought, still it looks that it has not been easy to shed certain old habits, in particular on three levels: approach to teaching, the research, and the faculty recruitment and promotion. Thus, old teaching patterns, according to which not much activity is expected from students, replicate. Even in one of the most advanced of the institutions analyzed, tend to treat the knowledge they transmit perhaps too uncritically, treating economics too much as a set of truths, too little as a method of approach.

Since the early 1960s, neither Eastern exceptionalism nor an uncritical emulation of the West have ever been all-exclusive options in Eastern European economic thought but the cultural compromises between them have changed considerably. Regarding post-1989 intellectual and institutional encounters, strategies of coping with the unpleasant surprises seem to have led in both the older and younger generational groups of economists to a selective reception of Western ideas, a combination of imported knowledge with the local one. After some initial surprises, no heated and lasting conflicts followed between the two worlds of ideas. Instead of culture wars one sees unilateral adjustment (by the East) up to a point, in Hirschman's terms, weak voice and rare exit. Although peace is not unconditional and eternal, utopian expectations that usually serve as sources of conflict slowly disappear, as do frustrations in their wake.

Knowledge generation by CEE and SEE think tanks reveals that a fundamental dichotomy prevails in Western economic culture itself. Europe combines two conflicting principles: the statist, regulationist and interventionist philosophy and distinctly liberal and free-market values. The former are entrenched in the EU bureaucracy's functions and activities. The latter are realized in the most far-reaching projects, such as the single market and the eurozone. With its double face Europe

delivers ambiguous messages and the Eastern mediators easily succumb to hybridity, if not to tasteless eclectics. Confronted with this confusing source of inspiration, they are free to make pragmatic or opportunistic choices by mixing or by opting for what is more akin to the local idiosyncrasy. Whatever their preference, they are secure to establish a mirror image of the chosen option somewhere in Europe.

Beyond DIOSCURI

It has been paramount in all fields of the DIOSCURI inquiry that one cannot speak of a “civilizational” or cultural slope between CEE and SEE. The latter region shows reactions to Western and global economic cultural import that may hark back to peculiarities of the state socialist system. For example, countries of the former Yugoslavia had had interfaces with Western capitalism and intellectual circles that the other societies of the socialist block had not. It requires more research to find out if it is the enduring effects of the past or the conscience of the peculiarities of the past that shape the reactions to transnational cultural encounters in these countries. Hardship, pride, and catch-up desires might be behind a social ethos and institutional adjustments that make Bulgaria and Romania, the newest EU members no less diligent and capable builders of late modern capitalisms than countries in the CEE.

It should also be drawn to the attention of main decision makers in the larger Europe that assets that Eastern societies produce in economic cultures rarely, if at all, are named and valued by the European political, policy, and scholarly debates. Likewise, one has to try hard to find critical appraisals in these debates of the way in which Western actors and institutions adjust “downward” to Eastern realms. It is not unknown, however, that “Easternized Westerners” take easy advantage of clientelism, corruption, and undue privileges in entrepreneurship, governance, and the academia leaving behind their Western norms and ethos. Typical paths of this sort of cultural adjustment warrant further social research.

Although the DIOSCURI research stemmed from the conviction that the “West” and the “East” are discursive constructions rather than sociological realms, the salience of the West-East cultural communication and transfers in contrast to anything else should be acknowledged. Policy makers, public intellectuals, and policy champions should contemplate on how East-East communication in economic culture could be encouraged, including management innovations, governance and higher education reforms, to the benefit of an enlarged Europe – currently overshadowed by the dominance of the West-East imagination.

ANNEX 1: DIOSCURI case studies

Field 1: Entrepreneurship

Bulgaria	Croatia	Czech Republic	Hungary
Privatized Bank <i>Tanya Chavdarova, Georgi Ganey</i>	Cultural encounters in a bank in Croatia: between global aspirations and local embeddedness (managers' view) <i>Drago Cengic</i>	A study of a Bank <i>Irena Kasparová Lenka Stepanova Marek Kaspar</i>	International Bank, Hungary – The flagship or the recalcitrant (Kurutz) <i>Violetta Zentai, Janos Matyas Kovacs</i>
Wine production between the local and the global <i>Ivaylo Ditchev</i>	Wine producers in Kutjevo – Pozega Valley – between local culture and European Market <i>Drago Cengic</i>	Czech Brewery: from Socialism to Internationalism <i>Kamil Mares</i>	A small miracle in the lack of foreign investors – the Villany wine and westernized local knowledge <i>Eva Kovacs</i>
Small milk producers' case <i>Ilija Iliev</i>	The Croatian brewing industry: case study of two breweries <i>Davor Topolcic</i>	Opening of a small firm in the East by a 'Repatriate' <i>Michaela Pysnakova</i>	Takeover by privatization in a Southern Hungarian Brewery, 1993-2006 <i>Tibor Mester</i>
Poland	Romania	Serbia / Montenegro	Slovenia
The transfer of knowledge a bank <i>Mikolaj Lewicki</i>	Western culture, Eastern culture: romance with a satiric twist – a case study of a bank <i>Liviu Chelcea, Diana Mihaloiu</i>	Cultural encounters in the banking sector: case study of a bank <i>Jelena Pesic</i>	On entrepreneurs and managers in one of the bigger Slovenian banks: domestic and foreign managers in the bank with mixed ownership <i>Mateja Rek</i>
Hybridization. Analysis of restructuring process in the Polish company taken over by a Western investor <i>Pawel Kaczmarczyk</i>	The success story of an import and export company <i>Alfred Bulai</i>	The success story of a brewery <i>Ildiko Erdei</i>	Case study on entrepreneurs and managers a French-owned car company <i>Borut Roncevic Mateja Rek</i>
Convergence – Establishing a company with Western capital in Poland <i>Slawomir Mandes</i>	Western supermarkets in Romania: shopping as entertainment <i>Liviu Chelcea, Julia Mihaloiu</i>	Repatriate entrepreneurship <i>Vesna Vucinic-Neskovic</i>	Domestic and foreign managers and professionals in a Slovenian software & consulting services firm with mixed ownership <i>Mateja Rek Jasa Jarec</i>

Field 2: Governance

Bulgaria	Croatia	Czech Republic	Hungary
The impact of SAPARD: producing hybrids or a tool for adjustment <i>Petya Kabakchieva</i> <i>Iliia Iliev</i>	Expecting SAPARD in Croatia: EU solutions versus national aspirations: forging out a growth strategy or producing a conflict? <i>Ramona Franic</i> <i>Natasa Bokan</i> <i>Ornella Kumric</i>	The SAPARD program <i>Blazena Matasova</i>	East-West cultural encounters and the SAPARD process – the Hungarian case <i>Katalin Kovacs</i>
Cultural encounters in a rural development project <i>Haralan Alexandrov</i> <i>Rafael Chichek</i>	Transfer of governance culture in Croatia: case study of institutional adaptation in the postponed accession situation <i>Sasa Poljanec-Boric</i> <i>Jadranka Svarc</i>	Czech Members of the European Parliament (MEPs) <i>Alice Navratilova</i> <i>Dusan Janak</i>	Monitoring committees and managing authorities as forums for East-West cultural encounters – the Hungarian case <i>Katalin Kovacs</i> <i>Katalin Racz</i> <i>Gyongyi Schwarcz</i>
Transfer of knowledge and governance culture: EU and the Ministry of Agriculture and Forestry <i>Daniel Smilov</i>	Case study on a partnership for sustainable rural economic revitalization in Croatia <i>Sasa Poljanec-Boric</i>	Equal Opportunity <i>Iva Baslarova</i>	Hungarian MEPs in the European Parliament <i>Tamas Dombos</i>
Poland	Romania	Serbia / Montenegro	Slovenia
Analysis of the process of developing priorities for the EU Funds for Agriculture <i>Cezary Trutkowski</i>	SAPARD a space for West-East encounter <i>Florian Nitu</i>	The two-horned dilemma of the ‘siamese solution’: a case study of the first agricultural twinning project in the Serbian Ministry of Agriculture, Forestry and Water Management <i>Slobodan Naumovic</i>	Implementation of the SAPARD program in Slovenia <i>Darka Podmenik</i>
Transfer of the governance culture <i>Slawomir Mandes</i>	Exchange program with EU-related support on public administration (through PHARE) <i>Dorina Nastase</i> <i>Veronica Junjan</i>	(Mis) Understanding each other’s priorities: Topola rural development program <i>Mladen Lazic</i>	Transfer of administrative culture <i>Matevz Tomsic</i>
Polish MPs in the European Parliament <i>Elzbieta Dydak</i>	Exchange program with the US public administration (through USAID) framework <i>Dorina Nastase</i> <i>Veronica Junjan</i>		Slovenian representatives in the European Parliament <i>Matevz Tomsic</i>

Field 3: Knowledge

Bulgaria	Croatia	Czech Republic	Hungary
A department of Economics <i>Roumen Avramov</i>	The establishment of a new/reformed university department in economics: <i>Denisa Krbec</i>	A department of Economics <i>Yasar Abu Ghosh</i>	Marx Károly learns microeconomics. A tragedy in five acts <i>Balazs Varadi</i>
Agency for Economic Analyses and Forecasts <i>Roumen Avramov</i>	Applied economics: a case study of an institute of Economics <i>Maja Vehovec</i>	Applied economics in Central Europe <i>Dino Numerato</i>	Training Centre for Bankers <i>Andor Daroczi</i>
Transfer and reception of new institutional economics <i>Roumen Avramov</i>	New institutionalism in Croatia: an essay on its reception <i>Vojmir Franicevic</i>	Economic institutionalism <i>Alice Navratilova</i>	Missing the chance? On the reception of new institutional economics in Hungary <i>Janos Matyas Kovacs</i>
Poland	Romania	Serbia / Montenegro	Slovenia
Private institution of higher learning <i>Piotr Korys</i>	The spread of Western economic ideas and local responses. <i>Vlad Topan</i> <i>Dragos Paul Aligica</i>	Transformation of a Faculty of Economics <i>Vladimir Vuletic</i>	Dispute between ‘Young’ and ‘Old’ economists <i>Frane Adam</i> <i>Jasa Jarec</i>
Is there a specific Polish applied economics? <i>Michał Brzezinski</i>	Think tanks, arenas of cultural change. Ideas on the organizational infrastructure of applied economic ideas <i>Alexandru Nazare</i> <i>Dragos Paul Aligica</i>	Multiculturalism and neo(institutionalism) <i>Aleksandra Jovanovic</i> <i>Aleksandar Stevanovic</i>	The role of (governmental) institute for macroeconomic analysis and development <i>Borut Roncevic</i> <i>Frane Adam</i>
Have the Polish economists noticed institutionalism? <i>Jacek Kochanowicz</i>	The change of economic culture and the economic institutions of capitalism: the case of the Romanian economics epistemic community <i>Horia Paul Terpe</i> <i>Dragos Paul Aligica</i>	Case study of an NGO promoting economic neoliberalism in Serbia <i>Sreten Vujovic</i>	Transfer and reception of new institutional economics <i>Tjasa Zivko</i>
		Transfer and reception of new institutional economics <i>Aleksandra Jovanovic</i> <i>Aleksandar Stevanovic</i>	

ANNEX 2: DIOSCURI comparative studies

Field 1	Field 2	Field 3
From local to international and vice versa. Comparing the five case studies of privatization in food and drink industry. <i>Ildiko Erdei</i> <i>Kamil Mares</i>	The European Parliament from a Central European perspective: MEPs narratives <i>Tamas Dombos</i> <i>Alice Navratilova</i>	Think tanks in the world of applied economics. A comparative view across Eastern Europe <i>Roumen Avramov</i>
“Lost in transformation”. Cultural encounters in multinational corporations investing in Central and Eastern Europe. <i>Mikolaj Lewicki</i> <i>Pawel Kaczmarczyk</i>	Transmitting Western norms to the East: The SAPARD program as a tool for adjustment or as a hybrid <i>Petya Kabakchieva</i> <i>Katalin Kovacs</i>	A bumpy road to the West: Reforming economic education in Eastern Europe <i>Jacek Kochanowicz</i>
Successful rural entrepreneurs in the transition to capitalism: Hungary, Croatia and Bulgaria <i>Davor Topolčić</i> <i>Iliya Iliev</i>	Rural Development Programs <i>Haralan Alexandrov</i>	Beyond the basic instinct? On the reception of new institutional economics in Eastern Europe <i>Janos Matyas Kovacs</i>
The rise of a banking empire in Central and Eastern Europe. The Raiffeisen Bank International <i>Viola Zentai</i>		
Media studies		
The Press Representation of Multinational Companies: a Comparative Study <i>Zsuzsanna Vidra</i>		
The images of the EU in Eastern Europe during the pre-accession period <i>Zsuzsanna Vidra</i>		

Annex 3: Literature and media reviews

Literature Review (State of the Art)
State of the Art Report <i>Janos Matyas Kovacs (ed)</i>

Media Reviews (Case Studies)			
Bulgaria	Croatia	Czech Republic	Hungary
The accession talks – in between ‘Brussels and us’ and ‘assumed agreements’ <i>Milla Mineva</i>	European Union and Croatia: dynamics of negotiations, their media re-construction and dominant discourses <i>Sanjin Dragojević</i> <i>Igor Kanizaj</i> <i>Ivana Zebec</i> <i>Drago Cengic</i> <i>Ivana Mijic</i>	Media image of the European Union <i>Vit Kouril</i> <i>Katerina Skarupova</i> <i>Jakub Macek</i>	The Representation of EU and EU institutions and politics <i>Zsuzsa Vidra</i> <i>Éva Kovács</i>
The image of a multinational company <i>Milla Mineva</i>	Avis and the postponement of negotiations Croatia – European Union <i>Sanjin Dragojević</i> <i>Igor Kanizaj</i> <i>Ivana Zebec</i>	Liquid Fraternity – the Czech State and LG Philips Displays <i>Vit Kouril</i> <i>Katerina Skarupova</i> <i>Jakub Macek</i>	Representation of Suzuki Hungary in the press and self-representation of the company <i>Zsuzsa Vidra</i> <i>Éva Kovács</i>
Poland	Romania	Serbia / Montenegro	Slovenia
Representation of EU integration <i>Mirosława Marody</i> <i>Marianna Zielenska</i>	The image of the EU <i>Andrei Elvadeanu</i>	The image of the EU <i>Vladimir Miokov</i>	EU accession talks in the Slovenian media <i>Matej Makarovic</i>
Representation of international corporations <i>Mirosława Marody</i> <i>Marcin Baba</i>	The image of the privatization of ‘Petrom’ national company in Romanian mass media <i>Ana Bulai</i>	The image of multinational companies in domestic media analyzed on the example of Knjaz Miloš <i>Vladimir Miokov</i>	Multi-national companies in the Slovenian media: the cases of Interbrew (InBev) and Renault-Revoz <i>Matej Makarovic</i>

Media Reviews (Comparative Studies)
The Press Representation of Multinational Companies: a Comparative Study <i>Zsuzsanna Vidra</i>
The images of the EU in Eastern Europe during the pre-accession period <i>Zsuzsanna Vidra</i>

Annex 4: Publications

Note: The Consortium carrying out the DIOSCURI research made a joint decision at its first working meeting to limit English-language publications throughout the duration of the project. Country teams were encouraged to publish in their national languages, but for English-language publications consultations had to be made with the the rest of the Consortium. The reason was to jointly coordinate the publication efforts at the end of the project.

List of publications based on DIOSCURI research

Coordinator – Central European University Budapest Foundation, Hungary

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Kovacs, Katalin, with Zs. Bihari and K. Magocs. Planning and implementing the Sapard program in Hungary. In: *SAPARD Review. Impact Analysis of Agriculture and Rural Development*. European Institute Foundation, 2005, p 109-140.

Vidra, Zsuzsa. Chapter: “Interkulturális szervezeti kommunikáció” in *Szervezeti kommunikáció*, University of Pécs, 2006.

Partner 2 – Institut für die Wissenschaften vom Menschen, Austria

Kovacs, Janos Matyas. Between Resentment and Indifference. Narratives of Solidarity in the Enlarging Union. In: Krzysztof Michalski (ed), *What Holds Europe Together?* CEU Press, Budapest 2006.

Kovacs, Janos Matyas. Which Past Matters? Culture and Economic Development in Eastern Europe after 1989. in: Lawrence E. Harrison and Peter Berger (eds), *Developing Cultures*, Routledge 2006.

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Partner 4 - Foundation Institute of Public Affairs, Poland

Kochanowicz, Jacek, Slawomir Manders and Mira Marody, “Kultura ekonomiczna Polaków w zderzeniu z Zachodem” (The Economic Culture of the Poles and the West) *Kultura i Społeczeństwo*, vol. XLIX, 2005, no 2, p. 93-113.

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Partner 5 – University of Ljubljana - Faculty of Social Sciences, Slovenia

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Partner 7 – Asociata "Centrul Pentur Politic Publice-CENPO", Romania

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Indirectly related to the project:

Čengić, D. Menadžeri i vlasnici: modernizacijski potencijal, vlasnički status i strategije rasta poduzeca (Managers and Owners: Modernization Potential, Ownership Status, and Enterprise Growth Strategies) in: *Menadžersko-poduzetnicka elita i modernizacija: razvojna ili rentijerska elita?* (Managerial - Entrepreneurial Elite: Developmental or Rent-Seeking Elite?), Čengić, D. (ed.), Zagreb : Institut društvenih znanosti Ivo Pilar, pp. 43-82. 2005.

Čengić, D. Menadžerska elita i modernizacija: neka temeljna pitanja (Managerial Elite: Some Fundamental Questions), in: *Menadžersko-poduzetnicka elita i modernizacija: razvojna ili rentijerska elita?*, (Managerial - Entrepreneurial Elite: Developmental or Rent-Seeking Elite?), Čengić, D. (ed.), Zagreb: Institut društvenih znanosti Ivo Pilar, pp. 11-43. 2005.

Franić, Ramona. *Uloga države u upravljanju rizikom u poljoprivredi. Okrugli stol "Izazovi razvoja poduzetništva u poljoprivredi: rizik, neizvjesnost i poslovno odlučivanje"* (Role of the State in Governing the Risk in Agriculture. Round Table), CEPOR – Centar za politiku razvoja malih i srednjih poduzeća i poduzetništva.

Sveučilište J.J. Strossmayera u Osijeku, Ekonomski fakultet u Osijeku, Osijek, 2. veljače. 2007.

Poljanec-Borić, S. Od paradoksalne modernizacije do samoupravne postmodernizacije. Rasprava o suvremenom razvoju hrvatskog društva (From Paradoxical Modernization to Selfmanaged Postmodernization. A Contribution to the Discussion about Contemporary Development of Croatian Society), *Društvena istraživanja/Social Research*, Vol. 16 (2007), No. 3 (89): 359-378. 2007.

Partner 9 – Centar Za Studije Globalizacije "Pro et Contra", Serbia/Montenegro

Mladen Lazic, Srbija: i na istoku i na zapadu (Serbia: both in the East and the West), in Mladen Lazic, *Promene i otpori - Srbija u transformacijskim procesima* (Changes and resistance - Serbia in the processes of transformation), Filip Visnic, Beograd, 2005.

Partner 10 - Masaryk University Brno, Czech Republic

Tomášek, Marcel. Systémové zdroje korupce v čase společenské změny v makro-sociologickém pohledu. (Systemic sources of corruption at the time of social change: macro-sociological perspective.) In *Korupce; Projevy a potírání v České republice a Evropské unii*. Brno : Mezinárodní politologický ústav, od s. 31-44, 14 s. ISBN 80-210-4062-9. 2006.

Tomášek, Marcel. *Aféry v širších souvislostech*. (Affairs in broader consequences) *Listy*, Olomouc : Burian a Tichák, s.r.o., 2006, 5, od s. 5-7, 3 s. ISSN 1210-1222. 2006.

Annex 5: Exploitation (see also academic publications in Annex 4)

Annex 5	Exploitation (see also academic publications in annex 4)
<p>Contractor name and nr / Researches and PhD students involved in the project</p>	
<p>Central European University Budapest Foundation, Hungary (Coordinator)</p> <p><i>Violetta Zentai, Andor Daroczi, Tamas Dombos, Lilla Jakobs, Janos Matyas Kovacs, Katalin Kovacs, Eva Kovacs, Andrea Krizsan, Tibor Mester, Kata Racz, Sara Svensson, Melinda Szabo, Gyöngyi Schwarcz</i></p>	<p>Conferences, seminars, and workshops</p> <ul style="list-style-type: none"> • Presentation by Zsuzsanna Vidra of the DIOSCURI research at a seminar organized by the Hungarian Association for Political Science/European Politics Division and the Hungarian Europe Association on “Europe and the Hungarian Identity”, February 26, 2007 • Presentation by Kovacs, Katalin (together with Andrew Cartwright, Endre Sik, Marton Kemeny and Johanna Giczi) on ‘Social Capital, Regional Development and Europeanization in Hungary’ at a conference on ‘Social Capital, Sustainability and Socio-economic Cohesion’, London, June 29-30, 2006. • Presentation by Kovacs, Katalin, on “SAPARD monitoring committees”, Bulgaria May 2006. • Tempus Kozalapitvany, an office established in Budapest by the Ministry of Education for coordinating research and education grant applications to the EU, commissioned an article from the CEU team for its monthly newsletter, and also show-cased the project at a 2005 Tempus Seminar about FP6 funding. <p>Education</p> <ul style="list-style-type: none"> • Violetta Zentai developed the 4-credit course “Cultures of Capitalism: Anthropological readings of post-socialist economic transformations” for the CEU Department for Sociology and Anthropology., given in the winter semester 2006/2007. Major themes and research findings from the DIOSCURI project were incorporated into the course.
<p>Institut für die Wissenschaften vom Menschen, Austria (Partner 2)</p> <p><i>Janos Matyas Kovacs, Barbara Abraham, Susanne Fröschl, David Soucek</i></p>	<p>Conferences, seminars, and workshops</p> <ul style="list-style-type: none"> • Various dissemination activities by the principal researcher, like public lectures, seminars or conferences on the topic (see Final plan for using and disseminating knowledge). • Maintaining website and project-intranet, as well as the mailinglists

	<ul style="list-style-type: none"> • International conference: Preparation and organisation of the Final Conference in Vienna, April 20-22, 2007 • Kovacs, Kovacs, Janos Matyas. Transitional economies. Seminar at the International University, Vienna, March/April 2007. • Brinkmann, Ulrich. The Paradox of Intrapreneurship. Lecture at the Institut für die Wissenschaften vom Menschen. Vienna, 05.04.2006. • Brinkmann, Ulrich. Lecture: Ökonomie und Gesellschaft im Umbruch. Bildungskoooperation Mittelfranken. Fürth, 11.-13.11.2005.
<p><i>Partner nr 3 has seceded from the project</i></p>	
<p>Foundation Institute of Public Affairs, Poland (Partner 4)</p> <p><i>Jacek Kochanowicz, Michal Brzeziński, Elzbieta Dydak, Anna Giza, Kamila Hernik, Pawel Kaczmarczyk, Piotr Koryø, Mikolaj Lewicki, Slawomir Mandes, Mira Marody, Cezary Trutkowski.</i></p>	<p>Conferences, seminars, and workshops</p> <ul style="list-style-type: none"> • National conference on “Economic Culture in Poland in the Context of Central Europe”, November 2006. The conference presented and discussed the main empirical findings on DIOSCURI. <p>Education</p> <ul style="list-style-type: none"> • Results of the DIOSCURI project are disseminated in the framework of the following courses, taught presently at the Warsaw University: Pawe³ Kaczmarczyk, International Labor Mobility, MA Program in International Economics, Department of Economics; Pawel Kaczmarczyk, Migrations and Contemporary Economic Systems, Department of Economics; Jacek Kochanowicz, Economics of Transition, MA Program in International Economics, Department of Economics; Mikolaj Lewicki and Slawomir Mandes: Economic Globalization and its Polish and International Context, Institute of Sociology.
<p>UL – University of Ljubljana - Faculty of Social Sciences, Slovenia (Partner 5)</p> <p><i>Matevz Tomsic, Frane Adam, Jasa Jarec, Darka Podmenik, Matej Makarovic, Borut Roncevic, Teja Rek, Tjasa Zivko</i></p>	<p>Education</p> <ul style="list-style-type: none"> • In the year 2006, M.A. programme <i>Intercultural Management</i> was developed at the newly established Faculty of Applied Social Studies (FASS) in Nova Gorica. The programme was constructed in close connection to the DIOSCURI project in terms its thematic focus as well as personal background of its creators. Namely, the authors of the programme (M. Tomsic, M. Makarovic and B. Roncevic) are active members of DIOSCURI's Slovenian team. The programme deals with the analysis of intercultural relations in the fields of governance, business, science, education and civil society where the special emphasis is on these relations in the light of the process of European integration. It intends to equip students with

	<p>knowledge of competencies for management of issues related with intercultural dynamics of modern societies. In October 2006, <i>Intercultural Management</i> programme received the final approval from the Slovenian Council of Higher Education and will be launched in the academic year 2007/8.</p> <ul style="list-style-type: none"> • Several undergraduate students will be given research data from DIOSCURI to work on for their BA theses. <p>Conferences, workshops, symposia</p> <ul style="list-style-type: none"> • Workshop on Cultural Relations in cooperation with the Chamber of Commerce and Industry, planned for the end of 2007. <p>Contacts with policy-makers</p> <ul style="list-style-type: none"> • Information on the results of DIOSCURI project will be sent to relevant national institutions: Ministry of Foreign Affairs, Government Office for European Affairs, Ministry for Public Administration, and Government Office for Development (till the Fall 2007) <p>Contacts with media</p> <ul style="list-style-type: none"> • Informing the central national media on the DIOSCURI project (contributions in newspapers Delo, Večer etc.) (till the Fall 2007)
<p>Centre for Advanced Study Foundation, Bulgaria (Partner 6)</p> <p><i>Petya Kabakchieva, Haralan Alexandrov, Tanya Chavdarova, Ivaylo Dichev, Georgi Ganev, Ilia Iliev, Mila Mineva, Mila Popova, Daniel Smilov</i></p>	<p>Conferences, seminars, and workshops</p> <ul style="list-style-type: none"> • Presentation by Rumen Avramov entitled New Institutionalism in Bulgaria and Eastern Europe at the Annual Conference of Bulgarian Macroeconomic Association, Sofia, March 2006 • Presentation by Dr. Petya Kabakchieva at the Congress of ISA “Domesticating the Centre: Institutional Hybrids in Post Communist Bulgaria in the Process of European Integration”. Durban, July 2006 • Presentations of the National report and projects in the three fields – papers by Dr. Petya Kabakchieva, Dr Rumen Avramov, Dr Tanya Chavdarova and Rafael Chichek in CAS-Sofia Newsletter, N 1, 2006. • Presentation of the results of “The Case with Bank X” by Dr. Tanya Chavdarova on a conference in Passau, Germany, April 12-14 2007.
<p>Asociata "Centrul Pentur Politic Publice-CENPO", Romania (Partner 7)</p> <p><i>Vintila Mihailescu, Dragos Aligica, Ana Bulai, Alfred Bulai, Liviu Chelcea,</i></p>	<p>Conferences, seminars, and workshops</p> <ul style="list-style-type: none"> • Presentation workshop held at the National School of Political Studies and Public Administration in Bucharest, March 2007 • Dedicated panel within the framework of the international conference “Globalization and Policies of Development” – Bucharest May 17-19 2007. Panel title: "Economic Culture & Encounters in Post-

<p><i>Veronica Junjan, Diana Mihaloiu, Iulia Mihaloiu, Raluca Nahorniac, Dorina Nastase, Florian Nitu, Horia Terpe, Vlad Topan</i></p>	<p>Accession Romania" Chair: Vintila Mihailescu Participants: Dragos Aligica, Alfred Bulai, Ana Bulai, Liviu Chelcea, Veronica Junjan, Florian Nitu. Guests: members of the press, members of the Romanian business community, national and EU officials.</p> <ul style="list-style-type: none"> • Paper presented by Vintila Mihailescu during Anthropologies des cultures globalisées. Colloque du 30^e anniversaire de la revue Anthropologie et Sociétés, Quebec, 8-11 November 2007 • Dedicated issue of the 'Real Society' Journal – Romanian with English abstracts • Papers included in the volume of the conference "Globalization and Policies of Development" • Articles in weekly and daily publications that target the business community in Romania e.g. "Ziarul Financiar", "Saptamana Financiara" etc. Mihailescu also comented some of the most meaningfull findings in the cultural journal Dilema, where he is a columnist • Liviu Chelcea (member of the Romanian team) has presented the main findings on the Romanian cases at his course on "economic anthropology" at the M.A. program in anthropology. He intends to do the same thing the next year.
<p>Institute of Social Sciences "IVO PILAR", Croatia (Partner 8)</p> <p><i>Drago Cengic, Natasa Bokan, Sasa Boric-Poljanec, Sanjin Dragojevic, Vojmir Franicevic, Igor Kanizaj, Vjeran Katunarić, Denisa Krbec, Ornella Kumric, Ivana Mijić, Bosiljka Milinković, Davor Topolcic, Jadranka Svarc, Ramona Franic, Maja Vehovec, Ivana Zebec</i></p>	<p>Conferences, seminars, and workshops</p> <ul style="list-style-type: none"> • Presentation at the <i>International Conference 'Croatian Sociology – Challenges of Bologna Process'</i>, organized by Croatian Sociological Association, Zagreb, February 24. By Čengić, D. (2006), Sociology and International projects: The example of DIOSCURI. • Presentation at – <i>Academy of Global Business 2005. Seventeenth International Conference. Proceedings.</i> Wyndham Miami Beach Resort, FL, November 17- 19, 2005. Presentation given by Krbec, D. ; Alon, I. (2005). The Effects of Developing Collaborative Learning Activities in International Business Education. AGB. • Presentation at the <i>JETIC International Conference, How Globalism Influences Journalism</i>, Opatija, June 2006. By Kanižaj I, Žebec I. (2006), Images of EU in Croatian dailies, • Lecture at the Conference 'Annales Pilar 2006.: Razvoj na rubu integracija /Annales Pilar 2006: Development on the Eve of Integration', Zagreb, November 23, 2006. By Čengić, D., Mijić, I. , Hrvatska i EU: kako mediji re-konstruiraju hrvatski put u Europsku Uniju? (Croatia and EU: How the Media Re-Construct Croatia's Path to the EU?). • Presentation at the National Sociological Congress 'Metodološki izazovi sociologiji: društveni problemi u Hrvatskoj', Split, March 30-31, 2007. By Čengić, D., Krbec, D. (2007), <i>Analiza slučaja kao oruđe sociološke analize. Primjer projekta DIOSCURI (Case Study As a Tool of Sociological Analysis: The Example of Project DIOSCURI)</i>,

	<ul style="list-style-type: none"> • Presentation/lecture held at the International Conference ‘Social Development and Innovation’, May 18-20, 2007, International University Center, Dubrovnik. Drago Čengić (2007), <i>Wine Producers in Golden Valley – Local Culture, European Market and Search for Innovation</i>. • Presentation by Krbec, Denisa at the conference <i>SITE 2006: Informing Science & IT Education Conference. Proceedings</i>. Manchester, England: University of Salford, June 25-26, 2006 (2006). “Evaluating ENQA's Benchmarking Practice: Possible Strategies for the New Comers “. • Presentation at the National Sociological Congress ‘Metodološki izazovi sociologiji: društveni problemi u Hrvatskoj’, Split, March 30-31, 2007. By Mijić, I. (2007.), <i>Odnos etnometodologije i sociologije (On Relationship Between Ethnometodology and Sociology)</i>, <p>In 2004/2005</p> <ul style="list-style-type: none"> • Before the National workshop in Zagreb (November 2004) Croatian team delivered basic information on project goals and basic ideas to main editors of Croatian newspapers and weeklies. • During February of 2005 the team made an initial presentation of the project DIOSCURI for selected number of officials and managers in the Ministry of Economy, Work and Entrepreneurship of the Republic of Croatia. This meeting took place in the form of a semi-focus group meeting as it was linked with some other research activities of the same ministry. c) The team also built good relations with Croatian Ministry for European integration and Foreign Policy: they helped the team find respondents for fieldwork interviews and are interested in the media review analysis. <p>In 2005/2006</p> <ul style="list-style-type: none"> • With regard to the local circumstances, in this reporting period we organized (besides the regular team meetings aimed to foster the field work and other on-going research activities) National workshop for evaluating the case-study drafts (hotel Dora, Zagreb, February 6, 2006). • When participating at the scientific conference ‘Croatian sociology – challenges of Bologna Process’ (organized by Croatian Sociological Association, Zagreb, February 24, 2006), D. Čengić has made presentation under the title ‘Sociology and international projects: the example of DIOSCURI.’ Some results of the current project work were also presented there. • The team realized a good cooperation with the Croatian Ministry for European integration and Foreign Policy: they helped us in finding respondents for field work interviews and were interested in the media review analysis we were finished. That is why we sent them, for their internal evaluation, purposes the work
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	<p>made by Dragojevic, Kanižaj, and Žebec (Case study – reporting on the European Union in Jutarnji list, Vecernji list and Vjesnik: Avis and the postponement of negotiations Croatia – European Union).</p> <p>In 2006/2007</p> <ul style="list-style-type: none"> • The paper made by Čengiđ, D., Mijić, I. (2006), Hrvatska i EU: kako mediji re-konstruiraju hrvatski put u Europsku Uniju? (Croatia and EU: How the Media Re-Construct Croatia's Path to the EU?). Lecture at the Conference 'Annales Pilar 2006.: Razvoj na rubu integracija /Annales Pilar 2006: Development on the Eve of Integration', Zagreb, November 23. - was sent also to: a) Ministry of Foreign Affairs and European Integration, and b) to weekly magazine Globus (unfortunately, we have no formal reaction with regard to it...) • The presentation made by Čengiđ, D., Krbec, D. (2007), Analiza slučaja kao oruđe sociološke analize. Primjer projekta DIOSCURI (Case Study As a Tool of Sociological Analysis: The Example of Project DIOSCURI), was exposed at the National Sociological Congress 'Metodološki izazovi sociologiji: društveni problemi u Hrvatskoj', Split, March 30-31, 2007. • The presentation made by Drago Čengiđ (2007), <i>Wine Producers in Golden Valley – Local Culture, European Market and Search for Innovation</i>, was exposed at the International Conference 'Social Development and Innovation', May 18-20, 2007, International University Center, Dubrovnik. • The presentation made by Mijić, I. (2007.), <i>Odnos etnometodologije i sociologije (On Relationship Between Ethnometodology and Sociology)</i>, was exposed at the National Sociological Congress 'Metodološki izazovi sociologiji: društveni problemi u Hrvatskoj', Split, March 30-31, 2007.
<p>Centar Za Studije Globalizacije "Pro et Contra", Serbia/Montenegro (Partner 9)</p> <p><i>Vesna Vucinic-Neskovic, Ildiko Erdei, Aleksandra Jovanovic, Jelena Pesic, Mladen Lazic, Vladimir Miokov, Slobodan Naumovic, Aleksandar Stevanovic, Sreten Vujovic, Vladimir Vuletic</i></p>	<p>Conferences, seminars, and workshops</p> <ul style="list-style-type: none"> • Slobodan Naumović presented the paper 'The Two-Horned Dilemma of the 'Siamese Solution': A case study of the first Agricultural Twinning project in the Serbian Ministry of Agriculture at the Conference of European Association of Social Anthropologists (EASA), held on 18-21. September, 2006 in Bristol, UK. The paper was presented within an invited panel entitled European Unification: Anthropological Perspectives, organized and chaired by Cris Shore (University of Auckland) and Irene Bellier (CNRS). The paper presented by Naumović examined cultural contact, cultural change, cultural hybridization and institutional conflicts related to implementation of the first twinning project in Serbia within the Ministry of Agriculture. Also discussed are transformative capacities of the instrument and outcomes of the project.

	<p>Media</p> <ul style="list-style-type: none"> • The television company B92 introduced in its TV show called “Sofa” research of the repatriate entrepreneurship (Field 1 case study researched by V. Vucinic-Neskovic), August and September 2005. • Vesna Vučinić published a text based on the Serbian Country Report in the most prestigious daily newspaper “Politika”. The text appeared in two subsequent issues entitled “Western Business Culture in the Balkans (1): Without a Cultural Shock”, <i>Politika</i>, 24. July 2006, pg. 6, and “Western Business Culture in the Balkans (1): Models of Adaptation”, <i>Politika</i>, 25. July 2006, pg. 6.
<p>Masaryk University Brno, Czech Republic (Partner 10)</p> <p><i>Irena Kasparova, Iva Baslarova, Yasar Abu Ghosh, Dusan Janak, Marek Kaspar, Vit Kouril, Jakub Macek, Kamil Mares, Blazena Matasova, Alice Navratilova, Dino Numerato, Michaela Pysnakova, Katerina Skarupova, Lenka Stepanova, Marcel Tomasek</i></p>	<p>Conferences, seminars, and workshops</p> <ul style="list-style-type: none"> • Marcel Tomášek: The Idea of a Failed State: Interdisciplinary Theories and Application, (Westfield State College, Westfield, Massachusetts, October 12-14, 2006) - presentation : A Failure of Post-Socialist Transitory States? Towards a Systemic Crisis Explanation of Failing State Reforms in Central Eastern Europe • Tomášek, Marcel – conference paper: Conference - Private Property: Postsocialist Promises and Experiences (New Europe College (Institute for Advanced Studies, Bucharest, June 15-16, 2007) – Title of the presentation: Hybrid Patterns of Property Management in CEE and Their Potential Longer-term Consequences; The Case of the Czech Republic • Irena Kašparová: Workshop o kvalitativních metodách “Učíme kvalitativní metody: odborná literatura a její využití ve výuce“ – In Depth Interviews: DIOSCURI Project (Workshop on qualitative methods “Teaching qualitative methods: scientific texts and its use in teaching“.) 13.10.2006, Faculty of Social Studies, Brno, Masaryk University ▪ All participants: National conference: East meets West: sociological sonde into economics and working culture in the Czech Republic. 6.4.2007, Faculty of Social Studies, Masaryk University Brno <p>Media</p> <ul style="list-style-type: none"> • Informing the national press agency about the upcoming DIOSCURI national conference: 1.4.2007 • Informing the national press agency about the end of the DIOSCURI project: 25th May 2007