

VARIOUS VARIETIES

On the Classification of New Capitalisms in Eastern Europe

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Is there such a thing as Polish or Romanian (Czech or Hungarian, etc) capitalism two decades after the 1989 revolutions? If there is, do these capitalisms differ essentially? If they do, how do we know that? Do they also differ significantly from other types of capitalism in the „West” and the „South”? Or should Eastern Europeans forget about country types in the age of European integration and globalization?

But how could they forget about their own types if day by day they are confronted with vigorous attempts at situating their countries in various classification schemes? One cannot open a newspaper that does not publish a ranking order made by a bank or an international agency, which tells the reader who the current winner is in contests such as „building the market”, „good governance” or „fighting corruption”. Of course, the most influential „rating agency” is the European Union that employs an accession design, based on a peculiar average of Western European capitalisms, which is used as a yardstick to measure the „maturity” of the applicants’ capitalist regimes¹. The ensuing rivalry mobilizes in Eastern Europe the spirit of incessant typology-making. Politicians, businessmen and public intellectuals come up, on a daily basis, with enthusiastic reports (or with frustrated notes) about how their own country „defeated” (or was defeated by) another in any of the competitions for hitting the regional record in capitalist development. Currently, an additional title, the „best crisis manager”, can be won to gain recognition. (As a Hungarian citizen, I am bothered by the media in my country complaining about the fact that „by now, *even* the Slovaks and Romanians are ahead of us in ’building capitalism.’”)

What do we learn from the fact that yesterday Poland, the Czech Republic and Hungary were, while today Slovenia and Slovakia are, the favourite „transforming states” or „emerging markets” in the region, in the eyes of well-informed analysts? Are the rankings comprehensive, unbiased, sophisticated and comparable enough? This is, of course, a rhetorical question. If one considers just two of the current frontrunners, he/she is perplexed by seeing Slovakia and Slovenia praised for diametrically opposing features: the former for courageous moves of liberalization while the latter for *not* making those moves. The former earns appreciation for quick economic growth, the latter for social stability. To put it bluntly, the former is portrayed as a „big Chicago” while the latter as a „small Austria”.

My presentation will follow *three objectives*:

1. Providing a very-very brief outline of the state of the art in comparative studies of capitalism in the East and the West.
2. Assessing the first attempts at borrowing Western models of comparison to comprehend neo-capitalisms in Eastern Europe.

¹ By “regimes” I mean, following Gosta Esping-Andersen, institutional arrangements in well-defined segments of the capitalist economy rather than a “system” of capitalism in a given country.

3. Suggesting an alternative approach to comparing capitalist regimes in the region, I admit, *without* possessing a “waterproof” theory of selecting the comparative fields and variables.

Comparing “Systems”

Ironically, the discipline of Comparative Economic Systems that failed to predict the collapse of one half of its own subject matter, the communist economic system is still alive and well, being taught in almost all universities of the world.² True, the textbook chapter(s) on communism got shorter but the „model countries” have remained the same: the US „free market” system versus German or Swedish-style welfare capitalisms, Japan, the Central European „reformers”, etc. Most recently, China and India were squeezed in the typology. As a rule, the individual types continue to be national types, and they are enumerated one after the other rather than incorporated in a comprehensive classification scheme.³ Comparative Economic Systems still insists on the grand schemes of systems theory and disregards the recent results of new institutional analysis in economics, sociology, law and history.⁴ The discipline did not fully abandon its Cold War-style binary attitude emphasizing the ideal types of capitalism and communism⁵.

Meanwhile, in post-communist studies the holistic concepts of Comparative Economic Systems have been translated into down-to-earth research projects but normally their authors did not bother elevating their results onto the level of constructing larger East-East typologies, not to mention the East-West ones. By now, much has been said about various types of privatization, marketization or economic stabilization in countries ranging from Poland to China whereby the authors analyzed the smallest details of bankruptcy laws, collective agreements or fiscal regimes but the new knowledge has rarely been integrated in *typical* bundles of economic organizations, policies or cultures. While with Comparative Economic Systems it is the grand schemes that do not facilitate prudent empirical research, here it is rather a sort of minutious empiricism and methodological individualism that lame scholarly imagination.

Thus, scholarly abstraction did not rise too high. Almost twenty years after the 1989 revolutions, virtually no one speaks of say, Danubian capitalism, the Baltic welfare regimes or Eastern European property rights in general, reminding the observer of the classification schemes put forward by Michel Albert, Gosta Esping-Andersen and others to comprehend Western regimes of capitalism. Similarly, there are virtually no scientific inquiries that would venture to seriously test the plausibility of postulating, for example, a *joint* Balkan-Mediterranean, German-Austro-Hungarian or Baltic-Scandinavian model of capitalism. For good or ill, these kinds of hypotheses tend to remain thought experiments suggested by cultural theorists and historians. One may say, thanks God! A healthy-minded economist does not indulge in such dubious generalizations. But how can one avoid them for good?

² For example, the latest edition of the evergreen textbook written by Paul Gregory and Robert Stuart was published in 2004. (Paul Gregory and Robert Stuart, *Comparing Economic Systems in the Twenty-first Century*, Boston 2004)

³ See, e.g., Richard Carson, *Comparative Economic Systems*, New York 1997; Stephen Gardner, *Comparative Economic Systems*, Fort Worth, 1998.

⁴ Apparently, the appearance of a new generation of comparatists, and the change in the mission of the main organ of the school, the *Journal of Comparative Economics* have not produced a methodological turn yet. Cf. Simeon Djankov, Edward Glaeser, Rafael La Porta, Florencio Lopez-de-Silanes, Andrei Shleifer, The New Comparative Economics, *Journal of Comparative Economics*, December 2003. Janos Kornai does not alleviate the case of the would-be comparatists. In an attempt to convince the public of the fact of systemic change, that is, to refute the still widespread thesis of continuity between late communism and early capitalism, he recently elaborated on what he called the “system paradigm”, a concept that is hardly interested in the fine institutional differences between the species of the new System (written with capital “S” again). (Cf. Janos Kornai, The System Paradigm. In Waltraud Schekle et al, eds, *Paradigms of Social Change*, Frankfurt, 2000.)

⁵ Thereby, an interesting attempt by comparatists of “real socialism” made back in the middle of the 1970s at trespassing the binary approach was disregarded. (See Carmelo Mesa-Lago and Carl Beck (eds), *Comparative Socialist Systems*, Pittsburgh 1975.)

In the thick of metaphors

For about a decade after 1989, the scholars could justifiably argue against quick generalizations about regime types: the post-communist transformation seemed unprecedented, much of the empirical material was lacking, and the changes were hectic and frequently contradictory. In an attempt to get a handle on the turbulent changes, a number of researchers reached back for all kinds of metaphors, historical analogies and myths. As a consequence, the adjectives expressing the peculiarity of new capitalism in Eastern Europe started mushrooming in the 1990s to an extent that almost discredited the „we are different” message. Ironically, the term of „market economy without adjectives” that was coined by Václav Klaus more than a decade ago is just one among the metaphors below:

Capitalism with adjectives (that refer to the)

- *Power of communist legacy*: nomenklatura capitalism, political capitalism, simulated capitalism, capitalism without capitalists, patrimonial capitalism, etc;
- *Strong pre-communist roots*: oligarchic capitalism, feudal capitalism, communal capitalism, ethnic capitalism, uncivil capitalism, etc;
- *Criminal nature of new capitalism*: crony capitalism, clan capitalism, mafia capitalism, gangster capitalism, parasite capitalism, predatory capitalism, Balkan capitalism, etc;
- *Foreign domination*: post-colonial capitalism, dependent capitalism, *comprador* capitalism, servant capitalism, waiter capitalism, capitalism from without, etc;
- *Free-market orientation of the new regimes*: Wild-East capitalism, cowboy capitalism, frontier capitalism, trickster capitalism, casino capitalism, auctioneer capitalism, Chicago Boys capitalism, capitalism without compromise, etc;
- *Social engineering*: designer capitalism, capitalism by decree, shock capitalism, capitalism from above, etc;
- *Symbolic geography*: Central European versus South-East European and Eastern European capitalism (supported by an emphasis laid on the divide between Western and Eastern Christianity);
- *State-market relationships*: (developmental) state capitalism, free market versus social-market capitalism, liberal versus coordinated capitalism, etc;
- *Liberalism and democracy*: Liberal-democratic versus illiberal-democratic (*democradura* or populist) capitalism, etc;
- *Unfinished transformation*: nascent/emerging/transitory/immature capitalism, half-capitalism, etc;
- *Hybridity*: dual, mixed, middle-of-the-road, third-way, cocktail capitalism, etc;
- *New property rights, hierarchies, capital-labor relationships*: managerial capitalism, recombinant capitalism, network capitalism, (neo)corporatist capitalism, commercial capitalism, financial capitalism, etc.

It would be unfair to challenge these – often overlapping -- terms with the wisdom of hindsight. Undoubtedly, many of them are heavily biased and high-sounding to criticize certain horror scenarios of the transformation. The above

list includes quite a few concepts that rest on simple dichotomies, use notions that have been taken over from Western/Southern-based classification schemes uncritically, or merely refer to the provisional character of the new capitalist regimes. Moreover, the suggested types are normally rooted in the *current history* of only a *few countries*, more exactly, in snapshots of *one or two fields/processes* of the post-communist transformation (ownership, new elites, corporate governance, welfare regimes, etc.). Nonetheless, they reflect the beginnings of a paradigm shift from systems theory to (historical) institutionalism and new political economy, from ideal to real types, and from deductive to inductive analysis. Ignoring the excessively ideological attempts at unveiling communist/nationalist/neoliberal/neo-colonial, etc. conspiracies, one could build on the historical/cultural thrust of these typologies, not to mention the „local knowledge“ of their authors.⁶

Varieties of Capitalism

One crucial step would be missing though: the fields and variables of comparison ought to be arranged in an elegant but parsimonious and operational scientific framework. Fortunately, a large part of this framework does not have to be reinvented, even if it needs considerable adjustment. One may jump on the bandwagon of the ongoing methodological controversy on what is called the „Varieties of Capitalism“ (VoC).⁷

While Comparative Economic Systems is still thriving, VoC has begun its fight for succession. Institutional experts of various disciplines join forces to explain even small dis/similarities between the capitalist arrangements at local, sectoral, national and regional levels. What is considered a *quantité négligeable* in the shadow of the Big Systems, may prove to be of vital importance in understanding the comparative performance of capitalist regimes. In the initial version of the „Varieties of Capitalism“ framework, firm structures, industrial relations, finances, education, etc., and their institutional complementarities were examined in great detail. The analytical precision notwithstanding, the countries were put in only two pigeon holes (liberal vs coordinated market economies) in the end. Also, VoC studies are criticized for the static and “impersonal”/“lifeless” nature of the paradigm. Institutional change remains largely unexplained, and its actors are overshadowed by the institutions’ complexities.

By now, however, VoC scholars began to experiment with third types, too (mixed, mid-spectrum, managed, state-influenced, etc. market economies) to accommodate Southern Europe, Latin America and other „in-betweens“. Moreover, they are interested in the intricacies of state regulation as well as in the microfoundations of institutional change and its discursive environment. Thus, in principle, the experts of Eastern Europe received an open invitation to help enlarge the group of “third-type” countries in the theory. However, despite the efforts made by pioneering researchers in Comparative Capitalisms (incidentally, they are the ones who experiment with the most reliable adjectives quoted above), VoC still uses the example of new capitalisms in Eastern Europe as a passing reference to „hybrid“ cases rather than considering the region as a fertile soil for producing new comparative models.⁸

⁶ József Böröcz, László Bruszt, Béla Greskovits, David Stark, Ákos Róna-Tas and Iván Szelenyi, to mention a few authors, have made large steps in this direction. Cf. Note 9 as well.

⁷ See, e.g., Bruno Amable, *The Diversity of Modern Capitalism*, Oxford 2003; Peter Hall and David Soskice (eds), *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*, Oxford 2001; Bob Hancké, Martin Rhodes and Mark Thatcher (eds), *Beyond Varieties of Capitalism. Conflict, Contradictions, and Complementarities in the European Economy*, Oxford 2007; Vivien Schmidt, *The Futures of European Capitalism*, New York 2002; Wolfgang Streeck and Kathleen Thelen, eds. *Beyond Continuity: Institutional Change in Advanced Political Economies*, Oxford 2005.

⁸ While the Hall-Soskice volume had disregarded Eastern Europe completely, six years later the Hancke et al collection included three chapters focusing on countries in the region.

VoC goes East

What can we learn from the “early birds” of Eastern European VoC studies?⁹ How delightful are their new songs? Does the Latin truism “*varietas delecta*” apply to them?

The authors agree that the region’s economies cannot be adequately grasped by the standard VoC terminology. In Eastern Europe the institutional configurations are still fluid, the new capitalist regimes are highly exposed to the world market, and the transformative capacity and ideology of the state cannot be ignored. Thus, comparison must lay an emphasis on external dependence and agency, and take into account a few additional variables such as industrial policy, social inclusion, identity politics, etc. As a consequence, the dual scheme applied by the VoC theory has to be extended including, to quote an influential pair of authors, also the types of “state-crafted”, “world-market driven” and “embedded neoliberalism” (Visegrad) as well as of “neocorporatism”. Others focus on the emergence of capitalism and talk about a different triad: “capitalism from below, above and without”, distinguishing hybrid, patrimonial and liberal types.

Many of the Eastern European comparatists treat the selection of their own comparative variables as almost-axiomatic. Despite the claim of realism and accuracy, the specter of neoliberalism haunts their research programs.¹⁰ For them, neoliberalism seems to be an umbrella concept that embraces a peculiar blend of features ranging from fast privatization, through the power of TNCs and the Washington Consensus, to social polarization. They identify adverse (and frequently only the adverse) effects of neoliberalism in the behavior of the transnational companies and international organizations, and regard them as sources of new authoritarianism, nationalism, populism in the region. This proposition (characteristic of dependency theories) is becoming increasingly popular, especially with the deepening of the current recession. Behind the growing number of types one still sees the standard VoC dichotomy of liberalism versus coordination, and most of the authors cannot get rid of the old symbolic partition of Eastern Europe: Central Europe versus the rest of the region.

Insecure steps (toward more realistic comparative schemes)

In this last section of my presentation, modesty is highly desirable, especially if one, like me, is trained in comparing economic ideas and cultures rather than regimes. Fortunately, this paper could not have been written if I had not had the chance to work together with a multi-disciplinary team of researchers on a research project examining comparative economic cultures in Eastern Europe, which covered eight countries and three research fields: entrepreneurship, governance and economic knowledge.¹¹ Part of the researchers (Dragos Aligica, Roumen

⁹ See, e.g., Clemens Buchen, What kind of capitalism is emerging in Eastern Europe? Varieties of Capitalism in Estonia and Slovenia, Cambridge 2004 (manuscript); Lucian Cernat, Europeanization, Varieties of Capitalism and Economic Performance in Central and Eastern Europe, New York 2006; Bernard Chavance and Eric Magnin, National Trajectories of Post-Socialist Transformation: Is There a Convergence Towards Western Capitalism?, Dordrecht 2000; Dorothee Bohle and Bela Greskovits, Neoliberalism, embedded neoliberalism and neocorporatism. Towards transnational capitalism in Central-Eastern Europe, *West European Politics* 2007/3; The State, Internalization and Capitalist Diversity in Eastern Europe, *Competition and Change* 2007/2; Lawrence King, Central European Capitalism in Comparative Perspective, in: Bob Hancké et al (eds) Beyond Varieties ..., 2007; The Basic Features of Post-Communist Capitalism: Firms in Hungary, the Czech Republic, and Slovakia, Westport 2001; David Lane et al (eds), Varieties of Capitalism in Post-Communist Countries, New York 2007; Vlad Mykhnenko, Strengths and Weaknesses of ‘Weak Co-ordination’: Economic Institutions, Revealed Comparative Advantages, and Socio-Economic Performance of Mixed Market Economies in Poland and Ukraine, in: Bob Hancké et al (eds), Beyond Varieties ...; Ivan Szelenyi and Lawrence King, Post-Communist Economic Systems, in: Neil Smelser and Richard Swedberg, Handbook of Economic Sociology, Princeton 2005.

¹⁰ A source frequently cited by them is J. Bockman, G. Eyal, Eastern Europe as a laboratory for economic knowledge: The transnational roots of neoliberalism”, *American Journal of Sociology*, 2002, Vol. 108.

¹¹ See www.dioscuriproject.net. Cf. Janos Matyas Kovacs and Viola Zentai (eds), *Capitalism from Outside? Economic Cultures in Eastern Europe after 1989*, CEU Press, 2009, forthcoming; Petya Kabakchieva and Alexander Kiossev (eds), Institutional Change and Social Transformations, Sotsiologicheski Problemi Vol. 3-4, Sofia 2007; Jacek Kochanowicz, Mira Marody and Slawomir Mandes (eds), [Kulturowe aspekty transformacji](http://www.kulturoweaspektytransformacji.pl)

Avramov, Jacek Kochanowicz, Mladen Lazic, Violetta Zentai and myself) continued thinking of the nascent capitalist regimes in the light of the results of the economic cultures project, and stumbled into the VoC paradigm.

In constructing a new typology, both the comparative research fields and variables require preselection that often reflects strong hypotheses concerning the „otherness“ and the „essence“ of new capitalisms in Eastern Europe. In fact, most of the classification schemes mentioned above originate – directly or indirectly – in certain ideal types of capitalism. Yet, it remains debatable whether one should use, for instance, a Marxian, a Weberian, a Schumpeterian, or, for that matter, a Giddensian or a Sennettian ideal type for supporting a comparative scheme, and attribute more significance to variables such as class struggle, capitalist spirit, creative destruction, reflexive modernization or the corrosion of character respectively.

But why start comparison with loudly-proclaimed and metaphor-based hypotheses concerning the “quintessence” of new capitalisms in Eastern Europe. Why not simply claim that the new capitalist regimes are likely to differ from the established ones at least in three important respects:

- This is not the first time that capitalism emerges in these countries, and at this occasion capitalism was preceded by communism;
- Capitalism strikes roots under the heavy influence of two rivalling capitalist models, to put it simply, America and Europe, not to speak of their sub-models;
- The new capitalist regimes have not reached their “steady state” yet. They are being engineered from above by the elites with all their political organizations, dominant discourses, etc. At the same time, they are also being crafted from below (very actively but often invisibly) by the societies at large.¹²

This common-sensical reasoning brings me to the actor (culture)-oriented world of new institutionalism, more exactly, to a rather simple scheme of “*tradition, emulation and invention*”¹³ without forcing a first-best theory of capitalism upon the Eastern European reality. Of course, deciding not to wait for a Grand Theory will not spare us the difficult task of selecting the main comparative fields and variables. Nevertheless, these would not arise from a closed body of a given theory but from an open-ended analysis of three kinds of institutional (and cultural) supply: (a) past versions of capitalism in the region (including proto-capitalism under late communism), (b) current versions of capitalism in the West (and the South), (c) “work-in-progress” versions of capitalism emerging from the interplay of from-above and from-below effects in the course of the post-communist transformation. The first informs the analyst about the roots of a given capitalist regime in the local tradition; the second about the ways of emulating

[ekonomiczne](#) (Cultural aspects of the economic transformation), Warsaw: Institute of Public Affairs, 2007. See also, J.M. Kovacs, Approaching the EU and Reaching the US? Transforming Welfare Regimes in East-Central Europe: Rival Narratives, *West European Politics* April 2002; Which Past Matters? Culture and Economic Development in Eastern Europe after 1989, in: Lawrence Harrison and Peter Berger (eds), *Developing Cultures*, London 2006; Little America. Eastern European Economic Cultures in the EU, in: Ivan Krastev and Alan McPherson (eds), *The Anti-American Century*, Budapest 2007.

¹² Eastern Europe shares with the South a great many characteristics rooted in similarities between their prehistories (backwardness, authoritarian rule, colonial status, etc.), or in the largely non-spontaneous origins of capitalism in these regions. Following 1989, many core institutions of capitalism were introduced in Eastern Europe from above, their consolidation was engineered throughout the post-communist transformation, and the choice of these institutions was heavily influenced by preexistent models of capitalism in other corners of the world. Nevertheless, Southern capitalisms did not start off from communism, what is more, simultaneously and with an extremely fast tempo, and while also exposed to strong global impacts, were not co-opted by a powerful integration such as the European Union.

¹³ By “new institutionalism” we mean first of all “new institutional economics” embracing a large variety of disciplines ranging from “property rights theory” through “public choice” to “law and economics”. In our case, it is perhaps the recent results in “new economic history” and “new political economy” (Daron Acemoglu, Edward Glaeser, Avner Greif, James Robinson, Andrei Schleifer, Barry Weingast, etc.) that may be the most helpful.

certain models of the current capitalist environment (while rejecting others); and the third about the local inventions in crafting new capitalist regimes.

Let me suggest short examples for each:

(a) *As regards, history*, the *principal research question* will be the following: to what extent (if at all) does the „first push“ of capitalist development in the region affect the development paths of the capitalist regimes during the „second push“ today? In other words, how did the rise and fall of communism modify the original (pre-war) typology of capitalism in the region? Accordingly, the research fields range from regional specifics and the configuration of the nation state, through modernization strategies and the related normative cleavages within the ruling elites, to religion. The latter can be examined with a special interest in the local “spirit of capitalism”.

(b) *As regards the impact of the current capitalist environment*, that is, emulation (copying, imitation, hybridization, or just mere simulation), we will initiate research on a peculiar situation, in which two kinds of powerful influence, exerted by two centers of the world economy, in shorthand, the EU and the US, compete (and cooperate) with each other for the minds and hearts of the Eastern Europeans.¹⁴ This is much more than a choice, suggested by VoC, between liberal and coordinated versions of capitalism. In witnessing the diffusion, by means of the *acquis*, of a „West-European average“ of capitalism to the East (ranging from monetary policies, through equal opportunity laws to the standardization of the health conditions of chicken farms), one can't help recognizing a sort of „Little America“, too, that had started emerging in Eastern Europe even before the EU accession gained momentum. A low share of public ownership in industry, banking, housing, etc., emerging forms of “managerial capitalism”, privatized pension schemes and health-care regimes, non-progressive tax systems and decreasing tax burdens, a low rate of unionization (and corporatist self-organization in general), permissive hire and fire regulations, a high degree of social polarization, lax rules of environmental protection, etc. – can one easily disregard these features of new Eastern European capitalism? Or, to leave institutions and policies for economic cultures, is it possible *not* to realize the similarities in terms of the style of entrepreneurship (reckless rivalry, informal business-making, underregulation, etc.), propensity for self-exploitation, individualism and self-reliance, suspicion toward the state, etc., in large groups of society?

The European Union does not have unlimited opportunities to influence the economic institutions and behavior of the citizens of “Little America”. It cannot force them to organize trade unions or not to privatize their health-care systems. Convergence in institutional terms has serious constraints. The EU demands economic stability from the new member states, and, at the same time, blames them for social or tax dumping, i.e., for taking reasonable measures to balance their budgets and accelerate economic growth. The game is not over, the triangle of Eastern Europe, Europe and America promises a series of authentic combinations in the local choice of capitalist regimes in the future. The basic constituents of many of these combinations are adequately defined by the VoC paradigm (corporate governance, industrial relations, etc) in their pure forms. Our task would be to identify the not so pure (even “dirty”) ones. This task is becoming increasingly difficult in the current crisis that brings forth seemingly similar (interventionist) policies which may camouflage deep institutional differences between the existing capitalist regimes.

¹⁴ For brevity, we disregard here the “Southern” effects as well as the problem of distinguishing the American and the British types of “Anglo-Saxon” capitalism

(c) *Finally, as regards the progress of the post-communist transformation*, one may forget both about history and the current external effects for a moment, stop talking about “eternal curses” such as backwardness, the Leviathan state or colonization (old and new), and emphasize the importance of endogeneous choice (however limited it may often be) made by the “builders of capitalism” in Eastern Europe. Here we are persuaded by our *Dioscuri* project that demonstrated the relative strength and innovative abilities of “weak cultures”.

Focusing on the transformation will highlight, besides the standard institutional factors applied by VoC, a large number of variables originating in the fact that these factors are still *in statu nascendi*. They range from the ruling elite’s vision of capitalism, through the voting behavior of the people, all the way down to their consumption habits or attitudes to informality. They all reflect that capitalism is being newly constructed by flesh-and-blood people rather than routinely operated by faceless institutions. Thus, we arrive at the border of economic anthropology. For instance, in comparing the capital markets we may be interested, besides the usual variables such as banking or foreign direct investment, also in the spending and savings practices of the population, including among others the propensity to take part in Ponzi games. Or to take the example of the labor market, we may look, besides vocational training and industrial relations, into the social status of the unemployed or the pensioners. In other words, we could choose variables that for the outside observer often seem insignificant but for us, insiders are more than telling.

The anthropological approach does not necessarily mean indulging in the discovery of the cultural micro-spheres and drawing conclusions in a bottom-up sequence. True, seeing so many high-sounding but unproductive macro-concepts, one is tempted to study how markets, property rights, power structures organize themselves “on the spot”. It may well be that quasi-formal local market networks embedded in the remnants of the communist informal economy and reinforced by old-new political, ethnic, religious, etc. principles of organization can explain the daily functioning of the emerging capitalist regimes at least as well as say, the massive inflow of foreign capital in the region or the preference of part of the ruling elite for a given pattern of privatization.

In a presentation like this, there is no room for discussing the research fields and comparative variables of our planned project in detail. They will include property rights and privatization regimes, institutions of market regulation, welfare regimes, and the political economy of new capitalism in six countries of the region (Bulgaria, Hungary, Poland, Romania, Russia and Serbia). Each research field will be explored with the help of a series of comparative variables (among them, a few unorthodox ones). For instance, ownership will be studied by means of variables such as these: ratio of public/private property, share of foreign owners, employee ownership (manager-owners), the legal context of privatization (restitution of land), liberal/conservative/socialist approaches to privatization (the idea of mass privatization), popular attitudes to private ownership (failed privatization deals). The topics in parentheses represent unorthodox variables that will be covered by comparable case studies in each country.

In each field special attention will be paid to historical parallels (or the lack of them) as well as to cultural factors reflected primarily in scholarly debates and popular attitudes. In accordance with the basic methodological principle of our planned project, the typology will be based on the tradition-emulation-invention scheme. The emerging capitalist regimes will be classified along the lines of this triad. First, the more and less tradition-prone regimes will be distinguished, and/or the main elements of the alternative traditions identified. Then both of them will be examined, asking whether they tend to combine local/national legacies with borrowing certain regimes or rather creating new ones. In the case of borrowing, we will ask if emulation is based on American or rather European models. Of course,

we will also be interested in those combinations, in which one or two elements of the triad are missing or weak: e.g., tradition-based invention, or emulation that largely ignores both tradition and invention.

In all comparative dimensions we will ask about the quality of institutional/cultural change, making distinction between formal and informal, real and simulated, etc. processes with lasting or temporary results. If the typology allows, finer differences will be explored as well: e.g., we will disentangle the “European model” to see to what extent the individual real types of Eastern European capitalism have been affected by the various European submodels. Meanwhile, the East-East influences will not be ignored either.

All things considered, our project promises quite a bit of surprise. Maybe, new capitalism will prove, in many respects, less traditional and more “American” in Russia than say, in Hungary, while Romanian capitalism more “European” than the Polish one. Similarly, Serbia may take pride in inventing new types of capitalist regimes, while Bulgaria is still preoccupied with emulation. Or vice versa ... Or the whole region drifts “down” (“up”?) to Italy and Greece.

It would be foolish to conceal that – like VoC -- Varieties Plus also depends on a great many assumptions; assumptions that I have so far treated as self-evident and impudently smuggled in my argumentation.

Research hypotheses

1. 1989 was more than a *nachholende Revolution* (Habermas). It went beyond emulation targeting *the West*, actually it targeted many Wests, and resulted in quite original versions of emerging capitalism. These versions cannot be identified with any real types of European, American, etc. capitalisms. The twenty years elapsing since 1989 have witnessed an extremely rapid and rather chaotic process of capitalism-making.
2. The capitalist regimes of the region are not only following certain traditions and copying Western/Southern models but are bound to come up with authentic solutions that can, in turn, enlarge the institutional toolbox of established types of capitalism all over the world.
3. The new versions of capitalism have rather long life-cycles. They do not simply represent transitory stages on their way to a model of „full capitalism”, and will not be washed away soon by the flood of European integration and/or globalization.
4. The new capitalist regimes of Eastern Europe have not reached yet such a degree of crystallization as their Western (or even Southern) counterparts. Yet, capitalism in Eastern Europe did not start developing in 1989: its roots run back to the period before 1945 (1917). Communism did not eradicate capitalism fully, just on the contrary, it showed proto-capitalist features, too. Nevertheless, the new capitalist regimes of Eastern Europe are not mere replicas of the pre-communist ones; communism (and the way of leaving it behind) did matter in shaping today’s capitalisms in the region.
5. The tentative typology of nascent capitalisms in Eastern Europe will be so complex that it will be difficult to locate the national types on any (descriptive or normative) scale. Due to a low level of crystallization of the new capitalist regimes, there will always be important segments of capitalism in a given country, which will not fit in well with a certain type. Furthermore, owing to the rival normative preferences, there will be no scale whatsoever, which could arrange the nascent regimes along a line leading from the “worst” to the “best” (the

weakest to the strongest, the least to the most advanced, etc.) in terms of capitalist development. There will be no unambiguous “losers” and “winners” in that imaginary race.

Those who do not share most of these assumptions, and think that Eastern European capitalism does not exist, or it does but exhibits no real diversity, is not genuine, or will disappear soon, have probably found this half an hour a considerable waste of time. The only consolation I can offer is that I saved them from a body of literature they have never wanted to read anyway. To those who, on the contrary, have become tempted by the possibility of constructing sophisticated typologies of new capitalism, let me turn with a polite warning: check your adjectives! I mean, before *they* check your thinking, and variety ceases to be delightful.