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Transnational Philanthropy and Nationalism: The Early Years of Central European University

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Résumé

Philanthropie transnationale et nationalisme. Les premières années de la Central European University

Cet article est principalement consacré à la Central European University en tant qu'institution transnationale qui comptait des branches à Prague et à Budapest. Elle était l'institutionnalisation la plus visible des réseaux philanthropiques de George Soros en Europe centrale et de l'Est. L'échec de la Central European University à Prague (1991-1995) est perçu comme le résultat d'une constellation particulière de politiques locales, mettant en jeu des stratégies nationalistes afin de définir et de légitimer la politique intérieure et extérieure tchèque de l'époque.

Mots-clés : Transnationalisme – Fondations philanthropiques – Europe centrale et orientale – Transformation post-communiste – Nationalisme.

Abstract

This article focuses on the early Central European University as a transnational institution with branches in Prague and Budapest. The CEU was the most visible institutionalization of the philanthropic networks of George Soros in Central and Eastern Europe. The failure of the Prague CEU (1991 – 1995) is interpreted as the result of the specific constellation of local politics, which used nationalist strategies to define and legitimize Czech domestic and foreign policy at that time.

Keywords: Transnationalism – Philanthropic Foundations – Central and Eastern Europe – Post-Communist Transformation – Nationalism.

exploited by scholars.⁷ In the present article I focus on the Central European University (CEU), which was established in 1991 by George Soros, an American philanthropist of a Hungarian origin, in the context of his other philanthropic activities in the region. Its history exemplifies the tension between transnationalism as a way to integrate Central European countries into Europe after 1989 on the one hand, and the resurgence of nationalism within former communist countries on the other hand.

In the first part of the article I describe the transnational networks of George Soros in Central and Eastern Europe, which he developed in the 1980s in often informal ways or by stepping in as a benefactor into established networks, intensifying in the process their scale and scope of activities. I argue that the collapse of communism in 1989 was not a new start for Soros' philanthropy but rather the "next step" of institutionalizing and extending it; key people and key topics remained the same. In the second part of the article I therefore focus on the CEU as one of the most visible institutionalizations of Soros transnational networks and themes. The CEU was a contested project in the 1990s both in Hungary and Czechoslovakia (Czech Republic), but while it survived in Budapest, it failed in Prague. I link the Prague failure to the specific constellation of local politics, which used nationalist strategies to define and legitimize

Czech domestic and foreign policy at that time (1992-1997).

Transnational philanthropic networks of George Soros in Central Europe

The philanthropic network of Soros comprises at present the Open Society Institutes in New York and Budapest and the CEU in Budapest as its nodal points and 29 country foundations across the world, 3 regional foundations in Africa and a number of other specific regional and thematic programs and grants, with yearly expenditures over 900 million USD.⁸ This philanthropic network started at the end of the Cold War era when George Soros began to develop contacts with individuals and network organizations which fought communism or helped individuals oppressed in the communist countries, both in the West and in the region itself.

Support of dissidents, culture and scholars prior to 1989

Networks. Soros' networks developed on individual, not organizational basis. Even when he supported existing organizations, he linked with them through personal ties and friendships (in Hungary also building on several of his childhood friends). It was perhaps the only way because these organizations were rather infor-

7 Katherine Verdery, "Transnationalism, Nationalism, Citizenship, and Property: Eastern Europe since 1989", *American Ethnologist*, vol. 25 (1998/2), p. 291.

8 *Open Society Foundations 2012 Expenditures*, (Accessed February 08, 2014) <http://www.opensocietyfoundations.org/sites/default/files/2012ExpendituresTotalFoundationsPrograms-20140113.pdf>.

mal, with small or no offices at the beginning, network-like and based on the work of a few individuals. This stemmed on the one hand from a shortage of finances and on the other hand from the informal character of their activities in the communist states (to avoid police control and not to threaten the individuals they helped). Even Soros' own philanthropic organization, the Open Society Fund (OSF), established in 1979 in New York, was informal during the first ten years of its existence, run for most of the time from his home by his wife Susan, without any full-time employees and Soros as its only leader.⁹

Perhaps the most important was Soros' cooperation with the European Foundation for Intellectual Cooperation (Fondation pour une entraide intellectuelle européenne, FEIE) with a seat in Paris, directed since 1974 by Annette Laborey, who came to Paris from Munich. It was created in 1966 to help intellectuals in the European communist countries. Financed originally by the Ford Foundation, from 1981 onwards it was increasingly funded by Soros who provided more than 75% of its funding in 1988 and saved it on the verge of bankruptcy.¹⁰ Another example was the Charter 77 Foundation established in 1979 in

Sweden by the Czech emigré František Janouch to help Czech dissidents. From 1981 Soros financed more than a third of its humanitarian aid to Czechoslovakia; his funds enabled the foundation to rent a one-room office and hire a part-time secretary and extend their activities.¹¹

Soros also helped the group of Jan Hus foundations, which started informally in 1979 at Oxford. William Newton-Smith, a Canadian philosopher who studied and worked at Oxford Balliol College, was instrumental in setting up the foundation as a response to a request for help from Czech dissidents/philosophers. It was officially established in 1981 in Britain, France and the US (chronologically: Jan Hus Educational Foundation; Jan Hus Association; Educational and Cultural Foundation Jan Hus) and Canada (the Jan Hus Fund – Le Fond Jan Hus separated from the US foundation in 1983). Soros regularly financed the foundations from 1983; in Britain he became its main funder, together with the National Endowment for Democracy. However, since the foundation received support not only from Soros' OSF but also from the (Soros-supported) Charter 77 Foundation and the FEIE¹², the overall support by Soros was probably higher.

9 George Soros, Byron Wien, Krisztina Koenen, *Soros on Soros: Staying Ahead of the Curve* (New York: John Wiley and Sons, 1995), p. 117.

10 Nicolas Guilhot, "A Network of Influential Friendships: The Fondation pour une entraide intellectuelle européenne and East-West cultural dialogue", *Minerva*, vol. 44 (2006/4), p. 400-402.

11 Květa Jechová, « Kronika švédských let », in *Nadace Charty 77 (dvacet let)*, Brno, Atlantis, 1998, p. 69 ; Eva Kantůrková, « Popis jednoho archive », in *Nadace Charty 77 (dvacet let)*, Brno, Atlantis, 1998, p. 16.

12 Barbara Day, *Sametoví filozofové*, Brno, Doplněk, 1999, p. 263 (translated from the English original *The Velvet Philosophers* [London: Claridge Press, 1999]).

An important project became the Oxford Colleges Hospitality Scheme created in 1981-1982 by the Polish emigré philosopher Zbigniew Pelczynski originally for short study visits of Polish scholars. Soros became involved in the scheme a few years later and extended it to other East European scholars. Pelczynski founded also what is now known as the OSI/FCO Chevening Scholarship Scheme jointly supported by OSI and UK Government Foreign and Commonwealth Office. Between 1986 and 1996 it brought to Oxford more than 500 graduate students from Central and Eastern Europe and became the second largest scholarship scheme at Oxford.¹³ Another Soros-funded scholarship, the Humanities Exchange Program, was launched in 1981 by the New York Institute of Humanities of the New York University. It was developed in collaboration with Aryeh Neier, then the director of the institute (1980-81), and intended for writers exiled from Latin America and Eastern Europe.¹⁴ Another fellowship was established at this time at Columbia University.¹⁵

13 *CEU Gazette*, vol. 7 (1996/1).

14 "History of the New York Institute for the Humanities", *Guide to the Records of The New York Institute for the Humanities RG 37.4* (New York: Elmer Holmes Bobst Library), <http://dlib.nyu.edu/findingaids/html/archives/nyih/bioghist.html>. (Accessed April 22, 2014).

15 Michael T. Kaufman, *Soros: The life and Times of a Messianic Billionaire* (New York: Alfred A. Knopf, 2002), p. 183.

All of the above mentioned organizations and projects broadened the range of their transnational activities or intensified their existing activities when Soros stepped in as a benefactor. In addition to the cultural/intellectual activities, Soros supported publishing and communication technologies. His foundation in Hungary had the Xerox project, which helped libraries and later civic initiatives to acquire photocopy machines. The foundation brought in over 300 machines in 1985-1987, which was a shock in a country where in 1982 only 12 photocopy machines were in use.¹⁶ Soros supplied in the second half of the 1980s photocopy machines (and printers and computers) also to Czechoslovakia and Russia, among others. The reasons behind Soros' emphasis on communication technologies stemmed from the idea that it would undermine state control. The crossing of internal borders established to isolate citizens from information, from one another and from foreign influence is not so different from the border-crossing activities that constitute transnationalism.¹⁷

Themes. The networks which George Soros developed—or became part of—in the 1980s, centered around two overlapping topics. The first theme was the fight against communism and more broadly helping individuals oppressed in

16 Endre Dányi, "Xerox Project: Photocopy Machines as a Metaphor for an 'Open Society'", *Information Society*, vol. 22 (2006/2), p. 111-115.

17 Alejandro Portes, Luis E. Guarzino, Patricia Landolt, "The Study of Transnationalism: Pitfalls and Promise of an Emergent Research Field", *Ethnic and Racial Studies*, vol. 22 (1999/2), p. 217-237.

communist states, which I described above, and the second theme was the protection of human rights. Human rights represent the kind of transnational topic or transboundary issue which embodies the “dialectic of global and local questions which do not fit into national politics”¹⁸ and which has been therefore a topic of international and transnational organizations. Human rights law and environmental legislation have been interpreted as “cosmopolitan laws” or “cosmopolitan harm conventions”, which limit state sovereignty in the protection of individuals (or environment) and thus contribute to the development of the post-national world.¹⁹

Soros became involved in the human rights movement in Central and Eastern Europe and the US, which developed after the signing of the Helsinki Final Act in 1975. What at first might have seemed as a symbolic gesture without any political implications turned into a transnational human rights movement both inside the Eastern bloc countries and abroad, especially the US (Helsinki Watch group was established there in 1979) and produced the “Helsinki effect”.²⁰ Soros supported not only the Helsinki International Federation in Vienna but

also the Helsinki Watch group in the US (later Human Rights Watch) and dissident groups in the communist countries. Soros-sponsored Open Society Archives, opened in November 1995 in Budapest, house not only materials of Radio Free Europe and Radio Liberty, but also documentation of the International Helsinki Federation for Human Rights.

What Kaufman describes as a “narrative link” or a “chain of happenstance” to explain how Soros’ big projects developed²¹ is in fact the effect of his enduring, flexible and productive transnational networks. Soros’ ideas and agendas have to be seen as partially a product of his networks. George Soros has relied on the key people he met in the early 1980s in his foundations network until the present time, such as Aryeh Neier from the Helsinki Watch, Annette Laborey from the FEIE, and William Newton-Smith from the Jan Hus Educational Foundation. Neier was a president of the Soros network of foundation (1993-2012). Kaufman claims that before Neier, the only person who encompassed and understood activities of the network was Soros himself. Annette Laborey became the vice president of the Open Society Foundations after the closing down of the FEIE in 1990 (until 2012). William Newton-Smith became a key figure of the CEU and a member of boards in the Soros philanthropic network.

18 Ulrich Beck, “The cosmopolitan manifesto”, *New Statesman*, 20 March 1998, p. 29, cited in Steven Vertovec, “Conceiving and Researching Transnationalism”, *Ethnic and Racial Studies*, vol. 22 (1999/2), p. 453.

19 Steven Vertovec, Robin Cohen, “Introduction: Conceiving Cosmopolitanism”, in Steven Vertovec, Robin Cohen, eds., *Conceiving Cosmopolitanism: Theory, Context and Practice* (Oxford: Oxford University Press, 2002), p. 1-22.

20 Daniel C. Thomas, *The Helsinki Effect* (Princeton, NJ: Princeton University Press, 2001).

21 Michael T. Kaufman, *Soros, op. cit.*, p. 260 (cf. note 15).

Soros' network of foundations

The activities and networks described above then laid a groundwork for setting up Soros' foundations in the region. In Poland and Hungary reform communist governments allowed private foundation as a legal form (from 1984 and 1987 respectively). The first foundation Soros decided to start in the region was established in Hungary in 1984. Since it could not exist as a separate legal entity, it was affiliated to the Hungarian Academy of Sciences but Soros and his local collaborators managed to negotiate with the Hungarian government a relatively independent management structure, although subject to state control. The key person with whom Soros developed and planned the idea was a historian and dissident Miklós Vársárhelyi, a friend of Soros since the early 1980s.

Encouraged by the success of the foundation, which became the "center of intellectual life in Hungary"²², Soros moved to create other foundations in the Soviet Union (International Cultural Initiative Foundation 1987) and Poland (Stefan Batory Foundation 1988). After the fall of communism, Soros created more foundations so that by 1994 there were 22 in the region: in all countries that have since become members of the European Union (Hungary, Poland, Czech Republic, Slovak Republic, Estonia, Lithuania and Latvia, Romania and Bulgaria, Croatia, Slovenia), all remaining countries of

the former Yugoslavia (Yugoslavia, Bosnia and Herzegovina, Macedonia), some countries of the former Soviet Union (Russia, Belarus, Ukraine, Moldova, Kazakhstan, Kyrgyzstan, Georgia) and Albania.²³

Soros made "an explicit point of beginning work in a particular country by first creating a local board, hiring local staff, and placing foundation offices in cities outside the capital cities as well as in the capital".²⁴ This particular "localism" differentiated his philanthropic style from that of most international donors and was not replicated by other US foundations, who either administered their programs from the US or established local offices in the region.²⁵ Soros picked up the key people in each country usually from his pre-1989 contacts (such as František Janouch in Czechoslovakia and Zbigniew Pelczynski in Poland) and they further recruited people along their own networks.²⁶ Such transnational social

23 *Building Open Societies: Soros Foundations Network 1994 Report* (New York: OSI, 1995).

24 Lehn M. Benjamin, Kevin F. F. Quigley, "For the World's Sake: U.S. Foundations and International Grant Making, 1990–2002", in Helmut K. Anheier, David C. Hammack, eds., *American Foundations: Their Roles and Contributions to Society* (Washington, DC: Brookings Institute, 2010), p. 254.

25 Thomas Carothers, *Aiding Post-Communist Societies: A Better Way?* On-line <http://carnegieendowment.org/1996/10/10/aiding-post-communist-societies-better-way/h0lo> (Accessed on February 20, 2014).

26 For a detailed description of the networks involved in building foundations in the Yugoslav area see Paul Stubbs, "Flex Actors and Philanthropy in (Post-)Conflict Arenas: Soros' Open Society Foundations in the Post-Yugoslav Space", *Croatian Political Science Review*, vol. 50 (2013/5), p. 114-138.

22 George Soros, *Soros on Soros*, *op. cit.*, p. 122 (cf. note 9).

capital was probably hardly available in most US foundations shortly after 1989.

The main international foundations in Central and Eastern Europe in the 1990s were the major US foundations (such as the Andrew W. Mellon Foundation or the Ford Foundation) with German foundations (such as the Alexander von Humboldt Stiftung or Volkswagen Stiftung) following in second place. Foundations from other countries such as France, Holland and Japan donated smaller amounts. The total amount donated by 28 international foundations present in the region in 1989-1997 was 690,789 million USD.²⁷ Pinter shows that Soros (Open Society) Network of Foundations with 255,986 million USD accounted for over one-third of all support. However, when we add two other organizations almost fully funded by Soros, the Stefan Batory Foundation and the CEU, we can conclude that Soros donated almost 347,918 million USD, ie. about a half of the total support to the region by international foundations.

The main area of support by international foundations was education and research (23% of the

total). The second largest category of foundation support to the region represented activities “not elsewhere classified” (16%) which, according to Pinter, shows that large part of foundation spending in the region focused on activities which escape the classification she used, such as women rights or ethnic groups.²⁸ These issues represent themes which were either avoided and suppressed by the communist regime (ethnic conflict) or treated very differently than in the West (women’s rights). At the same time they represent the new social movements agenda which private US foundations supported in the US civil society, thus partly importing the familiar funding patterns.²⁹

Central European University

The Central European University (CEU) was established as a transnational university with branches in Prague (1991-1995) and Budapest (1991 until today); the CEU Sociology Department existed as a smaller regional branch in Warsaw (1995-2000). The budget of the university was small in the context of the Soros network: expenditures on the CEU itself represented only about 3% of the total (18,8 million USD in 1996; 15,2 million USD in 1997; 17,7 million USD in 1997).³⁰ Nevertheless, it

27 Frances Pinter, “The Role of Foundations in the Transformation Process in Eastern Europe”, in Andreas Schlüter, Volker Then, Peter Walkenhorst, eds., *Foundations in Europe: Society, Management and Law* (London: Directory of Social Change, 2001); K. F. Quigley, *For Democracy’s Sake: Foundations and Democracy Assistance in Central Europe* (Washington DC: Woodrow Wilson Center Press, 1997). Countries covered: Poland, Hungary, Czech Republic, Slovakia, Romania, Bulgaria, Slovenia, Latvia, Lithuania, Estonia.

28 Frances Pinter, “The Role of Foundations in the Transformation Process in Eastern Europe”, *op. cit.*, p. 14 (cf. note 27).

29 Ondřej Císař, *Politický aktivismus*, *op. cit.* (cf. note 3).

30 Christopher G. A. Bryant, “George Soros, the Central European University and Sociology”, *Salford Papers in*

is perhaps the single greatest philanthropic venture of George Soros, praised by some as one of the most successful foundation stories.³¹ Soros originally proposed to government representatives in Czechoslovakia and Hungary to establish a university and invest 5 million USD over a period of 5 years (total 25 million USD in each country) on the condition the government would provide a building for the university as a matching contribution. In that relatively short period immediately after 1989 the prime representatives of both states belonged to his circles of acquaintances and dissident friends (this lasted only into 1990 elections in Hungary and into 1992 elections in Czechoslovakia). In February 1992 Soros extended his commitment to include a permanent endowment.³² Since the matching contribution was finally not met by any of the two countries, Soros bought and reconstructed buildings for the CEU in Budapest. With an endowment of about 880 million USD the CEU has become one of the wealthiest private

universities in Europe and reportedly ranks among top 100 US university endowments.³³

The continuity of networks and cosmopolitan ethos

It is not a new approach to view the early CEU as a network or perhaps as an international social movement.³⁴ Here, I would like to draw attention to the fact that the CEU represented a continuity of the pre-1989 networks and of certain “cosmopolitan ethos” which accompanied them. The idea of founding a transnational university in Central Europe was for the first time discussed with George Soros at the workshop “Culture of Central and Eastern Europe” at the Inter-University Centre of Postgraduate Studies in Dubrovnik (IUC) in April 1989. The IUC was founded in 1971 as an international institution of advanced studies affiliated to the Zagreb University. Because it was geopolitically located in the non-aligned Yugoslavia, it had a

Sociology, n° 29 (Institute for Social Research of the University of Salford, 2000), p. 5; *Building Open Societies: Soros Foundations Network 1996 Report* (New York: OSI, 1997).

31 Joel L. Fleishman, *The Foundation: A Great American Secret. How Private Wealth is Changing the World* (New York: PublicAffairs, 2007).

32 CEU, “The Central European University: Prague, Budapest”, Information Brochure (Praha, Budapest: CEU Prague College, CEU Budapest College, 1992).

33 “For President of Central European U., All Roads Have Led to Budapest”, *The Chronicle of Higher Education*, May 2, 2010, <http://chronicle.com/article/For-President-of-Central/65338/> (Accessed on February 23, 2014); “Soros Boosts Endowment of Hungarian Institution by £115m”, *The Times Higher Education*, July 8, 2005. Cf. <http://www.timeshighereducation.co.uk/news/soros-boosts-endowment-of-hungarian-institution-by-115m/197134.article> (Accessed on February 23, 2014).

34 Christopher Bryant, “George Soros”, *op. cit.*, p. 37-38 (cf. note 30). Alfred Stepan, “The Early Years of Central European University as a Network: A Memoir”, *Social Research*, vol. 76 (2009/2), p. 687-710; Nicolas Guilhot, “Reforming the World: George Soros, Global Capitalism and the Philanthropic Management of the Social Sciences”, *Critical Sociology*, vol. 33 (2007/3), p. 447-477.

unique position to serve as a meeting ground between the West and East at the end of the Cold War. William Newton-Smith participated in the work of the centre and at the latest since 1986 Soros provided scholarships for academics from communist Europe to attend activities of the centre.³⁵ It was reportedly Newton-Smith who brought Soros to the workshop in Dubrovnik.³⁶

The centre in Dubrovnik embodied cosmopolitan ethos, aiming to form “bridges across national and other boundaries” and gather an international audience which would create feelings of “transnationality”.³⁷ The early CEU was born of these sentiments and explicitly invoked the ideal of a cosmopolitan university as a “tool for overcoming the impending explosion of ethnic intolerance in Central and Eastern Europe”, recognizing that “nationalism and ideology of ethnic intolerance would be a major problem of the future”.³⁸ This was in line with the attitude of many Western commentators in the early 1990s, who perceived universities as key actors of the post-communist transformation process and proposed the international approach to

higher education transformation as a way to prevent nationalist excesses.³⁹

Many of the IUC workshop participants were linked to Soros’ networks. In the case of the Budapest CEU they later participated in the building of the university (Miklós Vasárhelyi, István Teplán, Péter Hanák among others). On the contrary, workshop participants from Czechoslovakia were not connected to the building of the Prague CEU in any way and local collaborators of the CEU were instead recruited from the circles around the Jan Hus Educational Foundation and Charter 77 Foundation⁴⁰, which were part of the Soros’ network in the 1980s. The CEU was built upon pre-1989 networks in both countries and in both countries most of these people belonged to the anti-communist opposition. However, because the communist regime in Hungary in the 1970s and 1980s became more relaxed than in Czechoslovakia, there were differences in the way those networks were related to national politics and society before 1989 and in the way they were personally close to Soros.

The board of the Prague CEU Foundation included emigrés (such as Ladislav Čerych and Ernest

35 Barbara Day, *Sametová*, *op. cit.* (cf. note 12).

36 Michael T. Kaufman, *Soros*, *op. cit.*, p. 258 (cf. note 15).

37 Berta Dragičević, Gordana Pavleković, “Inter-University Centre (IUC)”, Videorecording (Dubrovnik, Zagreb: Educational Multimedia Centre-EMC, 1990).

38 CEU, *Ten Years in Images and Documents: Central European University 1989–1999* (Budapest: CEU Press, 1999), p. 6.

39 Ladislav Čerych, “Renewal of Central European Higher Education: issues and challenges”, *European Journal of Education*, vol. 25 (1990/4), p. 351-359; Jacques Rupnik, “Higher Education and the Reform Process in Central and Eastern Europe”, *European Journal of Education*, vol. 27 (1992/1-2), p. 145-151.

40 Tereza Pospíšilová, « Jiná než ostatní: Středoevropská univerzita v Praze v letech 1990 až 1996 », *Studie NÚJH*, Praha, NÚJH, 2013.

Gellner) who had not lived in the country in the preceding period and rarely could travel there. The board further included four dissidents – signatories of the Charter 77 (such as Václav Havel and Petr Pithart) who were persecuted and isolated by the Czechoslovak communist regime in the 1970s and 1980s: they could not find jobs in their fields, they were not allowed to travel to the West (and very often not even to the East) and could not publish. The board of the Budapest CEU also included people persecuted after the 1956 Hungarian uprising (such as Árpád Göncz, Miklós Vársárhelyi, György Litván), but since the communist regime in Hungary in the 1970s and 1980s gradually relaxed, they found employment at positions relevant for their education, they could publish and travel abroad, even to the West. Several members of the Budapest board were members or fellows of the Hungarian Academy of Sciences and one a vice-rector of a major Hungarian university in Budapest. On the whole therefore, the Budapest CEU board represented larger social capital, better embedded in the pre-1989 local society and its academic and higher education institutions.

George Soros personally knew very well several of the Hungarian CEU board members prior to 1989 (Miklós Vársárhelyi, Alajos Dornbach, György Litván and perhaps others). On the contrary he personally met only one of the Czech CEU board members who had not lived in exile – Václav Havel, whom Soros met once briefly when he visited Prague in 1986 as a guest of the US

ambassador to Czechoslovakia.⁴¹ The second most important person of the Prague CEU board, Petr Pithart, whose major academic interest as a historian and political scientist was nationalism (he represented the non-nationalist tradition of Czech historiography⁴²), was probably known to Soros as one of the important local collaborators of the Jan Hus Educational Foundation, but they never met in person before the collapse of communism.

Transnational institution

The CEU was intended as a transnational university with the mission to develop and improve education and research in the region, “to help educate a new corps of Central European leaders” and “foster cooperation and understanding among the citizens and nations of the region”.⁴³ To strengthen its regional character and prevent its identification with Hungary (“I was anxious not to start the university in Hungary. Since I am myself Hungarian, the university would have immediately become a Hungarian one”⁴⁴) it was considered crucial that the university had campuses or branches in several Central European cities. Early negotiations were about Bratislava, Prague, Budapest, Warsaw and Vienna, but finally two university branches (each with the legal form of a foundation according to local legislation) were establi-

41 Květa Jechová, “Kronika”, *op. cit.*, p. 87 (cf. note 11).

42 Ladislav Holý, Malý, *op. cit.*, p. 127-129 (cf. note 6).

43 “Statement of Intent”, *CEU Gazette*, vol. 1 (April 1991/1).

44 George Soros, *Soros on Soros*, *op. cit.*, p. 134 (cf. note 9).

shed in 1991 in Prague and Budapest. A third foundation was established later the same year in New York to function as an umbrella for the two CEU “colleges”, probably because of the link with the OSF New York was important, or because it was already envisaged that the university would seek accreditation from US bodies.

The two branches were more or less “equal” in the number of study programs they offered, there were two libraries, the small CEU executive committee commuted between the cities, and every effort was made to allocate further regional programs spinning off the CEU equally between Prague and Budapest—so the *Research Support Scheme* was founded in 1991 in Prague and the *Higher Education Support Program* in 1992 in Budapest. All this represented a complicated institutional set up, which was difficult to keep up. Yet it was in the early 1990s perceived as a necessity dictated by one of the primary values of the university, its regionalism, upheld in the face of local nationalism and chauvinism.⁴⁵ It was more important than organizational or economic efficiency, values which became more openly articulated in the second half of the 1990s when the Prague CEU was abolished and the university became more centralized in Budapest.

The project of the Central European University entered national educational systems in

Czechoslovakia and Hungary without perhaps appreciating the extent to which modern universities are embedded in national regulatory frameworks. This was the case even more so in former communist Europe where until 1989 higher education was a closed system totally controlled by the state where no private education was allowed to exist. Legislation was developing and changing and the whole system of higher education was in a process of change in the 1990s. It therefore proved very difficult to accredit the CEU and its study programs locally. The Central European University was instead awarded institutional charter in the United States by the Board of Regents of the University of the State of New York in July 1992 (preliminary) and in September 1996 (absolute charter).

The individual one-year MA study programs were also accredited abroad. Two of them were accredited in the UK—“Society and Politics” by the University of Lancaster in 1993 and “European Studies” by the Open University in 1994; all remaining study programs—“Economics”, “Medieval Studies”, “History”, “Political Science” and “Legal Studies”—were awarded accreditation by the Board of Regents of the University of the State of New York in 1994. The CEU thus drew its legitimacy through accreditation from abroad, based on the standards of quality and approval mechanisms of US and UK higher education institutions. The orientation towards the anglo-american cultural area was

45 A letter from George Soros written in January 1991 to Imre Mécés, quoted in CEU, *Ten Years*, *op. cit.*, p. 15 (cf. note 38).

further supported by the use of English as the official language of the university (including the CEU library). Dominant role of English is usually associated with globalisation in higher education and in case of the CEU it also resulted in certain elitism, because foreign language teaching in the region until 1989 was dominated by Russian and communication in other languages was initially difficult.⁴⁶

Although the CEU slowly started to extend its scope beyond Central and Eastern Europe to Asia and other parts of the world, it was definitely a regional institution in the 1990s. We can illustrate this by the composition of its student body. The number of countries represented among the CEU student body rose between 1992 and 1998 from 29 to 40 with the majority of countries belonging to post-communist Europe (about 70% on average in this period). The dominance of the region becomes even more apparent when we take a look at the number of students: students from the region represented on average 93% of the student body in the 1990s (Table 1). Western Europe and North America accounted for 6% of the student body on average in this period.

The CEU introduced new study areas so far absent or not common in local universities, such as European Studies (name changed to International Relations and European Studies

from 1995/1996) or the Centre for the Study of Nationalism, a research centre founded at the Prague CEU in 1993. CEU representatives found it hard to engage local social scientists and teachers with knowledge of such topic, familiar with the state of their discipline in the West and with good command of English (which excluded scholars who used German or French). This was especially the case of Czechoslovakia where, it might be argued, the state of social sciences was more marked by isolation from the West than in Poland and Hungary. As a result, the Prague CEU college was at the beginning predominantly based on foreign faculty while the CEU college in Budapest was based predominantly on local faculty.

I compared the names of holders of top academic positions (a director and a chair of the academic advisory board) for each CEU study programme.⁴⁷ At the Budapest college, there were five study programs and therefore 10 leading positions. Only 2 were filled with foreigners in 1992 while the majority were held by local staff. The situation was completely the reverse at the Prague college. There were four study programs and therefore 8 leading positions but only 3 of them were held by local staff. The high proportion of foreigners holding top academic positions on the one hand enhanced the international character of the CEU in Prague, but on the other hand it led to the weaker national embeddedness of the institution and, therefore,

46 European Commission, *TEMPUS@2013: A Retrospective of the Tempus Program over the Past Twenty Years, 1990-2010* (Luxembourg: European Union Publications Office, 2011).

47 CEU, "The Central European University: Prague, Budapest", *op. cit.* (cf. note 32).

Table 1 1. Newly matriculating students from the Central and East European region and the West at the CEU 1992 - 1999^a

Countries	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99
CEE region	272	412	388	416	470	507	518
West	15	23	27	19	29	44	44
Other ^a	0	0	2	1	2	9	7
Total	287	435	417	436	501	560	569

a. CEU, *Ten Years*, *op. cit.*, p. 101-103, calculated by the author (cf. note 38).

b. China, Japan, Mongolia, Tibet, Algeria, Turkey, Israel, South Africa and Burma.

also to the lower amount of social capital that it could mobilize to champion and protect its local existence.

Themes. The 1994 annual report of Soros foundations network lists three major CEU research initiatives. The *Transition Project* (Budapest) aimed to study economic transformation; political party system; and constitutional rights and institutional practices in the region. The *Privatization Project* (Prague) focused on the data about the process of property privatization but at the same time it organized training for personnel in local public administration and “emerging institutional infrastructure of the market economy” and promoted standards of responsible corporate behavior. The *Centre for the Study of Nationalism* (Prague) carried out the following research projects: The impact of Western thought on Eastern Europe; Dominant minorities; The role of Germany and Germans in Central and Eastern Europe; The role of border areas; The Caucasus; Czech-Slovak Relations; The problem of the moral and institutional

vacuum in post-communist societies; The role of ethnography and historiography in the construction of nationalist ideologies and nationalist self-images; The search for solutions (investigating places where ethnic groups coexist in peace).⁴⁸

The idea to establish the Centre for the Study of Nationalism at the Central European University in Prague came from Ernest Gellner who saw study of nationalism as “absolutely central for any institution of advanced education and research”.⁴⁹ The centre was founded originally as the Nationalism and Ethnic Conflict Research Institute. The name was changed at the end of 1993 to prevent confusion with other Soros’ programs focused on ethnic conflict monitoring and resolution, proposed at that time.⁵⁰ Ernest Gellner, author of the classic *Nations and*

48 *Building Open Societies 1994*, *op. cit.*, p. 166-172 (cf. note 23).

49 Letter from E. Gellner to G. Soros and 5 other addresses, December 6, 1991 (HU OSA 203-20-5).

50 A letter from P. Flather, CEU Secretary General, to R. Cassling, assistant to E. Gellner, November 11, 1993 (HU OSA 203-20-5).

Nationalism (1983), grew up in Prague but his family emigrated in 1939 to the UK. He studied at Oxford and worked at the London School of Economics (1949-1984) and the Cambridge University where he held a chair of social anthropology (1984-1993). There were two main topics for Gellner: nationalism on the one hand and civil society on the other. He defined civil society as liberal, individualistic society of “modular men” who are able to form effective, yet flexible social links. He therefore considered nationalism with its “cult of community” as hostile to modern civil society.⁵¹

While the projects of the Centre for the Study of Nationalism touch the topic of this article most directly, all the projects show that the CEU in Czechoslovakia and Hungary focused on key aspects of the post-communist transformation and that it engaged them as not only academic but also practical (and potentially political) problems. Some of these issues were indeed politically contested and represented the foci of local political struggle, such as constitutional reform and retrospective justice; property privatization; economic reform; national identities and borders. The CEU in the 1990s was not a strictly “academic” institution because it investigated and publicly discussed such topics at conferences it organized in the region.⁵²

51 Ernest Gellner, “The Importance of Being Modular”, in John A. Hall, ed., *Civil Society: Theory, History, Comparison* (Cambridge: Polity Press, 1995), p. 32-55.

52 As reported in the CEU newsletter, *CEU Gazette*; I reviewed most issues from vol. 1 (1991/1) to vol. 5 (1995/3).

The failure of the Prague CEU and the Czech regional policy

According to the CEU own history account, there was a breakdown of relations with the government *both* in Prague and Budapest and between 1992 and 1995 local political attacks towards Soros’ philanthropic institutions in the region were at their highest, guided by nationalism.⁵³ I focus on the Czech case where this situation lead to the government decision to withdraw financial support to the university, which was followed by Soros’ decision to end the Prague college by 1995. Just as the first relatively successful years of building of the Prague CEU depended on the pre-1989 network of former dissidents and intellectuals (represented by the Czechoslovak president Václav Havel and the Czech prime minister Petr Pithart), so the failure of the Prague CEU was linked to the coming to power in June 1992 of a group of political leaders and intellectuals represented by the new Czech prime minister Václav Klaus, who stressed national interests instead of cosmopolitanism and whose regional policy was opposed to regional cooperation.

As accounted by Baun and Marek,⁵⁴ major foreign policy decision-makers in Czechoslovakia at the beginning of the 1990s were the former dissidents including the

53 CEU, *Ten Years*, *op. cit.*, p. 30 (cf. note 38).

54 Michael J. Baun, Dan Marek, “Czech Foreign Policy and EU Integration: European and Domestic Sources”. *Perspectives on European Politics & Society*, vol. 11 (2010/1), p. 2-21.

president Václav Havel with a preference for multilateral cooperative approaches. This found expression in the so called Visegrád cooperation, a formal framework for regional cooperation initiated by Havel already in April 1990 and established in February 1991 by Czechoslovakia, Poland and Hungary. A similar initiative was the unsuccessful proposal of Havel to replace Cold War military structures (the NATO and the Warsaw pact) with a new pan-European security framework based on a reformed Conference on Security and Cooperation in Europe (an international structure which negotiated the 1975 Helsinki Final Act was undoubtedly important to former dissidents). June 1992 elections brought to power the neo-liberal economist Václav Klaus. This meant a radical turn in the Czech foreign policy (1992-1997). The government of Klaus negotiated the split of the Czechoslovak federation in effect from January 1993 and this shifted its geopolitical center of gravity to the west. In contrast to the multilateralism of Havel, Klaus favored unilateralism and a generally narrower foreign policy approach. It found expression in the unilateral freezing of the Visegrád cooperation, to which Klaus was opposed. In January 1994 he also rejected a joint approach of the Visegrád countries at the NATO summit in Prague and insisted on bilateral meetings instead.

In contrast, the CEU and George Soros represented a regional approach to post-communist transformation and European integration.

Soros thought that the West should deal with Eastern Europe on a regional, rather than national basis. He welcomed European Bank for Reconstruction and Development initiated by the French president Francois Mitterrand already in October 1989 and established in April 1991 in London, which was perceived by some countries as a strategy of France to delay EU integration. Soros also promoted the idea of East European Payments Union which would encompass countries of Central and Eastern Europe including post-Soviet states. Its supposed political effect was to increase regional collaboration.⁵⁵ The limits of the idea became obvious to Soros after a meeting of representatives of Polish, Hungarian and Czechoslovak governments, which he initiated in Hungary in April 1990, where the view was put forward (and stressed by then Czechoslovak finance minister Václav Klaus on various occasions) that any regional integration was a step back from the goal of Western integration.⁵⁶

The approach of Klaus to Czech regional neighbors to the East was part of his moderate selective nationalism (characterized by openness

55 For a criticism of the idea see Holger Schmieding, "No need for a Monetary Halfway House: Lessons from the European Payments Union for post-Soviet Currency Arrangements", *Kieler Diskussionsbeiträge*, vol. 189 (Kiel Institute for the World Economy, 1992).

56 George Soros, *Underwriting Democracy. Encouraging Free Enterprise and Democratic Reform among the Soviets and in Eastern Europe* (New York: PublicAffairs, 1991), p. 62-83.

towards the West but negative differentiation from groups to the East⁵⁷) and the transnationalism of the CEU and regional politics of George Soros were not in line with it. One of the reasons of Klaus' disinterest in regional cooperation (devalued by him as an "empty regionalism") was the idea that Czech economic transformation was more advanced than that of other post-communist states and that cooperation with them would delay its EU membership. However, Klaus' emphasis on Czech regional primacy in economic transformation was not only the result of some mistaken belief. Above all, it served to delineate the Czech Republic from its regional "others", and thus strengthen feelings of national unity in the newly emergent state. Klaus in fact used both mechanism of "border maintenance", defined as the basis of nationalism: opposition between "us" and the "others" based on antagonism (i.e. "a radical evaluation of the positive traits of the in-group and a parallel devaluation of those of the out-group"⁵⁸) and opposition based on the stimulation of internally shared features defined as unique objects of national pride.

Czech government's opposition to Soros and the CEU must be therefore interpreted as more profound than just a personal dislike between

Klaus and Soros. It has to be seen as the result of a competition among two groups in national politics with, among others, opposing approach to Central European regional cooperation.

Transnational networks of George Soros in Central and Eastern Europe developed in the 1980s in informal ways, with Soros joining as a benefactor previously established networks, using their existing contacts and intensifying in the process the scale and scope of their transnational activities. The collapse of communism in 1989 was not a new start for Soros philanthropy but rather the "next step" of institutionalizing and extending it. The Central European University was one of the most visible institutionalizations of Soros' transnational networks and themes in the early 1990s. The CEU was a contested project at that time both in Hungary and Czechoslovakia (Czech Republic) but only the Prague branch was ended in 1995 while in Hungary the process of further institutionalization and centralization of the university proceeded. We can see the end of the Prague CEU as the end of "the early years of the Central European University", founded as a transnational institution of regional cooperation in the post-communist Europe.

The early success of the CEU in Prague depended on the specific constellation of local politics. Political actors who were champions of the CEU were represented by Petr Pithart and Václav Havel. They drew upon the themes and transnational networks supported by George

57 Mikhail A. Molchanov, "Post-Communist Nationalism as a Power Resource: A Russia-Ukraine Comparison", *Nationalities Papers*, vol. 28 (2000/2), p. 236-288.

58 Daniele Conversi, "Reassessing Current Theories of Nationalism: Nationalism as Boundary Maintenance and Creation", *Nationalism and Ethnic Politics*, vol. 1 (1995/1), p. 80.

Soros in Central Europe since the 1980s, characterized by anti-nationalist sentiments and cosmopolitan ethos. On the other hand political actors represented by Václav Klaus, who came to power in June 1992, drew upon nationalist strategies to mobilize public support for the economic reform and property privatization, to build consensus on the separation of the Czechoslovak federation and later strengthen a sense of national belonging in the newly independent state. We can conclude that domestic politics played a crucial role in the failure of the Prague CEU, although it has to be understood in its transnational context.

Although it is frequently assumed that US philanthropy has developed transnational networks that have helped build American empire⁵⁹, the reactions of political leaders in Czechoslovakia towards the installation of the CEU and Soros were not guided by anti-Americanism. Soros foundations might have been accused in Central Europe of Anglo-French, Jewish or liberal conspiracy, of being Communist or Hungarian (depending on the country and specific setting) but I have not come across explicit attacks on Soros in the early 1990s because of representing American dominance in case of the Prague CEU. When Soros was criticized as a transnational actor, locally relevant categories were used to define him. They were based on local issues and

59 Ann Vogel, "Who's Making Global Civil Society: Philanthropy and US Empire in World Society", *British Journal of Sociology*, vol. 57 (2006/4), p. 635-655.

political cleavages and "Americanization" was not among them.

Soros' network of foundations has made "a global policy turn" in the past fifteen years. It has been manifested as a geographical "horizontal stretch" of activities (enabled in part by scaling down of activities in Central and Eastern Europe), as increased emphasis on cooperation with international organizations and as explicit commitment to "global open society".⁶⁰ Nevertheless, Soros networks continue to shape both local and regional discourses in Central Europe on such topics as Roma rights or the role of civil society.

60 Diane Stone, "Private Philanthropy or Policy Transfer? The Transnational Norms of the Open Society Institute", *Policy & Politics*, vol. 38 (2010/2), p. 269-287; Aryeh Neier, "President's Message", *Building Open Societies: Soros Foundations Network 2002 Report* (New York: OSI, 2003), p. 14-15.