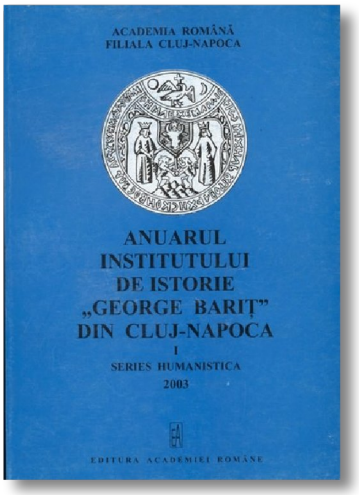

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AUTOCHTHONOUS AND WESTERN PROFESSIONAL ELITES IN EAST CENTRAL EUROPE: SOCIO-CULTURAL CONVERGENCE IN THE PROCESS OF TRANSFORMATION?

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1. INTRODUCTION: COMMON EXPECTATIONS CONCERNING THE FORMATION OF ELITES IN EAST CENTRAL EUROPE

During the early stages of societal transformation in East Central Europe, public opinion in East and West Europe revealed multi-faceted expectations concerning the political and economic development of the young democracies. In particular, the question of the further societal role of the new economic elites was put. Since not only political elites but also new functional elites seemed to shape the structure of the new democracies speculations about the future effects of the rise of economic elites arose.

On one hand, neo-liberalists argued that once market-based organizing principles were established, a new entrepreneurial elite would come up rapidly which should be able to propel the integration of the new market economies into the world economy. On the other hand, agents of modernization politics held that West European and Transatlantic entrepreneurs, professionals and consultants would play a decisive role in re-shaping East Europe's economies according to the Western model (Rudolph/Hillmann 1998, 64). Moreover, there was plentiful hope that new contacts between foreign and autochthonous professionals would make it easier to develop a new entrepreneurial culture in post-socialist countries.

Now that systemic change in East Europe has come of age, it is time to ask whether the initial expectations were fulfilled. Taking the Czech Republic as an example, this article sets out to sketch some basic socio-cultural aspects of the formation of autochthonous business elites during the 1990s. It also tackle the questions as to what kind of contribution to the development of a new elite socio-culture was made by foreign entrepreneurs, professionals and academics. Finally, it will deal with the issue of mutual approaches or even convergence between foreign and autochthonous elites within the process of transformation.

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2. NEW AUTOCHTHONOUS BUSINESS ELITES IN THE CZECH REPUBLIC

Studies of elite formation in East Europe have figured out two categories of elites so far: 1) the new political and cultural elites, and 2) economic elites. With respect to both categories it was quite unclear whether systemic change would produce a reproduction or rather a circulation of elites (cf. Gabanyi 1999, Hatschikjan 1998, Higby/Lengyel 2000). Pure reproduction would have ended up in the continuity and resurgence of former socialist "nomenklatura" elites; these groups would rejuvenate only after long times of patronage-like rule. Pure circulation, on the other hand, would have effected the total exchange and/or "migration" of large proportions of the former elites; at the same time, new groups would have taken the positions at the upper end of the social stratum. In practice, there have been mixtures of both formation processes – often to an extent which has made some authors speak of an "adaptive reconstruction of elites" (Lazic 2000).

A close scrutiny of the quality and tendency of these mixtures will not only reflect the individual pathway of transformation each country has chosen. It will also provide some insight into the modes of persistence of older mentalities, network structures and everyday beliefs under the coverage of a new institutional structure. It is about these socio-cultural contexts of elite formation that a major deficit in elite research has been felt recently (Hatschikjan 1998, 252, Ziegler 2000, 11).

As for the Czech Republic, the circulation was stated to be much greater among political than among economic elites (Matějů/Hanley 1998). Two processes contributed to the formation of the new economic elite:

1. Large parts of the former political elite, especially the young technocrats, were able to pass over into the private economy. This process was advanced by laws that prevented old communists from re-entering the political system. Since they still had a privileged status, it was easy for them to re-establish networks that helped being successful as new entrepreneurs (Bayer 1999, 284).
2. The slow rate at which societal transformation proceeded had a large number of old economic elites keep their old or similar positions. Especially the belated state-controlled privatization of large-sized state enterprises allowed for a lot of ex-socialist managers to keep their former professional positions (Hanley et al. 1998, 17). Nevertheless, parts of them were able to make use of their insight into entrepreneurial structures in order to quickly attain leading positions and/or start up as new entrepreneurs. Over time, their initial advantage in terms of know-how and network benefits (social capital) was not reduced but rather enhanced (Hanley et al. 1998, 27).

In comparison to other ex-socialist countries in East Europe, the circulation of Czech economic elites is relatively high. The national pathway of transformation was shaped by an extremely liberalist economic policy which was introduced at the

beginning of the 1990s. This policy and the low level of restrictions upon private entrepreneurial activities had the effect that many winners of modernization made their way up the career ladders and entered the economic elite.

The quick rise of the new entrepreneurs and the successful transition of old managers into new positions resulted in a new self-consciousness of these groups. A tremendous pride and self-assuredness was freely expressed by these new "winners" in the public. Optimism concerning one's own capabilities of catching up with the needs and challenges of globalization was abundant. However, this self-convinction has not so much been the result of some successful adoption of the "Western" model of economic development, as it has often been assumed. Rather, it is based on a political-ideological and socio-cultural process of setting oneself apart from "the West", sometimes even with tendencies of cultural closure. Though the structural composition of the new economic elite is quite heterogenous, their shared opinion is that it would not be favourable to get under the patronage of foreign agents of modernization. Indeed, it would be necessary to find a distinct "home-made way" of integration into the global economy.

At first sight this might cause some embarrassment. Even when economic crisis cast its large shadows, around the middle of the 1990s, the economic elites still gave Vaclav Klaus and his political reformers signals of unanimous approval and commitment. His reforms provided for a radical "shock-therapy" type of modernization which was modeled after the U.S. American example. Political analyses of this era, however, often neglected the fact that the American model was adopted only partially by way of direct contact between principal actors who represented "their" nation. Moreover, only parts of the model were copied, and those parts chosen were imported quite arbitrarily and selectively. The outcome was a peculiar, culturally unique adoption of the model: a hybrid of imported formal-institutional frameworks and informal "post-socialist" everyday culture (the latter also influencing the new economic actors and their professional behaviour).

Informal practice was saturated with home-grown interpretations and images of the market economy. Often the new system was imagined as kind of an elbow-capitalism rather than a regulated economy with strong elements of social justice and welfare. When starting new enterprises, economic actors applied tactics of meddling-through. Painful learning by trial and error was rather common, and targeted search for professional consultancy was rare (Bürkner 1996).

Maybe this stubborn will of finding one's own way was the kernel of an autonomous socio-cultural development of autochthonous business elites. Though many economic actors incorporated western" consumer patterns and market-conformable aspirations into their lifestyles, their basic orientations and norms remained deeply rooted in Czech everyday socio-culture. Approaches to economic actors from West European or North American countries who were working in the Czech republic were scarce (cf. Bürkner 2000). Though particularly the American model was appreciated in a formal manner, it did not serve as a paradigm in

practice. Instead, it was altered according to predominant Czech cultural codes. The offerings concerning socio-cultural modernizations contained in the model were accepted only very selectively.

3. "WESTERN" ELITES IN THE CZECH REPUBLIC

The presence of foreign professional elites gives autochtonous elites an opportunity to reflect about their own relative position and development, though a very ambivalent one. On the one hand, foreign elites may serve as models. For instance, they might give an example of how to get along with the new economic system in a profitable way, both individually and collectively. On the other hand, the importance of foreigners as agents of modernization and experts in terms of a well-functioning market economy gets impaired by the obvious fact that they are strangers. Since they are not really familiar with the lifeworld of native Czechs rspectivly their professional milieux, they can be denied the competence to make he necessary steps of translating the model into post-socialist cultural practice. This basic ambivalence is likely to get reinforced by means of a peculiar dynamics of increasing social exclusion. Two empirical cases from my field studies in Northern Bohemia shall clarify this point.

3.1. JOINT VENTURES

The first empirical example refers to case studies of industrial enterprises with foreign partners which took the legal form of joint ventures. The relevant data were collected in 1998 by means of 12 expert interviews with entrepreneurs and managers in the regions of Ústí nad Labem and Děčín, situated in North Bohemia near the Czech-German border.

These joint ventures had developed different types of strategy and management structures, located somewhere between the extremes of "direct steering exerted by foreign headquarters" and "relatively autonomous steering done by autochthonous managers who were incorporated into international networks". Normally, inside the individual enterprise a number of very heterogenous professional cultures would encounter. In most cases, a high need for intercultural moderation at the level of the top management was felt, due to different styles of leaderhip, norms, socio-cultural contexts etc. Two highly contrasting cases from the interview sample shall show the span of possible socio-cultural constellations.

Case no. 1 is a formerly state-owned firm in the metal-processing industry which was purchased by a big German metal corporation around the middle of the 1990s. Holding 500 employees, it is the biggest employer of the region Ústí n. L. Nominally, it has a Czech managing director, yet all relevant tasks have been taken over by a German manager of equal professional status. The German manager

takes all important decisions in close negotiation with the German headquarter. Parts of the management of the former state-owned enterprise were taken into the new firm but were deprived of all formal power of decision.

The primary target as defined by the new management is to modernize the enterprise continually so that it is capable of performing well as a highly specialized subcontractor in the automobile industry. Therefore, the production has been brought in line with world market standards. The German manager tries to accomplish this target by means of a strategy of mild paternalism: He tries to give advice to his Czech colleagues in favour of the headquarter's interests; at the same time he tries to solve problems of intercultural communication and prevent conflicts between Czech and German employees. He defines the interaction between himself and the Czech managers to be part of an asymmetrical learning process. The enterprise is meant to achieve world market standards – this target in mind, some of those odd, backwardish peculiarities of "native" behaviour often appear to him as a nuisance. Nevertheless, he experienced that accelerating the speed of modernization too much would end up in mental blockades, refusals and deficits in product quality. Having regard for local peculiarities and sentiments of the indigenous staff seems to be a necessary concession which might pay off in terms of economic profitability in the future.

Case no. 2 is a privatized enterprise in the glass industry which serves as subcontractor for transnational corporations in the automobile industry. It has been fully integrated into a big Belgian corporation of glass production. The management exclusively consists of Czech professionals who act quasi autonomous: Viewed from outside, they seem to take important decisions independently; a closer look, however, reveals that they have to wait for agreeing nods from the Belgian mother company. In many cases, they have to engage in lengthy considerations before their decisions become acknowledged. The Czech managers esteem themselves forerunners of a new entrepreneurial culture. Because of their felt independence, they are convinced of having moved up close to globality. They are proud of their achievements and show it by marking the cultural difference between them and other colleagues outside of their enterprise.

Both cases reveal different modes of credibility of economic models as represented by foreign professionals. The case of the German manager who verbalizes paternalistic attitudes clearly shows how great the degree of incommensurability between Czech and German socioculture can be. A lot of cross-cultural "translation" and mediation is necessary in order to get things going. Nevertheless, the modernization offer he has to make is not really acceptable to Czech managers. In their opinion, it might only be accepted at the price of giving up one's own interests and depreciating one's own native socio-culture. Thus, their basic attitude is defensive. On the whole, the intra-firm pathway of modernization must continually be guarded by regulations of conflict and interventions "from above".

The case of the quasi-autonomous Czech management seems to indicate that the Western modernization offer can easily be accepted as soon as there is at least the illusion of independence. Even if the actual dependency from the core enterprise turned out to be high as high as in case no. 1, the perception of dominance structures would be utterly different. To the Czech actors, their own capacity to act appears to them as not being questioned. It seems as if a special kind of self-assuredness is at hand as soon as there is no protagonist of modernization present in person at the very location of the enterprise. The intrinsic value of their socio-culture and the forms of adaptation to global market imperatives as chosen by them appears to be confirmed. Representations of status accomplishments and of independent lifestyles are being developed freely. The basic ambivalency mentioned before has been reduced to a minimum.

3.2. AMERICANS IN PRAGUE

There is another example for the particular dynamics of transformation-specific elite formation. It is given by members of American elites in the city of Prague. From the early stages of transformation on, the city has been the migration target of American managers and consultants. They were sent to Europe by their companies for several years, mainly in order to establish joint ventures and make preparations for the accession to markets in East Europe. This group of migrants has been complemented by a couple of Americans who have established independent enterprises with the assistance of Czech partners. In the city of Prague, these migrants have become visible as a distinct ethnic community, running their own institutions (e.g. English newspapers) and social meetingplaces (e.g. pubs, clubs, restaurants, etc.).

The socio-cultural structure of the community is – like any other diasporic community – heterogenous by nature. Nevertheless, its members use to draw cultural borderlines against the Czech majority on the basis of their understanding of "American" everyday culture. The "expats", as they call themselves, view themselves not only as economic actors but also as outposts of American culture. They observe its lacking commensurability with Czech everyday culture in a very sensitive way. In qualitative interviews with American elite migrants in Prague I made in 1997, often the opinion was verbalized that American entrepreneurs and managers were welcome in the Czech republic mainly because of their professional skills, however not because of their cultural habits and lifestyles (Bürkner 2000). Their attempts of getting into contact with Czech people outside of a professional context were often answered by lacking interest and rejection. Hence, they felt it would be natural to keep to one's peers. Based on similar definitions of the situation, American communities have built socio-cultural enclaves – very much so even in case their aspirations had been open-minded and directed towards intercultural understanding before.

What is only a soft hint at cultural closure influencing the relations between the community of Americans and Czech society, becomes very obvious when relations between American managers and their Czech colleagues are under scrutiny. According to the perception of Americans, the Czech business elite does not accept them as partners or experts for dealing with the new global culture, even less so as experts for establishing a new civic society. Outside of professional communication and work, they would not be admitted to the decisive discourses run by the Czech majority. On the whole, it can be said that their cultural influence on the process of transformation has remained feeble.

4. CONVERSION OR DIVERGENCE? SKETCHES OF A SYSTEMATIC ACCOUNT

It seems as if initial initiatives for a conversion of foreign and indigenous economic elites were followed by a period of divergence of interests and orientation at the end of the 1990s. Since both groups have been deeply rooted in their respective "national" and/or "ethnic" everyday cultures, a particular dynamics of mutual communication has developed, resulting in increasing tendencies of closure.

On the side of the Czechs, successful elite-buildung and -rebuilding has brought about a new pride of modernization and a new self-confidence. This serves as a mental basis for plunging into original pathways of development which are quite distinct in reality from the models Western modernization policy and theory had to offer. This trend tends to be less and less compatible with the paternalist model of implanting Western economic structures, ideology and culture into the countries in transition. At least some consumerism shaped after the American model (symbolically represented by the massive presence of McDonalds' and Kentucky Fried Chicken in Prague's inner city) seems to have been accepted by the new elites. Yet it is obvious that they deal with it in an abstract, formal way. They take it as a point of ideological reference which is often not directly related to everyday action. When it comes to throwing bridges to American culture in everyday life (including the culture of their elites), the symbolic surplus of formal acceptance quickly vanishes.

On the side of the American elites, an intensive socio-cultural commitment to their root society prevails. It gets supported by the direct professional linkage to transnational corporations under American leadership. After an initial period of curiosity and opening-up towards the Czech majority and their elites, the American elites had started a retreat into their "ethnic" communities on a local basis.

When trying to focus on this cultural constellation in a more formalized manner, a theoretical triangle of relations between the categories "globalization/globalism", :transformation" and "localism" can be postulated. In the shaping of the mutual relationship of these categories, the influence of local and/or "national" peculiarities on processes of sociocultural differentiaton must be regarded. Contrasts and diverging

orientations among different elites arise because the actors struggle for definitions of the relationship between global and local culture.

The different approaches chosen by American and Czech elite members in order to deal with this problem are respresented in *Figure 1*. It refers not only to cross-cultural strategies but also to the construction of social space.

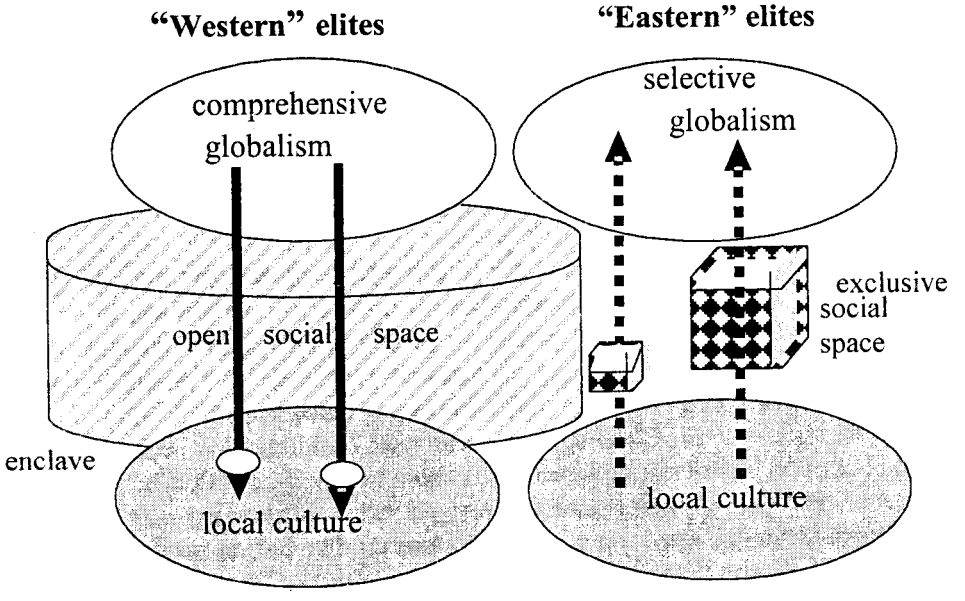

Fig. 1 – Formation of elites in transformation contexts between global and local culture.

"Western" elites are heavily influenced by a comprehensive type of globalism. Very often, they are global players in the strict sense of the word. As such, they are interested in molding local structures and conditions according to their economic interests. Their behaviour is part of a global top-down strategy. Since in most economic fields the world market requires for as much flexibility and mobility of production factors as possible, these actors construct relatively open, flexible, adaptable social spaces. It is not for philanthropic reasons that they develop this attitude but for pure economic necessity. A free flow of knowledge, skills etc. is necessary for catching up with rapid changes in technology, production, network-building and maket structure. This applies not only to high-tech branches but for any branch integrated into the world market. At the same time, global players expect that: Eastern" actors, especially economic elites, would provide for compatible, complementary social spaces. This holds true even for those Westerners who are determined to colonize local lifeworlds in order to guarantee for economic success.

When touching down in local places, global players often can realize their aspiration for creating open spaces only within a very limited scope. In many

cases, is restricted to "ethnic" in-group relations. The tendency for building socio-cultural enclaves described above guarantees for a preservation of the original intentions and for an unimpaired functioning of economic relations. Yet it produces the dilemma of intercultural misunderstandings and insufficient linkages to local elites.

- In contrast, autochthonous elites keep approaching to globality from a local perspective. Their perception of the global is highly selective. Starting from everyday experience inside of post-socialist transformation, they try to make globalization fit to local structures. Within this process of micro-globalization (Dürrschmidt 2002) they would only accept those cultural elements which do not challenge the continuity of their own (local) cultural norms, traditions, habitualizations, etc. Global culture can only be "processed" by them on the basis of particular local/regional cultural patterns and identities (similar: Städtke 1999, 22). By means of concordant bottom-up strategies, a locally grounded, selective globalism :made in Central East Europe" is put into effect. In this process, elite actors produce exclusive, controlled social spaces. In doing so, they are in accordance with general tendencies of cultural closure that characterize the political mainstream of their society. Especially in the Czech Republic, these tendencies have been represented by the fear that the positive achievements of the "velvet revolution" of 1989/90 might be sold out to foreigners by way of globalization (Sýkora 1994, 1160). Equally conducive to this exclusiveness is the resurgence of nationalism which is deeply rooted within the Czech society; it is particularly popular among Czech academics and members of the new elites. Being part of a new cultural fundamentalism (Niedermüller 1996, 150), nationalism directly influences the formation of elites – in harp contrast to the small "global spots" in the fabric of post-socialist elite ways of thinking.

5. CONCLUSIONS

In spite of a general systemic compatibility of both Western and Eastern elite configurations, the emergence of socio-culture (including specific milieux and communities) follows different logics of structuration. Members of foreign elites have developed cultural top-down strategies that are combined with subsonic subliminal demands for dominance. However in practice, their attempts at colonising transformational lifeworlds get neutralised by surrounding strategies of exclusion. This typically ends up in the formation of cultural enclaves within the local host societies.

Members of new economic elites in the Czech Republic tend to define and preserve socio-cultural continuities. The global sphere is integrated into their lifeworld only by means of cautious, selective adaptations. In this bottom-up perspective, foreign agents of modernization appear to be threatening in a certain

way – in remarkable contrast to the general attractiveness of the model of the type of economy which they represent. The exaction of socio-cultural modernization which these agents formulate at a local level of action is – if at all – only partially acceptable for the Czech elites. Socio-cultural exclusion which has arisen as a reaction now in turn strengthens the claim for dominance made by authochtonous elites. The selective kind of globalism practiced by them is only partially compatible with the "imported" type of comprehensive globalism as exercised by the foreign elites. It is an original achievement: a cultural hybrid which was created under the special conditions set by the confrontation of post-socialist transformation and globalization. The particular logic it developed so far is not likely to disappear as globalization will get intensified hold of Central East Europe's societies.

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