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Reforming the World: George Soros, Global Capitalism and the Philanthropic Management of the Social Sciences¹

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Abstract

Philanthropic practices allow the dominant classes to generate knowledge about society and regulatory prescriptions, in particular by promoting the development of the social sciences. The 19th century industrialists had often invested their resources in the definition and treatment of relevant social issues, in order to institutionalize the new form of capitalism they represented. In the late 20th century, the new transnationalized social strata representing the hegemony of financial capital, whose power depends on their capacity to perpetuate the new socio-economic order, used similar strategies. Philanthropy offers a privileged strategy for generating new forms of “policy knowledge” convergent with the interests of their promoters. Focusing on the Central European University founded by the financier George Soros, the paper argues that, far from seeking to curb the excesses of economic globalization, such efforts are actually institutionalizing it by laying the foundations of its own regulatory order.

Keywords

philanthropic foundations, social sciences, Eastern Europe, George Soros, globalization, neoliberalism

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Introduction

In 1889, the steel magnate Andrew Carnegie ranked what he regarded as the worthiest charitable deeds. At the very top of his list, he placed “the founding of a university by men enormously rich, such men as must necessarily be few in any country” (Carnegie 1962[1900]: 32).² This was not wishful thinking, since some of his contemporaries had already set the example: Leland Stanford, the governor of California who made a fortune speculating on lands needed for railroad construction; Ezra Cornell, who developed and commercialized the telegraph; or Johns Hopkins, one of the “robber barons” owning the Baltimore & Ohio Railroad, would all associate their names with leading higher education institutions. A couple of years later, in 1891, the powerful boss of the Standard Oil Co., John Rockefeller, Sr., would contribute to the creation of the University of Chicago (Chernow 1998).

A century on, in May 1991, one of the wealthiest American financiers inaugurated an international university in Prague, in the presence of the highest authorities of what was then the Czechoslovak Republic. He had just founded this educational institution, and he financed it with his own fortune. At a century’s distance, the parallel is striking. It is difficult to understand such private investments in higher education without taking into account the role of social and economic structures, and the similarity of the respective historical contexts. For just as the robber barons of the late 19th century were born out of the process of industrialization and embodied the new role of banking and heavy industry (Josephson 1934), the financier of the late 20th century is himself a representative of a new financial aristocracy that emerged from the deregulation of international financial markets since the mid-1970s and the boom of the new economy. In fact, while it is among the former that one finds the great philanthropists whose names are today associated with venerable foundations (such as Carnegie, Rockefeller or Sage), it is among the latter that the so-called “new philanthropists” have emerged (Abélès 2002; Brower 2001; Guilhot 2004).

² This article came to form the second part of Carnegie’s essay entitled “The Gospel of Wealth.”

The reference to the progressive era is therefore a necessary retrospect if we want to understand the political and ideological functions of philanthropy, and especially of philanthropic initiatives directed at higher education and academic disciplines.³ For it gives us indications regarding the strategic value of these fields as laboratories of social reform – both as the training ground of new elites and as generators of policy knowledge. Investing in higher education does not only earn philanthropists some social prestige: it allows them to promote “scientific” ideas about social reform and to define the legitimate entitlements to exercise power by reorganizing traditional curricula and disciplines. Educational philanthropy allows specific social groups, using their economic and social capital, to shape the policy arena not so much by imposing specific policies as by crafting and imposing the tools of policy-making. In this context, the social sciences, as a learned representation of society and as a diagnosis of its ills, represent a crucial stake. By contributing to their early development, philanthropists sought to ensure that social reform would be congruent with their own interests (Fisher 1993; Berman 1983). The case of George Soros – for he is the financier mentioned before – is a perfect illustration of this phenomenon. For one of the purposes of the Central European University (CEU), the university he established in 1991 in Budapest that is the focus of this paper, is nothing less than “to help educate a new corps of Central European leaders” (CEU 1991a: 3).

In what follows, my purpose is to highlight this strategic management of entitlements and social scientific knowledge by looking at the genesis of this young philanthropic and educational institution. In that sense, this

³ In one of the first monographs dedicated to this issue, Merle Curti and Roderick Nash observe some characteristics of the early philanthropists that can be applied without any change to the late 19th century robber barons but also to the likes of Soros or Turner today: “A striking similarity existed in the careers and attitudes of the major benefactors of practical higher education. Their common experience in the world of business and industry impressed upon them the need for technical talent. They were well aware that the graduates coming from the campuses of the classical colleges were totally unprepared to meet the problems involved in building a bridge, operating a bank, or designing a machine. With few exceptions, these businessmen-philanthropists were not college graduates. Most of them had not needed the traditional curriculum to make a success in their professions and consequently had little desire to perpetuate what they considered a sterile tradition. Their vital education had come instead from participation in the world of affairs and they were proud of it.” (Curti & Nash 1965: 62)

article focuses on what is only a tiny fraction of George Soros' vast philanthropic empire, which spans fifty countries and spends hundreds of millions USD.⁴ By no means complete, this overview is part of an ongoing work and builds upon interviews, internal documents, and selected archives of the CEU. It places this institution in a historical perspective encompassing previous philanthropic efforts in Eastern Europe and the specific social trajectory of its founder, and traces various intellectual influences that have contributed to shape its identity and its purpose. The CEU thus appears as the last episode in the century-long involvement of philanthropic foundations in higher education and social reform. The article argues that the reform of the social sciences that is being promoted in Eastern Europe by the CEU represents a laboratory for generating concrete forms of policy knowledge addressing not only economic reform and democratization, but, more broadly, the "social questions" raised by globalization (human rights, minorities, citizenship, environmental sustainability, etc.). As with the early foundations, such efforts to promote "scientific" approaches to the regulation of socioeconomic processes usually contribute to secure the debates over social change within professional communities united by common standards and worldviews, and to favor "technical" solutions over "political" ones.

The Social Structures of Philanthropy and the Social Sciences: A Brief Overview

In the United States, the new class of industrialists, businessmen and bankers that emerged in the aftermath of the Civil War challenged the position of the old propertied, pre-industrial elite. This struggle crystallized in particular around the reform of the educational system that had legitimated the old elite's domination. As the first beneficiaries of the process of industrialization but deprived of established status, the new social strata "aspired to the gentility of the clergyman, the lawyer, and the man of letters. But the businessman of the 'new era' ceased trying to emulate aristocracy" (Curti & Nash 1965: 61). Instead of extending their patronage to the classical colleges, the mission of which was to train "gentlemen," these groups

⁴ For figures, see Soros Foundations Network (2003).

created institutions that addressed what they thought were the real needs of the time.

The modern American university is born out of this conflict between pedagogical traditionalism and the “new education” movement, a conflict in which philanthropy was used by the new business circles to operate arbitrages in their favor. According to Merle Curti and Roderick Nash:

[W]hereas the traditional college emphasized religious and moral values, mental discipline, and the making of gentlemen, “the new education” set store on vocational training and public service, the advancement of knowledge through original investigation, the importance of management or administration. (Curti & Nash 1965: 107)

Although religious motivations were not altogether absent, this positivist belief in the benefits of scientific rationality strongly distinguished modern philanthropy from the more traditional, usually denominational, charitable institutions that they sought to displace.⁵

By investing in the universities, philanthropists pursued two specific objectives. In the first place, they obviously sought to foster the teaching of practical knowledge and skills serving the development of commerce and industry, against the prevailing academic traditions. But these educational and scientific investments were also a way of diagnosing the social upheavals caused by the accelerated shift from a still largely agrarian society to an industrial mass society characterized by the emergence of a polyglot and riotous urban proletariat. It is difficult to understand the progressive role of philanthropy without resituating it within the context of intensified class struggle that followed the Civil War (Debouzy 1972). The labor wars of the late 19th century were indeed extremely violent, with workers movements repressed in bloodshed by the notorious Pinkertons, federal troops, and the use of martial law. Some of these episodes, like the 1892 workers’ revolt in the Homestead steel mills of Andrew Carnegie or the Ludlow massacre that took place in a Rockefeller-owned mining operation, directly threatened the economic interests of the philanthropists (Krass 2002:

⁵ Both John D. Rockefeller or Andrew Carnegie, for instance, claimed to apply the modern, rational methods of business to the administration of charitable deeds, which they considered to be outdated and deficient (Chernow 1998: 314).

275–303). Aware that social reform was unavoidable, they chose to invest in the definition and scientific treatment of the “social questions” of their time: urbanization, education, housing, public hygiene, the “Negro problem,” etc. Far from being resistant to social change, the philanthropists promoted reformist solutions that did not threaten the capitalistic nature of the social order but constituted a “private alternative to socialism” (Hall 1992: 44).

The social sciences played a crucial role in this philanthropic strategy. Still in their infancy (the American Social Science Association was founded in 1865), these learned representations of the social world were not yet separate from a reform movement animated by social workers, activists, scholars, journalists, and thinkers. They were also permeated by various foreign intellectual traditions. Historicism, in particular, imported into the United States by a generation of scholars trained in German universities, provided the reformers with a conceptual lexicon for challenging the *laissez-faire* ideology and the liberal representations of society that prevailed until then (Schäfer 2000). Economics and sociology were the strongholds of this reaction to the classical ideology of “American exceptionalism” defended by a learned academic gentry but weakened by the irruption of class struggle in a rapidly changing society (Ross 1991).

Because the social sciences potentially promoted an alternative to the liberal order, the philanthropists contributed to their depolitization by encouraging their professionalization and their academic institutionalization. The Rockefeller Foundation, notably through the Laura Spelman Rockefeller Memorial, was at the cutting edge of this strategy that consisted in separating research from activism, and in banning any form of normative orientation in the social sciences in favor of an objectivist and pragmatic empiricism, pitted against the historical sciences (Fisher 1983). Against the existing scientific traditions, the objective of philanthropic support for the social sciences was to produce an applied science of the social world that would increase “social control.” The natural sciences and their contribution to the mastery of physical phenomena were taken as a model to which the social sciences had to conform. The adoption of the experimental method was also supposed to ensure that scientific discourse would remain value-free. The social scientist, therefore, would look more like an expert, a technical specialist or a social engineer than a reformist intellectual. This trend would contribute, during the 1920s and the 1930s,

to promote the values of efficiency and planning and the rationalization of social processes, even at the cost of a certain distancing from a liberal tradition that appeared increasingly unable to ensure social stability.

Philanthropic foundations exported this strategy of challenging socialism on the grounds of pragmatic social science approaches. In the 1920s, the Rockefeller Foundation sought to conform social science research in Europe to the model it was simultaneously trying to impose in the United States. The universities, the scholars, and the research programs that were deemed most compatible with its own agenda enjoyed its support: the London School of Economics, the Stockholm Institute of Social and Municipal Research (Carver 1991), the Scientific Institute of Economic and Social Research in Paris (Mazon 1985), the Deutsche Hochschule für Politik in Berlin, and many other scientific institutions became part of an international network of grantees. During the Second World War, the administration of the US zones in Germany became a laboratory of social science reform, as the struggle against “pre-scientific traditions,” “speculative inertia,” and the whole philosophical tradition in sociology became part of a policy of democratization (Staley 1995).

All these experiences were recycled in the fight against communism during the Cold War. In the United States, the foundations responded to the new strategic needs of the government and to the situation of American hegemony by producing the knowledge needed for the conduct of global politics. This effort included the creation of area studies, first under the aegis of the Carnegie Corporation, then of the Ford Foundation (Cumings 1998); the academic institutionalization of international relations study, essentially promoted by the Rockefeller Foundation; and the creation of an ambitious interdisciplinary program intended to unify the social sciences around the behaviorist paradigm, a step that would among other things separate political *science* from classical political *theory*, under the impetus of the Ford Foundation (Geiger 1988). Abroad, the goal of the foundations was to “foster . . . the institutional and political changes necessary for making [European countries] immune to the communist temptation” (Pollak 1979: 56–57). One dimension of this strategy consisted in undermining intellectual traditions perceived as being “ideological” or “globalizing” and in promoting instead “realist” social sciences that promised to overcome class struggle in favor of a technocratic reformism; the sociology of modernization developed in the 1950s was its intellectual showcase.

In Eastern Europe, the strategy of the foundations was only marginally different. The 1956 events in Poland and Hungary exposed the existence of an intellectual pluralism that the foundations tried to nurture by cultivating local contacts. One of the main designers of US cultural and scientific policy in Germany, protégé of former World Bank president John McCloy, exponent of an elitist and temperate Atlanticism, and future president of the Ford Foundation, Shepard Stone envisaged an ambitious program of scientific exchanges with all the Eastern bloc that would not exclude the Soviet Union (Berghahn 2001: 190). By organizing exchange seminars in Europe or the United States, or conferences given by exponents of “applied” social science research (often European émigrés themselves, like Paul Lazarsfeld), the foundation promoted the same empirical approach, in the hope that it would bolster revisionist currents within the Marxist academic mainstream.⁶ Elaborated within the most prestigious US universities, modernization theory was ideal for serving such goals and enjoyed international diffusion. This research program was well suited for fighting Marxism in the minds of European scholars, not least because it shared with it the same evolutionism based upon a theory of the “stages” of development and gave primacy to the economic basis in explaining social structures (Eisenstadt 1985). As a result, it was open to all different kinds of ideological interpretations, including opposed ones. As Michael Pollak observes, the strength of such a project lay in its ideological versatility, since it was attractive to modernizing technocrats and Cold War strategists alike. It therefore perfectly lent itself to be used as an acceptable substitute to official Marxism by the supporters of a technical reform of socialist state bureaucracies. In Hungary, for instance, by the 1980s mainstream modernization theory had penetrated the political science syllabi of the University of Budapest.

Yet, if in Eastern Europe the foundations followed a strategy of promoting empirical social sciences against what they saw as obsolete academic ideologies, they were also more favorably disposed towards the “old academic forces that resist the sway of communist parties” (Pollak 1979: 57). While the concept of empirical and applied social sciences defended by the foundations was built against the more theoretical and continental aca-

⁶ In Poland, Leszek Kolakowski exemplifies the type of research that the foundations were eager to support.

democratic traditions, those were considered with much more benevolence beyond the Iron Curtain, to the extent that they could legitimately claim to counter-balance academic Marxism and often constituted the institutionalized memory of pre-communist intellectual traditions.

The Rise of an Outsider

In many respects, the Central European University (CEU) founded by the United States financier George Soros appears as the last chapter of this philanthropic history of promoting the social sciences as a tool for democratic social reform – not least because it has built upon previous experiences and tapped existing networks of academic intermediaries and activists involved in the “cultural cold wars.” The idea of an East-West academic center was not novel. In the 1950s, the Ford Foundation was already contemplating the creation of a regional university center that would bring Eastern and Western intellectual elites closer together with a shared conception of social modernization under social scientific guidance.⁷ The Eastern European policy of the foundation was to take advantage of the détente “to institute research, exchange and educational efforts important for democratic objectives” and to target intellectual and academic elites through fellowships to foster the emergence of “scholarly critiques of Communist declarations and policies” (Nielsen, quoted in Berghahn 2001: 179). The Institute for Advanced Studies in the Social Sciences that the Ford Foundation helped to establish in Vienna in 1962 (also nicknamed “the Ford Institute”) was also supposed to be an intellectual bridge between the East and the West. More directly related to the immediate origins of the CEU, the *Fondation pour une Entraide Intellectuelle Européenne* (Foundation for European Intellectual Solidarity, FEIE) acted for twenty five years as an informal channel of communication between Western and Eastern academic and intellectual circles (Guilhot 2006).

The FEIE was created in 1966 as an off-shoot of the Congress for Cultural Freedom, the organization led by American and European intellectuals belonging to the non-communist left, first backed by the CIA and,

⁷ The “end of ideology” thesis, then very popular among Western social-democrat academics, provided the convenient ideological umbrella of this strategy.

later, by the Ford Foundation (Stonor Saunders 2000; Grémion 1995; Coleman 1989). Until 1990, when it was literally merged into Soros' network of foundations as its last director, Annette Laborey, went to head the Paris office of the Open Society Institute, the FEIE used to send books and publications to Eastern Europe and to invite intellectuals, academics or dissidents to conferences and meetings organized in Western Europe. In fact, many of the intellectual designers and contributors to the foundation of the CEU would come out of these informal networks woven throughout the 1970s and 1980s.

Yet, while the CEU builds upon networks of émigrés and cultural cold warriors, it is also an institution created by somebody who is, in many respects, an outsider. For Soros is neither a foundation man, nor was he preordained to be a member of the East Coast Establishment, nor does he possess the titles that distinguish this Establishment (being an Ivy League alumnus, an appointment to the Executive Branch, etc.)⁸ Soros is a Hungarian immigrant who made his fortune by speculating through a hedge fund, in particular – but not exclusively – on currency markets. This subordinate position in respect to more traditional and legitimate financial activities is quite important in trying to analyze his philanthropic initiatives, for it defines a position of outsider that also seems to characterize Soros' position in the field of philanthropy. Indeed, he has often taken critical stances with respect to international affairs and in the discussion of globalization, making the Open Society Institute the progressive wing of the philanthropic world. Hasn't he denounced, indeed, the "limits" of global capitalism and the unfair consequences of globalization?⁹ How is it possible to explain that an outsider ends up standing as a legitimate heir of a long tradition of philanthropic management of the social sciences, while his own life trajectory is socially and historically remote from that tradition? While it is not possible within the confines of this paper to render in

⁸ And even if Wall Street has always been a pool of recruitment of the establishment, the position occupied by Soros in the social structure of this financial center, as I suggest further, clearly sets him apart.

⁹ See in particular Soros (1997). Paradoxically, being a speculator has enhanced the credibility of such provocative statements. As the "best money manager in the world," to quote the title given to him by the magazine *Institutional Investor* in 1981, Soros is fully entitled to denounce a system which he knows inside out and over which he has complete mastery.

all its complexity the Soros' biographical trajectory, it is however useful to resituate the construction of his philanthropic vocation in its historical context.

Born in Budapest in 1930, Soros belongs to a family of the assimilated Jewish bourgeoisie. The family changed its name to Soros in 1936, a decision that reflected the threatening political climate that prevailed in Eastern Europe in the 1930s, and which served in this context a strategy of investment in education, since it was intended, according to Soros' authorized biographer, to facilitate the schooling and the careers of Tivadar's two sons, Paul and George (Kaufman 2002). This strong investment in education and this assimilatory strategy was widespread among these middle class circles, which played an important historical role in the modernization of the country and in the construction of the Hungarian national state. These groups benefited from the liberal period of the Empire, during which they moved closer to the more enlightened fraction of the Hungarian nobility,¹⁰ in an alliance which was also a social division of labor: while the new middle classes, lacking symbolic legitimacy, sought professional outlets in the private sector and valued the acquisition of practical skills rather than honorific titles, the "state nobility" that controlled the public sector sought in education a purely symbolic legitimation of its dominant status, a status that was usually associated with classical studies and the humanities (Karady 1992). This particular historical context, characterized by a relationship of complementarity between the market-oriented sector and political institutions in an era of liberalism, is an important element for understanding the origins and the meaning of the philanthropic ideology that Soros would later develop.

The alliance of these dominated strata with the dominant elite also contributed to facilitate assimilatory strategies (religious conversion, magyarization of family names, etc.) designed to cope with rising anti-Semitism in the early 20th century and, especially, after the breakup of the empire. Law professions – where social integration between Jews and non-Jews was very high and where converts were numerous (Kovács 1990) – were among those which were better equipped to thwart or at least cope with the shameful policies of collaboration with Nazi Germany and the subsequent

¹⁰ On the development of the Jewish middle classes in the Austro-Hungarian Empire, see Hanák (1992), McCagg (1990).

invasion of Budapest by Hitler's troops. Between March 1944 and January 1945, Soros' father saw to his family's survival by obtaining forged documents and dispersing the family across the city and its surroundings. After the war, he became legal counsel to the section of the Swiss embassy in charge of United States interests. In this capacity, he was responsible for assembling the Hungarian delegation to the 32nd World Congress of Esperanto, being himself a convinced Esperantist.¹¹ Taking advantage of this opportunity, he included his younger son George in the list, urging him to go to England to study at the London School of Economics (LSE).

Intellectual Formation: The London School of Economics and the Legacy of Austrian Economists

For two years, Soros sneaked into LSE lectures, as he could not pass the admission exams. Resituated in the social and cultural background that I have briefly sketched, the choice of the LSE appears to be biographically coherent. Soros is the product of a social environment whose dispositions towards higher education were strictly opposed to that of the establishment. The LSE, on the other hand, was an institution created with a view to legitimize applied knowledge and to challenge the traditional universities where the country's elite was produced and reproduced. The affinities between the two are obvious. For, indeed, the London School of Economics was created "against individualism and *laissez-faire*, cosmopolitanism and free trade and against the rule of intelligent amateurs who had emerged from real and would-be upper-class families, from the public schools, from Oxford and Cambridge" (Dahrendorf 1995:29). Its primary purpose was to produce a reliable economic analysis of the current situation that would pave the way for practical prescriptions, as opposed to economic theory of the kind taught at Oxford by Marshall. The goal was thus to train skilled administrators and practitioners rather than gentlemen (Dahrendorf 1995: 35).¹²

¹¹ He learned Esperanto during his captivity as a prisoner of war in Russia during World War I. It is in this language that he has left a memoir on the life of his family under the German occupation of Budapest. See Tivadar Soros (2000).

¹² If the LSE enjoyed the financial support of the Rockefeller foundation throughout the 1920s and the 1930s, therefore, it is because its own position within the English *academe* and the

While the LSE had been founded in 1895 by Fabian socialists (besides Beatrice and Sidney Webb, the early faculty included progressive scholars such as Harold Laski, Hugh Dalton, and William Beveridge), the School that Soros joined in 1947 had been radically transformed in its social and intellectual outlook during the tumultuous decade preceding the war. By the thirties, the LSE had an assistance committee to help German and Central European scholars whose positions or lives were threatened by the Nazis. The assistance extended to these intellectual migrants was, however, relatively selective. Tempted for a while to establish itself in London, the Frankfurt School was met with tremendous opposition within the LSE, mostly led by Friedrich von Hayek. As for many social-democrat academics such as Karl Mannheim or Franz Neumann, they only transited through the LSE before ending in the United States.

The current of thought which managed to establish a strong and lasting position within the LSE was the Austrian School of Economics. Its exponents found a benevolent local interlocutor in the person of Lionel Robbins, a conservative economist and ardent supporter of *libre-échange*, who was himself a former participant of the *Privatseminar* that Ludwig von Mises held in Vienna. Robbins was instrumental in securing a permanent faculty position for Hayek, who from 1931 on, held a chair in economics and statistics. This group emerged as the main counterpoint to the Keynesian orthodoxy that Cambridge University taught and diffused. Not the Austrian economists strictly speaking, but their fellow-traveler Karl Popper had allegedly the greatest influence on Soros. Recruited by the LSE in 1945 thanks to the efforts of his friend Hayek, Popper was also his closest ally in the academic and scientific field (Hayek 1994: 51). Both former socialists initially close to the Vienna Circle, they shared a similar cultural and political background, and a nostalgia for the liberal world that collapsed in the 1920s. They did not dissociate their scientific activity – and in particular their philosophy of knowledge – from the political implications they derived from it, occasionally becoming fervent polemicists. Together with Hayek, Popper was highly instrumental in linking the Austrian school to a political program for the reconstruction of the lost liberal hegemony.¹³

type of socio-economic knowledge it defended were in line with the strategic objectives of the foundation.

¹³ When he joined the LSE, Popper had just finished writing *The Open Society and Its*

The peculiar intellectual atmosphere that Soros, as a devoted follower of Popper's seminar, found at LSE in the 1950s, is fundamental for understanding the philanthropic ideology that he, as an established international financier, would adopt much later. Popper's teaching was in the first place a war machine against historicism and classical philosophy. His critique of these traditions on the grounds of the limitation and fallibility of human knowledge was intrinsically linked to a social philosophy proposing only limited attempts to reform society – “piecemeal social engineering” – that resonated with the Austrian School's condemnation of government intervention. Popper's conception of the social sciences was perfectly in line with the strategy that the foundations were pursuing at the same moment: it made possible the normalization of the social sciences around an empirical and experimental model, and it legitimated the struggle against historicism, and therefore Marxism, thus linking this scientific project with the defense of freedom. By theorizing the idea that nothing less than the nature of social reform was at stake in the development of the social sciences, Popper provided a powerful rationale for the philanthropic management of the latter.

This “Austrian legacy” is arguably a fundamental aspect of Soros' intellectual formation and of the philanthropic ideology that he would later develop. His admiration for Popper is well-known and no occasion to pay tribute was lost. But if Soros has been receptive to this teaching, it is to a large extent because it resonated with his own life trajectory. For the liberalism that Popper and Hayek defended was not an abstract theoretical construct, but the 19th century liberalism that disappeared with the Austro-Hungarian empire under the assault of corporatism, nationalism, and fascism.¹⁴ As witnesses – but also victims¹⁵ – of this collapse, these

Enemies. Along with Hayek's *The Road to Serfdom* (1944) published at the same time, Popper's book would become one of the manifestos of the nascent neoliberal movement. Popper also took part, in 1947, in the founding of the Mount Pelerin Society, the international intellectual society created to promote the diffusion of neoliberal ideas. On the Mount Pelerin Society, see Denord (2002).

¹⁴ In his intellectual autobiography, Popper observes with undisguised nostalgia that “The breakdown of the Austrian Empire and the aftermath of the First World War, the famine, the hunger riots in Vienna, and the runaway inflation (...) destroyed the world in which I had grown up” (Popper 1992[1974]: 31).

¹⁵ Dostaler writes that the economic crisis of the 1920s “ruins the social class to which [Hayek] belonged” (2001: 7).

thinkers concentrated all their later efforts on the defense of liberalism's political and institutional foundations. Like them, Soros emerged from the disruption of this bourgeois and liberal *Mitteleuropa*. As Keynes' biographer, Robert Skidelsky, discerningly observed, Soros inherited from his Viennese masters at LSE a "tragic historical sense" of the market (Skidelsky 2001: 12), a sense of liberal institutions' frailty, and of the need to promote and protect them. His philanthropic enterprises, and also many of his views on globalization and international financial institutions can be understood in the light of this intellectual legacy.

Far from being a leftist critique of neoliberalism, therefore, his attacks on "market fundamentalists" and on *laissez-faire* ideologues are rooted in the idea that economic liberalism needs a strong legal and institutional framework. The criticisms he addresses to economists and to the idea that markets automatically result in equilibrium, is nothing other than a restatement of Hayek's critique of neoclassical economics.¹⁶ Tellingly, Soros' view of economic globalization is to a large extent informed by his own biography, since he instinctively compares globalization to the era of liberalization that preceded the rise of communism and fascism.¹⁷ This *angst* also animated the Austrian school, born from the trauma of liberalism's collapse and dedicated to securing its survival, and, possibly, its revival (in particular through the Mount Pelerin Society).¹⁸ As an advocate of strong

¹⁶ Hayek was a fierce critic of the theory of general equilibrium. Moreover, from Carl Menger to Hayek, the Austrian school was consistently opposed to the mathematization of economics. In *The Fatal Conceit*, Hayek wrote that the reliance on mathematics was "what comes closer to magic in the activity of professional economics" (Dostaler 2001: 45).

¹⁷ It is worthwhile quoting the entire passage of one of Soros' articles, significantly entitled "The Capitalist Threat," where this comparison fully came out: "The present situation is comparable to that at the turn of the century. It was a golden age of capitalism, characterized by the principle of *laissez-faire*; so is the present. The earlier period was in some ways more stable. There was an imperial power, England, that was prepared to dispatch gunboats to faraway places because as the main beneficiary of the system it had a vested interest in maintaining that system. Today the United States does not want to be the policeman of the world. The earlier period had the gold standard; today the main currencies float and crush against each other like continental plates. Yet, the free-market regime that prevailed a hundred years ago was destroyed by the First World War. Totalitarian ideologies came to the fore, and by the end of the Second World War there was practically no movement of capital between countries. How much more likely the present regime is to break down unless we learn from experience!" (Soros 1997: 49).

¹⁸ On this project of international reconstruction of liberalism, see in particular Denord (2002).

international institutions securing a liberal environment, aware of the risks contained in an unregulated liberalism, and devoted to the promotion of its cultural and institutional foundations through his Open Society Institute, Soros appears as the most legitimate heir of the founding fathers of neoliberalism.

Although it may sound paradoxical today, there was nothing contradictory in this institutionalist vision of economic liberalism. For the liberal economists of the Austrian school and their allies, the institutionalization of a liberal legal framework was a necessary condition for liberalism's survival. In the late 1940s, most of the LSE champions of *laissez-faire* were no longer fundamentally opposed to international regulation. For many academics, and in particular economists, wartime participation in government had facilitated this conversion. Some of them even took part in the construction of the post-war international institutions. Lionel Robbins, for instance, who had been director of the Economic Section of the War Office, was a delegate at the Bretton Woods conference. For him and other conservative economists who had always favored *laissez-faire*, the international financial institutions represented a form of regulation that was all the more acceptable in their eyes, since it relied to a large extent upon their own networks of acquaintances; many were LSE alumni (Dahrendorf 1995: 354–6).

While he initially intended to study economics, Soros found himself involved in Popper's seminars and in the study of philosophy. During these years as an immigrant student, he earned his living from small jobs – lifeguard, porter, salesman for a souvenirs shop – before finding a small position in a brokerage firm of the City. His financial training took place within the arbitrage department, where he soon traded on his own account. The rest of his financial career is well known. In 1956, through an acquaintance, he was recruited by a small brokerage house on Wall Street and left London for New York. Speculating on the oil market, which was very active in the wake of the Suez crisis, and later on other energy resources, Soros also made money during the wave of mergers and acquisitions that resulted in the 1960s conglomerates. In 1969, he created the Quantum Fund, an off-shore hedge fund registered in Curaçao but managed from New York, which made his personal fortune (the estimates of which range from \$5 to \$8 billion) as well as those of his client investors.

It is not possible to analyze in detail Soros' financial career within the confines of this paper. Yet, resituating it in the economic and social context of Wall Street sheds some light on the mechanisms by which economic capital is converted into global political clout. In this respect, his training as an arbitragist deserves some attention. Arbitrage is not only a specific function within the division of economic labor, namely correcting market inconsistencies.¹⁹ It is also attached to specific social characteristics, and is not always considered a very reputable activity. In the 1980s, it attracted individuals who did not have the legitimacy or the social entitlements of bankers or lawyers, and who compensated for their lack of inherited symbolic or economic capital through technical innovation. Arbitragists in those years included Ivan Boesky and operators networking with Michael Milken before his fall. However, it was precisely these outsiders – arbitragists, corporate raiders, rogue traders, turnaround managers, etc. – who benefited the most from deregulation during the late 1970s and the 1980s, since it undermined the privileges and the position of the banking establishment and gave a premium to innovators and intermediaries. Paradoxically, it was these ruthless promoters of deregulation and corporate restructuring who later turned into “new philanthropists” and champions of civic virtue and business ethics (Guilhot 2004).

This revolution of the financial world's social structures also affected international financial institutions, historically dependent upon Wall Street and thus echoing its transformations, which contributed to internationalizing deregulatory policies and practices. At the same time, the new finance-driven and globalized economy remained unstable, weakly institutionalized and much contested. In order to be sustainable, it had to rebuild a capacity to regulate global capitalism. Both a beneficiary and a symbol of the financial market globalization, product of a social stratum built on an alliance between business circles and state power, heir of an institutionalist and political vision of neoliberalism, Soros was in the best position to be an enlightened interpreter of this project:

¹⁹ Arbitrage consists in correcting market inconsistencies, such as the spread between the price of a stock and that of an underlying warrant, or between the price of the same equity or the same currency on two different markets. With the wave of mergers and acquisitions that hit Wall Street in the 1980s, however, risk arbitrage became a popular activity for speculators. While traditional arbitrage was almost risk-less, risk arbitrage consisted in betting on the success of a takeover and accumulating shares of the takeover target, usually using leverage.

[A]fter nearly half a century of what now appears as excessive regulation, we have been moving towards excessive deregulation. The sooner we recognize that some kind of regulation is necessary in order to maintain stability, the better our chances of preserving the benefits of a nearly free market system. (Soros 1987: 331)

Philanthropy thus became a privileged instrument for reinforcing international institutions and producing the scientific, professional, social and political infrastructure needed for managing globalization. Starting with *ad hoc* projects in the early 1980s, Soros progressively built an impressive network of foundations operating in more than fifty countries (usually called Open Society Institutes). Those foundations, in turn, support a variety of projects, organizations, or movements, some of which have made a critical impact on political outcomes, such as the Otpor movement in Serbia or the Pora opposition movement in Ukraine.

Training a Professional Cadre for Market Democracies

Against this background, the creation of the Central European University appears as a crucial step. It would be misleading, indeed, to view investment in the social sciences as the whim of a rich LSE alumni indulging in some intellectual hobby: the social sciences are where the tools of reform and regulation are honed and tested. Initially, the purpose was to make an immediate impact on the course of events in Eastern Europe, especially through economic reform, rather than to create a formal academic institution. In 1989, during seminars at the Inter-University Center in Dubrovnik, intellectuals close to Soros and to the networks aggregated by the *Fondation pour une Entraide Intellectuelle Européenne* took the decision to create an institution that would “train the next generation of economists” (HU-OSA 203-0-3, 2003:75).²⁰ It was conceived as “a high-level vocational school to train privatizers and democratizers, people who could immediately go into real life after they finished their studies and translate their knowledge into practical action” (HU-OSA 203-0-3, 2003: 79). This proj-

²⁰ The references of the archive materials can be found at the end of the article, before the reference list.

ect was primarily aimed at the modernizing advocates within the socialist administrations, and in particular at those reformers who had the double legitimacy of administrative experience and political pragmatism.

The nature of this project explains the predominant role of economics within the CEU. The institution started as a department of economics exclusively dedicated to the technical issues of the transition to a market economy. The first programs targeted the future architects of reform and in particular the administrative cadre in charge of economic privatization (CEU 1991b: 3). The initial one-year curriculum, entirely taught by United States professors or Eastern Europeans trained in the US, aimed at introducing “a selected group of economists from the region to the main academic areas of economics in the West and to the application of economic analysis to the problems of transition to a market economy.” The students would also “be exposed to the research and policy formulation undertaken by major international organizations involved in Eastern Europe” (CEU 1992: 3).

This professional upgrading also served a strategy of rapprochement with the international financial institutions. Importing Western state of the art economics²¹ required teaching by guest speakers and practitioners coming from these institutions, thus facilitating the circulation of economic doctrines (and personnel) between universities, state administrations, and international institutions. The economics program at the CEU was created at the same time that the economic prescriptions comprising the “Washington consensus” were systematized and publicly discussed by economists, politicians, and social scientists.²² By opening faculty positions to the proponents of this orthodoxy coming from the International Monetary Fund or the World Bank, such as Lawrence Summers, the new philanthropic institution contributed to disseminate these ideas in Eastern Europe. It would be actually more accurate to say that the CEU was not

²¹ This scientific imperialism is facilitated by the fact that, technically speaking, the CEU is an American university, “candidate for accreditation” for obtaining the permanent status of university from the Middle States Association of Colleges and Schools. The diplomas it delivers are accredited either by the State of New York, or by some British universities. Just like any American students, candidates must take the TOEFL and obtain certain scores in order to be admitted.

²² On the Washington Consensus, see Williamson (1993); Dezalay & Garth (2002: 73–94).

only a relay, but also a co-producer of these economic prescriptions, to the extent that it actively organized the interactions between economists, politicians, and technocrats on which this “consensus” was based. It also generated comparative data on the different national privatization processes for the World Bank (CEU 1993: 6).

The relations with the Bank have been continuous and intense. At the founding of the CEU, the World Bank actively participated in creating seminars on privatization. It organized a student program in 1991, a joint conference on corporate governance in 1994, and more recently, in April 2002, its aid was sought for the management and financing of the CEU business school. These institutional exchanges ensure that teaching and research are attuned to the global agendas of economic reform and that the policy prescriptions of international financial institutions are circulated and discussed in academic environments.

Several factors account for the success of orthodox economic discourse in Eastern Europe. Of course, it appeared to represent the current state of academic knowledge and practice. But also, to the extent that it rested on an apolitical and objectivist conception of economics, the Washington consensus could paradoxically claim to represent knowledge free from any ideological bias. This fitted perfectly the postcommunist educational project of the CEU, but it was also very attractive for East European economists, for it did not only represent the emancipation of the economics discipline from ideological supervision, but it also conveyed the hope of turning upside-down the power relations that had characterized economics under socialism. The project embodied by the CEU primarily attracted empirically-oriented researchers and professional practitioners of applied economics coming from “technical” research centers, ministries, or chambers of commerce, those previously subjected to an “economic-administrative” elite or the “political economists” of the official ideology (two groups that effectively held power within the Academy of Science and therefore the capacity to grant state doctorates) (Péteri 1996). These people eagerly embraced a formula that valued their skills and gave them an entitlement for participation in policy-making. The Washington consensus thus represented an opportunity for revenge, to the extent that it fostered the emergence of an apparently autonomous professional field of economics, and, by allowing economists to define economic policy, gave them a dominant position in the field of state power.

The creation of a Westernized elite by philanthropic foundations that identify emerging young leaders and expose them to mainstream economic doctrines is a process that can be illustrated by following the career of a political science professor at the CEU. Prior to 1989, trained as an economist and not affiliated with the Communist Party, he worked in a research institute linked to the Hungarian reform movement. In 1988, this position qualified him to become department head in the Institute of Economic and Market Research, and then to join the Liberal Party as an advisor for economic affairs. It is among this pool of young reformers that US foundations, following a well-tried strategy, identified emerging young leaders and coached them. In this case, the benefactor was the conservative Pew Charitable Trust, which offered a six-month exchange program in the USA at Georgetown University. Seminars in political science, international relations, and economics were intertwined with selective meetings during which the fellows conferred with high-ranking politicians and advisors (such as, in his case, Ronald Reagan, Madeleine Albright, or Jeffrey Sachs), thus expanding their own international networks of contacts. The last two months of this fellowship were spent as an internship within an international institution – United Nations, USAID, IMF – in this case, the fellow opted for the World Bank.

At the time, the main focus of the Bank's agenda was the relationship between structural economic reform and its institutional and political environment, or, in the Bank's words, issues of "governance." The internship was an opportunity to become familiarized with this agenda and to contribute to its internationalization. It was also an opportunity for developing personal contacts with the "Washington political economists" (Stefan Haggard, Robert Kaufman, Joan Nelson, etc.) who were behind the agenda and were elaborating this consensual analysis of structural adjustment policies with a critical edge (Haggard & Kaufman 1992; Haggard & Webb 1994; Nelson 1994; Dezalay & Garth 2002).

Paradoxically, these researchers who often opposed economists – they tended to come from political science or even, sometimes, critical political sociology – contributed to creating a more consensual formula of state reform than the Washington consensus, without questioning its main assumptions. For if they opposed "pure" economics, it was not to contest the policy prescriptions associated with macroeconomic reform. Instead, they refocused economic analysis around economic *policies* and the strategic

calculations of state actors involved in their design and implementation. These political economists thus contributed to elaborate an institutionalist formula for global economic reform that stressed the importance of transnational policy networks in ensuring the diffusion and successful implementation of Washington's policy recommendations. This institutionalist challenge to economists constituted not only a promising and professionally rewarding field of research in the 1990s, but also a policy discourse perfectly in line with the liberal project that Soros promoted in Eastern Europe and elsewhere.

A Cosmopolitan University in the Social Sciences

The strategy which consisted in imposing neoliberal state reform by structuring academic and policy knowledge in economics is certainly a crucial aspect of the CEU's creation. Yet the university has actually developed as an alternative to the initial vision of quick vocational training meant to convert a cadre of socialism's reformers into the administrators of capitalism and liberal democracy. Indeed, this project, mostly defended by George Soros himself, was rapidly superseded by a competing one: that of generalist training, much less based on practical skills and on policy applications. This alternative was supported by Hungarian academic circles upon which Soros relied for implementation of his philanthropic activities. These "Soros networks" were mostly outsiders of the former regime: individuals who occupied marginal institutional positions but occupied dominant positions on the intellectual or cultural scene, and who therefore belonged to a "protected" opposition, strengthened by its international reputation and its contacts abroad.²³ Two names can illustrate the social composition of these networks. The first is the historian Petr Hanák, one of the founding fathers of the CEU. Born in 1921, he joined the Communist Party after World War II. Disillusioned by the new regime, he left the Party ten years later and supported the 1956 revolt, a decision that put an early end to a prom-

²³ I thank Victor Karady for pointing this out to me. The same phenomenon characterizes US philanthropy in Latin America, where the Ford Foundation developed networks of left-wing or social-democrat academics opposed to the military juntas (Cardoso, Foxley, O'Donnell, etc.) but protected by their contacts in Washington and their social background (Dezalay & Garth 2002; Guilhot 2005).

ising academic career. He wasn't appointed to academic positions until the 1980s, when he became professor at Eötvös Loránd University and history department administrator at the Academy of Sciences. These positions, however, were dwarfed by prestigious international appointments, since he taught at Columbia, Yale, and Rutgers Universities, and became a fellow at the Institute for Advanced Studies at Princeton and at the Woodrow Wilson Center in Washington.

Another symbol of Hungarian dissidence, Janos Kis, is the perfect example of the type that Soros sought to recruit in Eastern Europe. The whole political science department at CEU was organized by this former philosopher excluded from the Academy of Science in 1973, who later became the leader of the Liberal Party/Free Democrats. Created in order to teach "democracy to locals by people who were both scholars and participants" (Dimitrijevic 2003), the department was built around liberal intellectual networks and young Hungarian researchers who finished their PhDs abroad. Given their history and their domination of the new political science discipline, these networks would coalesce behind the project of a counter-university meant to challenge state universities where the faculties maintained strong ties with the old regime, and where curricula reform proceeded slowly.

The strength of this alternative project, however, did not lie only in its capacity to unite those members of a liberal intelligentsia that the intellectual "counter-selection" practiced under socialism had excluded from the universities or at least from teaching positions. Far from signaling the defeat of the "school for privatizers and democratizers" initially envisaged, the project of creating a real university was actually conceived as a more efficient and sophisticated strategy for achieving the same results. The university format was also much more suitable to the ideal of an institution "free of ideological contamination and political pressure" (HU-OSA 203-0-3, 2003: 75) built as a counterpoint to the socialist educational system, an ideal that a too openly neoliberal initiative could not match. By opposing the idea of technical training producing experts in economic affairs, and by supporting the project of a real university with departments representing the social sciences and the humanities, the local intelligentsia actually promoted a different social construction of authority, based not on the practical value of knowledge, as in vocational training, but on its symbolic value, as in classical studies. This was, in fact, the main intention of the

university project: the point was to expand into disciplines and subjects that are essentially “luxuries without immediate practical application” (Rév 2003). Very early on, several such programs were created in comparative literature and history of art; a teachers training program in history was also set up. The main purpose of such initiatives was to give “real intellectual authority” to the alumni (HU-OSA 203-0-3, 2003:79).

The creation of programs in classical disciplines, and in particular in historical disciplines (over whose content the foundations have most often sought), was therefore identified as a solution to the legitimacy problem of the new CEU elite. The use of history also obeyed other strategic considerations. The concentration on medieval and modern, rather than contemporary, history was a way of attracting a faculty that tended to be associated with the opposition to the former regime (medievalists such as Bronislaw Geremek, János Bak or János Szűcs were among the faculty or occasional guest speakers of the Department of Medieval History). More than other disciplines, medieval history represented indeed the institutionalized memory of a pre-communist past and of a European identity that the architects of the CEU considered as a crucial ideological element in the curricula offered.²⁴ Similar considerations spoke for the early creation of a “nationalism studies” department that is still today an important focus at the CEU.²⁵ The decision to establish the department was taken after some founders had expressed concerns with the resurgence of nationalism in Eastern Europe around 1989. Under the aegis of its head, Ernest Gellner, liberal theorist and historian of nationalism, the nationalism studies department would be at the cutting edge of this pedagogical strategy. The content of the classical curricula, therefore, as much as the constant contacts with international institutions and political networks, underscored the main purpose of the institution: training future leaders in a liberal and anti-nationalist atmosphere (HU-OSA 203-0-3, 2003: 75).

The reliance on classical disciplines and, later, the development of research by expanding the doctoral programs, were institutional developments which certainly veered from the initial vision of a school for “priva-

²⁴ Petr Hanák had for instance suggested a compulsory course for each new student on “Central European Civilization.”

²⁵ When the CEU opened in 1992, it had four departments: nationalism studies, economics, sociology and environmental sciences.

tizers and democratizers,” which had strong neoliberal connotations. Yet, as pointed out previously, they perfectly fulfilled the mission envisaged by the founders, that of a teaching and activist institution, meant to “inculcate [its students] with fundamental, democratic open society ideas and values” (HU-OSA 203-0-3, 2000: 195). Benefiting from all the experience of “scholarly exchanges” practiced by foundations during the Cold War and building on the networks that were articulated in the course of this experience, the CEU has taken further the exercise in elite formation that was the traditional objective of these philanthropic initiatives. While it is certainly not in a position to manage such processes single-handedly, it definitely contributes to developing an East European (and now also Central Asian) elite that adheres to the ideology of globalization, understands its main debates, and tends to be compliant with its requisites. Significantly, these concerns have been matched by a rethinking of the institution’s identity. The CEU is abandoning its status as a “regional” university and developing as the provider of a post-national, “cosmopolitan education” explicitly meant to integrate entire regions into the process of globalization by easing the conversion of their elite to its main ideologies and policies (CEU 2003).

“I have long nurtured the fantasy of becoming an economic reformer à la Keynes” (Soros 1987: 333)

Training the Administrators of Globalization

A direct emanation of global financial markets, the philanthropy of George Soros addresses the institutional forms and governance of the new global economy – just as previous philanthropic endeavors had been involved in the shaping of postwar international economic arrangements (Roelofs 2003).

The development of our international institutions has not kept pace with the development of international financial markets and our political arrangements have lagged behind the globalization of the economy. Based on these premises I have formulated a set of practical proposals that would make capitalism more stable and equitable. (Soros 2002: vii)

Creating political forms corresponding to the reality of globalized capital, however, faces two hurdles according to Soros: “market fundamentalists”

and “antiglobalization activists” (Soros 2002: vii). Against the former, Soros reasserted the need to regulate the global economy in order to ensure its sustainability and to make its contradictions and conflicts amenable to administrative management. Against the latter, the challenge is to make sure that the new areas of global regulation, such as human rights, gender issues, or environmental protection, do not call into question economic globalization, but on the contrary, secure it. In this respect, a key strategy consists in developing expertise in these areas, and fostering scientific, “professional,” realist approaches to these issues – in other words, an expertise modeled after that found in international institutions and compatible with their agendas.

This strategy is deeply ingrained in the whole philanthropic project. The first philanthropists of the industrial era also struggled to confine the social sciences within the limits of a reformist project that preserved the economic interests of their class. Later, in their international dealings, foundations sought to foster the emergence of modernizing and pragmatic elites who would confine social reform within the parameters of the existing economic and geopolitical order (Berman 1983). More recently, in the 1960s, the “gurus” of the Ford Foundation – a committee of lawyers from the American bar – played a crucial role in bringing the environmental movement closer to big business and industry, under the pretext of strengthening its professionalism (Gottlieb 1993: 138–9). The CEU, in turn, is perfectly equipped to fulfill this function and to organize the convergence between NGOs and international financial institutions, by shaping the professional skills and expertise of the actors who administer global processes, or even those who oppose them.

The CEU thus remains faithful to the philanthropic tradition of promoting policy-oriented approaches in the social sciences. By intervening in the issue areas where globalization is potentially challenged, it contributes to the development of alternative views of globalization, but it also shapes the strategies and models to which these learned critiques of globalization must conform in order to be heard. The CEU has indeed developed expertise in the main issue areas of globalization: ecology was represented at the outset in the environmental sciences department; human rights is a major focus of the law department; the CEU is also the only university in Eastern Europe with a department of gender studies. At the same time, these fields – which tend to be NGO turf – are modeled after the policy

needs and the applicability criteria of international financial institutions. In the context of a proliferation of NGOs and civil initiatives, such efforts contribute not only to disciplining them, but also to bringing them closer to hegemonic institutions. They not only lead to the professionalization of dissent and reform, but also to the structuration of a seamless web of “global governance” where state agencies, international financial institutions and civil society organizations tend to share increasingly similar outlooks and to organize themselves according to a smooth and coherent division of labor.²⁶

In this respect, the creation of the Center for Policy Studies in 1999 is highly significant. Designed to fulfill the functions of a think tank – the collaboration of the RAND corporation had been solicited and the World Bank took part in its creation – the Center is supposed to give visibility to research being done at CEU and to disseminate its results as policy papers to national or international institutions. By making sure that research is concerned with relevant policy issues and that its conclusions are “usable,” the purpose of the CPS is not only to help students find jobs in their home countries or in the network of Soros foundations, but also to conform NGO practices to the professional standards of hegemonic institutions. One of the Center’s objectives is indeed to initiate a “dialogue between NGO personnel and academics” (HU-OSA 203-0-3, 2000: 195). The convergence between the training of state officials and that of NGO personnel is even more patent in the case of the project to establish a Master’s in Public Policy aiming at “training NGO personnel” (CEU 2000: 4). This interdisciplinary curriculum would be established jointly by the departments of law, economics, political science, and the CEU business school. Entirely included within the field of public policy, NGO activism thus becomes indistinguishable from other forms of public affairs management.

The strength of the reformist and educational project promoted by the philanthropic foundations was, as stated in the first section of this paper, its ideological versatility and its capacity to gain the adhesion of actors with different, if not divergent, interests. It was an elitist project, serving particular interests and conservative purposes, and at the same time it could plausibly defend its reformist and progressive record. The same thing

²⁶ On the ambivalence of NGOs and their relation to the state, see Sutton & Arnove (2005).

can be said of Soros' project. His own statements have reflected this ambivalence. He is a ruthless speculator, and at the same time warns against the dangers of global capitalism and attacks "market fundamentalists." He is the beneficiary of a highly unequal economic activity, yet one of the objectives of his foundation is, according to its president Aryeh Neier, to "correct the inequalities generated by globalization" (Nora 2002). One reason why Soros' project has become hegemonic is precisely that it is open to conflicting interpretations, and that it may be acceptable to actors who otherwise tend to oppose each other: World Bank and IMF officials as well as their critics, State Department officials as well as human rights activists, and neoliberals as well as critics of globalization. As the "crown jewel" of Soros' philanthropic empire, the CEU plays a crucial role in organizing the rapprochement between these different actors of globalization by standardizing their training. And just as the 19th and early 20th century philanthropists were trying to reduce the opposition between capital and labor by investing in progressive scientific ideologies promising to overcome it, today's philanthropists struggle to reduce the opposition between financial institutions and NGOs by organizing their convergence and by creating a common curriculum for these emerging professionals of globalization.

Archival Sources

In writing this article, I have used documents retrieved from the "Open Society Archives" located at the Central European University in Budapest. They were mostly tapes from an oral history series (Fonds 203-0-3, Audiovisual Materials of the Public Relations Office of the CEU Budapest):

HU-OSA 203-0-3. 2003.	Tape 75	interviewee: William Newton-Smith
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