

Footnotes On Art and Finances: George Soros and What Remains

The following text is a working paper / case study on the effect and consequences of the SCCA (Soros Centers for Contemporary Art) in the countries of former Yugoslavia. It is part of a wider research into the charitable work of US billionaire George Soros and its political implications in the post-communist world. This ongoing project aims to describe and compare ideologies of contemporary art funding.

Reflecting the recent history of contemporary art in the region referred to as former Yugoslavia, one can hardly overlook the activity of the Soros Centers for Contemporary Art. The SCCA network opened throughout the 1990s in 18 post-communist countries as subdivisions of the international Open Society Foundation, a large-scale charitable institution established by Wall Street financier George Soros.

The SCCA network launched a new normativity and a redefined notion of contemporaneity in artistic production in the respective societies. According to Octavian Esanu, “The SCCA was an institutional mechanism of the post-socialist transition or normalization, and its primary role was the modernization of the artistic discourse in the former socialist countries and the republics of the former USSR”[\[1\]](#). Misko Suvaković gave an account of the ambivalent position of the Soros Centers between the production of progressive and often leftist discourse, and the matter of fact neoliberal institutional practice established through the managerial reality of the centers[\[2\]](#).

With the break-up of the Yugoslav socialist state system at the start of the 1990s, the old structures of state cultural organisation declined. Institutions in the field of contemporary art operated on scarce budgets, maintaining themselves in a mode of “minimal function” while often focussing on regional academic traditions. Even though some of the alternative institutions for independent culture and art, which opened throughout the 1970s in the different republics remained operative, their role tended to be marginal, providing little structural support for the independent sector. The need for alternative funding sources for culture arose as state budgets withered away during times of economic collapse and war.

In this void the Soros Centers for Contemporary Art appeared in the newly formed nation states (1993 in Zagreb and Ljubljana, 1994 in Belgrade and Skopje, 1996 in Sarajevo). Run by local professionals[\[3\]](#), “The fundamental model of the chain of centers that operated in 20 former Communist countries was conceived for work under conditions of transition—a small, effective and professional team and a flexible program whose primary goal was to keep contemporary art alive: financial support of new projects, assembling and editing documentation, communicating and making connections with professional institutions and individuals abroad, organizing exhibitions-actions that affirm contemporary tendencies in art that are complementary or alternative to the predominantly traditional and anachronistic local scene. Connected in a network, they developed intense mutual communication and in joint or coordinated initiatives they helped the presentation of Eastern European art in the West[\[4\]](#).”

After the turn of the millenium, Soros funding for the centers gradually receded and by about 2003 all of the SCCAs had become financially independent as so called ‘Spin-offs’ or had ceased to exist. George Soros had decided to prioritise other initiatives within his funding-

imperium, arguing that the respective governments should take up responsibility for the support of contemporary art in their countries.

What struck me when I first heard of the name Soros, was the fact that in former Yugoslavia this name seemed to be the most common denominator for funding and subsidy among the artistic community, while in Germany Soros is rarely known outside the financial scene. If anything, one might have heard of him as the progressive U.S. billionaire, or “the man who broke the bank of England.[5]” The reason why Soros has become so prominent in the Eastern European art scene is simply that his art centers in many cases held the local monopoly for the support of contemporary art outside the state institutions. Soros investment of substantial amounts of private funds into the foundations took place in a pro-active and unbureaucratic way, creating abundance for a specific segment of producers inside a situation with close to no other alternative to dominating national cultural policies controlled by a long-lasting bureaucratic elite. Due to the inexplicable fact that the network of Soros Contemporary Art Centers had been named after the grand donor himself (which seems even more bizarre in light of certain sources claiming that Soros has not the slightest interest in or knowledge of contemporary art[6]), their support for and activity in the field of contemporary art during the 1990s is only ever referred to as ‘Soros-money’.

Existing investigations into the function of the Soros art funding mostly overlook the place of the SCCA network within the early history of the Soros Foundation and its wider political agenda. The reason may be found in the fact that the foundation has developed an entirely new approach after the collapse of the communist systems in order to deal with the problematics which arose as consequence of the transition (to capitalism). The establishment of the SCCAs can be categorised as part of the second phase of the foundation's operations, introducing a functionality of contemporary art as part of a set of strategies towards managed identity-discourse, peaceful co-existence, multi-culturalism and politics of democratic consolidation. Joanne Richardson asserts that “Although Soros was never synonymous with post communism, this angle formed an initial stage of the Soros project. Post-cold-war would be a better term than post-communism insofar as it shows a dialectical relationship rather than a one sided pole – the relationship between the US and what it considered an evil Eastern Europe, the big other against which it could define its own American way of life and democratic institutions (consumption without restraint and “free” elections).”[7]

Investor George Soros set foot in the then communist world establishing his first foundation in Hungary in 1984. Soon after, the initial offshoot into the realm of contemporary art emerged in the form of the Fine Art Documentation Center which focused on the documentation and archiving of preferably marginalised or dissident art practices in Hungary. This feature coincided with the general aim of the Foundation – that of supporting the then oppositional, anti-communist discourses, encouraging liberalisation, democratisation and the emergence of so called civil society organisations (today better known as NGOs)[8]. Starting off with the support of civic opposition in Hungary and Czechoslovakia, Soros thus defined a central aspect of the Foundations early strategies – that of active involvement in the subcultural activities which led up to the soft revolutions after 1989 and finally resulting in the collapse of the communist bloc and the establishment of representative democracy, liberal markets, ‘reform movements’ and the transition to capitalism.

In the case of former Yugoslavia the Soros Foundations became active only after the collapse of the Yugoslav federation. Amongst various other initiatives, they provided support for civic activism during the Milošević era and carried out some essential and adventurous operations for humanitarian aid, infrastructure and communication in the besieged Sarajevo. In post-war Yugoslavia the foundations found themselves confronted with the necessity to counter those

liberated forces that came to the fore with the demise and transformation of the communist leadership. In order to de-hegemonise the ethno-centric and xenophobic discourses which again threatened the ideal of an 'open society', the foundation launched various programmes sporting moderate liberal (and at times even marxist) discourses in media, education and art. Minority and Roma rights, legal reform, regional politics and independent media came into the focus of the Foundation. These years saw an increase in the number of small NGOs for numerous such activist and social causes, while the financial support structure for such administered civic participation in the pre-political space was established to a significant extent by the Soros Foundation.

It seems appropriate here to introduce the term 'piecemeal social engineering' established by George Soros' spiritual mentor Karl Popper, as it explains the open support strategy of the Soros Foundation. Opposing "historicist" approaches as suggested by Marxism, Poppers projected ideal of the "open society"^[9], to be realised via small-scale reform of management practices in civic institutions, third sector organisations and within governmental or legal frameworks. Poppers project rests on the principles of a juridically (and not socially/ethically) secured notion of potential equality, on a liberal market framework and a general awareness of the fallability of ones own convictions and world-views. It is anti-dogmatic and involves as a consequence the rejection of any type of utopian conception of the future, the annihilation of avant-garde radical politics and collectivising mobilisation as the 'harbingers of totalitarianism'.

In the case of the SCCAs, as Miško Šuvaković argues, this principle does however not exclude leftist discourses from the general support scheme. Indeed, they encourage such discourses to take place within the field of culture, were they can be placed (more or less) effectively against nationalist paradigms. The same applies to the numerous foreign foundations active in 'the region'. Thinking back to the initial question of the function and legacy of the SCCA network in former Yugoslavia, it is of course ambivalent and even more so from an outsider perspective with limited access to direct information. One may discern some obvious facts to start with.

1. The SCCA provided a framework for already existing independent culture and some of its protagonists to continue their practices and discourses.
2. The SCCAs imported and institutionalised contemporary (which in this case means western) artistic and curatorial practices that were not supported or taught by state institutions, providing a functional alternative to national cultural policies and the interests of the political nomenclature.
3. The SCCAs provided a place for artists to further educate themselves with regard to the international standards of contemporary art. Some of the centers provided means of production for contemporary artists.
4. The SCCAs provided a platform for international representation, visibility and valorisation of the contemporary art produced in former Yugoslavia.

Head of SCCA Sarajevo Dunja Blažević writes in 2003: "Old institutions are not in the position to carry out their functions, and contemporary art has no benefit from them. A substitute or parallel system of non-governmental, non-profit organizations is now appearing, a new model flexible in structure, which has taken over the role of supporting new initiatives in contemporary art production in various fields. [...] It is difficult to say that the existence of SCCA in Bosnia and Herzegovina is more significant than in other countries (for the above-

mentioned reasons), however the fact stands that it was the nucleus for the creation of a new art scene, focusing on the development of multimedia and public art, working with artists in the country and in the diaspora, and creating two-way cooperation on an international level. In short, the concrete output is as follows: without this center, artists from Bosnia and Herzegovina would not be represented in international exhibitions since 1997, from Manifesta(s) to the first International Biennale in Valencia in 2001”[10]. It should be added however, that Kosovo – with no such art center – had also developed at around the same time a small contemporary art scene referred to by some authors as being among the most interesting and vibrant in former Yugoslavia[11].

Today the landscape of contemporary art institutions sees a number of new players on the field. Meanwhile, not much has happened regarding those state cultural institutions that were meant to step in and fulfill their functions in terms of displaying, promoting, researching, commissioning and archiving contemporary art after the exit of George Soros’ financial support. It seems evident that since Dunja Blažević has articulated her complaint, most of them have faced immense difficulties in changing their situation effectively, maintaining a provisional state of construction or reconstruction for many years[12]. Moderna Galerija Ljubljana is among the few public art institutions in former Yugoslavia able to maintain adequate international programming. Yet it has been confined to its limited museum space – the annex building for contemporary art had its completion postponed for years and finally opened its doors in late 2011. The Museum of Contemporary Art in Zagreb too was able to open its newly completed modern museum building to the public in 2009–after six years of delays during construction. The Belgrade Museum for Contemporary Art has remained closed since 2007, using various satellite locations for temporary exhibition activities. The decade-long struggle to build a museum for the Sarajevo based collection Ars Aevi has so far led only to a temporary display situation in a depot[13]. The closing of the Sarajevo National Gallery in summer 2011 was followed by a week-long occupation by artist Damir Nikšić[14].

In the face of such scarcity, familiar decentralised formats of contemporary art events such as Manifesta 8, Cetinje Biennial, Spa Port Festivals in Banja Luka, Konjic Biennial and smaller art festivals have played a significant role, alongside regional and international cooperation projects such as Lost Highway Expedition, Project Relations or PPPYU-ART – to name just a few.

Initiators and funding institutions vary, but the dominant foreign support structure through European foundations such as Erste Stiftung, Pro Helvetia and ECF remains substantial in order for large scaled cross-regional productions both in art and in theory to keep going. It is not within the scope of this text to describe the problematic, often contested but still essential role of western foundations for the independent cultural sector in former Yugoslavia. However, such discussion encapsulates many of the pros and cons articulated with respect to the Soros Foundation.

What should be mentioned as a new factor is the role of corporate investment in contemporary art. It comes as no surprise that in the situation of a small art market with little private acquisition, it is indeed the Erste Foundation which holds the most notable position as corporate collector of contemporary art from “CEE (Central-Eastern Europe)” which in this case does not include Austria but all the other Eastern European countries where branches of Erste Bank are to be found[15]. Erste Foundation occupies not only a dominant place in terms of acquisition of art from former Yugoslavia for its *Kontakt* collection, but also in terms of exhibition projects such as *Gender Check* in 2009. Its activities include research, (re)presentation and even art education – clever investments which are not only agreeable cultural efforts, but also feed back into the valorisation of the collection itself. Is it just a mere

anecdote that Erste owns the work *East Art Map*, material residue of the well known research project initiated by the Slovenian group Irwin? What certainly is no joke is the establishment of an educational format under the title *Patterns* which ranks as one of the more costly projects initiated by Erste Foundation. The *Patterns* project is managed by an organisation named WUS (World University Services) which promotes, among other goals, the establishment of closer relationships between CEE academic institutions and business. *Patterns* supports art historical seminars in CEE universities and academies which confirm with the logic of the valorisation of East Art as outlined through Erste collection policy. Lecture topics include memory culture or the acknowledgement/discovery of the symbolic capital of Eastern artistic-cultural legacy[16]. Besides their problematic production context, these supported seminars certainly represent a positive and necessary development. Their dubiousness only becomes apparent in relation to the basic issues which arise when private finances gets involved in public education: as in need of reform as the education sector might be, such involvement opens up fundamental problems.

With respect to the aforementioned ‘piecemeal social engineering’, Erste is thus following in the footsteps of the Soros Foundation while not quite reaching its benchmark in terms of altruism, credibility and engagement in local infrastructures and acute social problems. To give a comparison, George Soros has invested immense amounts into academic and school education predominantly in Eastern Europe and the former Soviet Union throughout the last two decades, establishing an entire university in Budapest. As problematic as such endeavour may seem, his support for education covered a wide range of subjects and benefactors, trying to resolve the most pressing social needs while subtly exerting the foundations underlying ‘philosophy’ of an Open Society. Whereas in the case of *Patterns*, we will simply see a generation of young art historians equipped with a practical worship for the type of (belatedly commodified) art as found in the Erste collection.

The actual difference between Soros and Erste becomes even clearer when comparing the geographies of the respective contemporary art operations. The geographical scope of Erste Foundation and the Erste collection follow accurately the corporate presence of the bank which re-invests a share of its business income from the region back into the art from the region[17]. The cartography of the SCCA network demarcated the sphere of European and Ex-Soviet post-communist countries with some exceptions such as Belarus and East Germany. This hints at quite diverging geopolitical intentions – the former reflecting mainly a symbolical operation within the firm geographical outline of the donors business sphere, lending itself to some cynical speculations in terms of imperialist austro-hungarian revisionism. Recent manifestations of Austrian cultural policies do indeed offer some evidence that such speculations are not all too far-fetched[18]. It should be noted that despite all criticisms, the activities of Erste Bank collection and Erste Foundation are remarkably sophisticated and well argued, conducted with the support and inclusion of well known and respected professionals from the contemporary art scenes of ‘CEE’.

The now obsolete Soros art map on the other hand may be read as a rather eccentric manifestation of what started out as a privately motivated anti-communist stratagem, quickly adapted and developed into a general altruist project lacking clear political or other positioning whatsoever – an ambitious but short-termed endeavour with neo-liberal, yet progressive features. Its quality was largely dependent on the respective local contexts and the ability of its employees, who in some cases produced remarkable results. What is common to both is the official mode under which activities of the Foundations were and have been run: that of the free gift from western capital to the “East” – a gift which, under the given circumstances has been for the most part impossible to reject.

What has fundamentally changed since the period of the SCCA-networks presence until the establishment of Erste Collection is the mode of address regarding its subject: from war-ridden, bankrupt and traumatised East-European without (or, alternatively: with a totalitarian) art history, towards critical-idealistic Central-European with rich avant-garde history. The SCCA operation was based on the assumption that contemporaneity (e.g. sharing a discourse with the west, compatibility in media and technological realisation, identification with the Europe of cultural identities, criticality within the confines of culture, etc.) first had to be established through the SCCAs, that professionalism in contemporary practice had to be built up from scratch. So, is it thanks to or despite the work done by the SCCAs that the historical existence of contemporaneity and conceptual 'excellent' practice in Eastern Europe and (predominantly?) within socialist Yugoslavian avant-garde art history, has been articulated or proclaimed as a valuable aspect of art history? It can be argued that the valorisation and commodification of East Art had its roots in the SCCAs practice of representation and international networking, as it was largely the SCCAs that established important connections and channels for western curatorial research into art production in the East. However, Boris Buden claims that it was mainly due to those afore mentioned Balkan exhibitions that this artistic production became known to a wider audience in the West: "*So the Balkans, as a label for a certain style of art-making – let us call it here pejoratively —Balkan art – has been already included. It has already succeeded in entering the Western art system as a Western art commodity. The problem with this strategy is that it doesn't even conceive of the Balkans as a problem—for, it is the market and its own dynamics that finally appear as a solution to all problems—and this is clearly another utopian moment too*[\[19\]](#)."

It can be argued that the work of the SCCAs laid the foundations for the representation, reputation and marketability of Eastern art. Today, supposedly thanks to substantial budgets for acquisitions, it is the Erste Collection which dominantly represents the process of exploration and valorisation of "East Art" as intended for a western audience. It draws from and continues art historical research along the lines of encyclopedic publications such as the *East Art Map* project or *Impossible Histories* (ed. Miško Šuvaković), expanding symbolic capital just as much as financial capital into the region.

"[Kontakt] is active in the region for several reasons, one of which is to not just be there as a colonizer but to give something that it profits from back. It gives back the memory of a hidden cultural history, that's the history of this collection. [...] It is about trying to create a connection between the formerly a bit divided art-scapes and to re-establish a contact that had existed in the 60s and 70s. [...] It is concentrated on what is called former Eastern Europe[\[20\]](#)."

One should add that such art-historical redefinition processes as described above have not yet visibly affected the academic educational sector. (Sources claim that if art students dare to make use of revolutionary technology such as a video camcorder, they do so on their own risk. Many of those with a serious interest in contemporary practice still choose to study abroad.)

In the past, it was the SCCA network that cared for the support and development of the younger artist generation and the production of up-to-date contemporaneity. If the latter dictum is to be understood as a certain paradigm of new art which should be produced according to the needs of society, then the lack of operative institutions for contemporary art in former Yugoslavia to fulfill the function of mediation between art and society, becomes tangible first and foremost in the lack of public acceptance and interest in contemporary practices. It is exactly this field of mediation which was performed by the SCCAs by way of out-of-the-box curatorial formats, education, presentation and discourse. The Soros operation,

though much criticised, must retrospectively be regarded as a welcome temporal intervention with some effects. It left behind a number of singular platforms upon which contemporary art has continued its marginal existence. Particularly towards its later phase, as Jelena Vesić claims, the centers started to initiate and support rather critical discourses in art and theory, creating audiences and involving agents who are still active within the formation of the independent sector[21]. It was not within the scope of the centers however, to address or dissolve effectively the tension between western soft politics implied in the support of certain modes of artistic production, nor to effectively alter the local structures of lethargic or defunct cultural policies. To this date the role of foreign foundations with regard to cultural funding in former Yugoslavia remains significant (just as much as it is subject to valid criticism) while local bureaucracy remains hard to convince in terms of urgency or necessity to support alternative or critical culture.

Allthwhile, George Soros' charity machine has found ever new targets in other geo-strategically appealing regions of the world and the self-proclaimed “stateless statesman” – now aged 80-something – keeps buzzing around the globe in a mode of eternal goodwill.

[1] See excellent description of the SCCA network by Octavian Esanu, <http://contemporary.org/app/webroot/csac/eng/index.html>, accessed July 13, 2011

[2] See interview with Misko Suvakovic in: “Spaceship Yugoslavia–The Suspension of Time” Exh.reader, Berlin: Argobooks, 2011

[3] Some of the protagonists of the Yugoslav alternative cultural scene had found shelter within the SCCA network which granted in some ways a continuation of certain elite / alternative cultural practice, modes of curating outside the traditional academic framework.

[4] Dunja Blažević: *East Side Story; Local / Global*, http://www.c3.hu/ican.artnet.org/ican/text9ef0.html?id_text=8 accessed June 23, 2011

[5] George Soros earned some 1.1 billion dollars over night in 1992 after betting against the inflated pounds sterling, finally causing the Bank of England to devalue pounds sterling. Time magazine subsequently dubbed him a "modern day Robin Hood" gaining profit from western banks in order to redistribute it to the societies of Eastern Europe and the Soviet Union.

Soros has been criticised again as one of the main speculators responsible for the collapse of the Asian currency market in 1997 and for numerous other profit-oriented activities. The financier himself, belonging to the first generation of successful hedge fund managers, claims anonymous participation in the financial market as something amoral, beyond the category of morality. See for example: George Soros, *Das Ende der Finanzmärkte – und deren Zukunft*, München, 2008

[6] Calin Dan, *The Dictatorship of Good Will*, nettime May 10, 1997, www.ljudmila.org/nettime/zkp4/31.htm, accessed January 30, 2011

[7] Joanne Richardson, article on www.tacticalmediafiles.net, accessed January 7, 2011

[8] Among the Foundations main activities was the support of education (establishment of the Central European University) and allocation of grants, allowing selected candidates to be educated in western universities. And so it happened that among the first generation to receive Oxford scholarships were Viktor Orbán, now the right wing populist prime minister of

Hungary; and László Kövér, current spokesman of the parliament. Both had been leading figures of the then oppositional FIDESZ (Association of Young Democrats).

[9] Karl Popper: *Die offene Gesellschaft und ihre Feinde*, Bd. I, Tübingen: Mohr, 1992, see foreword to the 7th German edition.

[10] Dunja Blažević, *ibid.*

[11] See for example: Jelena Vesic, *Politics of Display and Troubles With National Representation in Contemporary Art*, <http://www.red-thread.org/en/article.asp?a=22>, accessed: June 23, 2011

[12] I owe this observation to Robert Burghart and his photographic research.

[13] See video-documentation of the event *The Next Step*, International Conference of Museums of Modern and Contemporary Art, held at Moderna Galerija Ljubljana, http://videlectures.net/nextstep09_debate_musyugo/, accessed June 23, 2011

[14] <http://damirniksic.com/>, accessed Dec 17, 2011

[15] Important public collections involve *Arteast 2000+* and *Ars Aevi*

[16] See list of supported seminars on: http://www.wus-austria.org/patterns_lectures/, accessed June 23, 2011

[17] See the work *Erstereich* by artist Marcel Mališ for exact cartography

[18] See for example: http://www.curatedby.at/index_en.html, accessed June 23, 2011

[19] Boris Buden in: What to do with the question “What will the Balkans look like in 2020?”
Boris Buden

http://www.bcchallenge.org/general/main.php?akcija=news_detail&id=228

[20] from: Videointerview with Georg Schöllhammer, board member of the Kontakt art collection.

http://www.sponsoring.erstebank.at/report/galleries/2010_Viennafair_InterviewSchoelhammerSammlung/en, accessed: January 10, 2011

[21] see Jelena Vesic, *ibid*