

Money, Values and Change in Post-Socialist Romania

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A review of *Chary Opportunists: Money, Values, and Change in Postsocialist Romania*, by Narcis Sorin Marius Tulbure.

“Make the reduction of the fiscal burden a priority! There is a direct correlation between high taxes, corruption, and fiscal evasion. ... Just as it is not normal for a child to do weight-lifting, a young economy such as ours cannot carry fiscal burdens in a manner similar to developed economies.”

The lines above are part of an open letter that a group of entrepreneurs and financial analysts recently sent to the leaders of the current Romanian government ([Hotnews, July 21, 2015](#)). Published by the most well-known on-line media portal in Romania, the letter exploits broader fears about a possible reverberation of the Greek case in the margins of the Eurozone. By equating high taxes with corruption and the expansion of an ever-greedy state bureaucracy, the letter’s writers petition the current government to eliminate the fiscal burden off Romania’s “young economy.” Implicit in this statement there is an assumption that an economy is exclusively framed by a market of free circulating capital, a process which in Romania began as a *tabula rasa*, allegedly entailing a total erasure of the former practices of the socialist period.

Anthropologists of Central and Eastern Europe have pointed out that this assumption is an illusion; that this stubborn rejection of the long-term significance and impact of the norms and forms of action developed during the socialist times masked in fact various forms of status quo preservation and the perpetuation of hierarchies and clusters of capital from

socialism into the early postsocialist era.

As a sophisticated analysis of the collapse of the most important mutual funds in Romania of the late 1990s, Narcis Tulbure's dissertation fits squarely in this body of work. At the same time, its relevance transgresses the area-focused social studies because it offers a nuanced answer to one of the key themes of anthropological inquiry: how do social actors create meaning when confronted with radical political and economic upheavals? This dissertation stands out as an ethnographically perceptive and theoretically brilliant inquiry into the particular forms taken by the dyad change/continuity in a country and a region that underwent several radical transformations in the 20th century.

Tulbure coins the term of "chary opportunism" to make sense of the paradoxical situation in which so many social actors holding onto rather conservative values had pursued risky financial investments such as the mutual funds. What makes this dissertation a veritable page-turner is Tulbure's ability to explain highly sophisticated economic scenarios and bring to light the broader politics and spinning moralities underlying seemingly abstract enterprises of market-building. The range of sources that Tulbure draws on is impressive: ethnographic interviews with a wide range of social actors, from financial experts in Romania and Europe to former investors in the mutual funds, hundreds of hours of participation observation in court sessions, meetings of the investors at the civic association headquarters or outside the courthouse, newspaper articles and mass media materials, court decisions, audit reports, legal documents.

From a theoretical point of view, the dissertation speaks to a broad range of anthropological inquiries. The insightful parallels that he draws between anthropological insights emerging from postcolonial contexts and the postsocialist world, alongside his ability to connect different bodies of literature, from the anthropology of law to language ideologies and semiotic anthropology via actor-network-theory, make this dissertation an outstanding piece of work.

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Account balance and statement of operations for an investor at the National Investment Fund. Image scanned by the author from the documents provided by an informant.

Several themes emerge as diverse facets of the changing meanings of money and moral values in postsocialist Romania. One is the clash between opposing forms of economic rationality, such as 1) the ones deeply embedded in former practices engendered by the centralist economy of the socialist period and 2) the ones imposed from above, by external actors holding significant leverage in the politically and economically precarious context of the immediate post-1989 period. Another theme, implicitly deriving from the first, is the cunning strategy of some clever entrepreneurs to manipulate this clash to their own benefit, illustrated by the rise and fall of the mutual funds at the end of the 1990s. A third theme is the judicialization of finance, in which the courts have been replacing the state as the pivotal locus of financial redistribution and reinstatement of economic rights. A fourth theme is the mutual influence of changing forms of economic rationality, the performative and material forms of money, and the radical reconfiguration of networks of sociality and trust (or mistrust) in a highly volatile environment.

These themes are deftly outlined in the introductory chapter, which opens with a vignette of Tulbure's short but relevant work stint in the hazardous bureaucracy of the National Securities Commission, a pivotal state institution set in charge with the supervision of ample financial operations such as the mutual funds. The questions that arose during his employment in early 2000 anticipated his ethnographic foray into the muddy financial affairs of contemporary Romania.

Chapter Two grounds the ethnographic analysis in a historical reflection on the financial practices under socialism, which emerged as a response to the exclusively production-focused centralized economy. The peculiarity of these practices, ranging from the shift from money to highly valuable commodities, such as adidas sneakers, coffee, cigarettes, and jeans, to the financial merry-go-rounds of the rotating credit schemes, do not only point out to the creativity of social actors confronting on everyday basis a radically inhibited system; they also appear as the byproduct as well as the means of creating and reinforcing an intricate social fabric, formed of both "connections" (*pile*, in Romanian) and situated networks of trust. It is the combination between the highly creative practices of the informal economy and the alleged paternalism of the socialist state that the Machiavelian minds behind the mutual funds of the late 1990s tried to replicate. As Tulbure persuasively argues, the mutual funds became so successful precisely because their creators managed to whitewash risk while trumpeting an illusionary collectivism and protectionism echoing the socialism paternalism. It was the right dosage of these two elements that further that triggered a monumental peer-pressure on individuals to pursue investment at all costs.

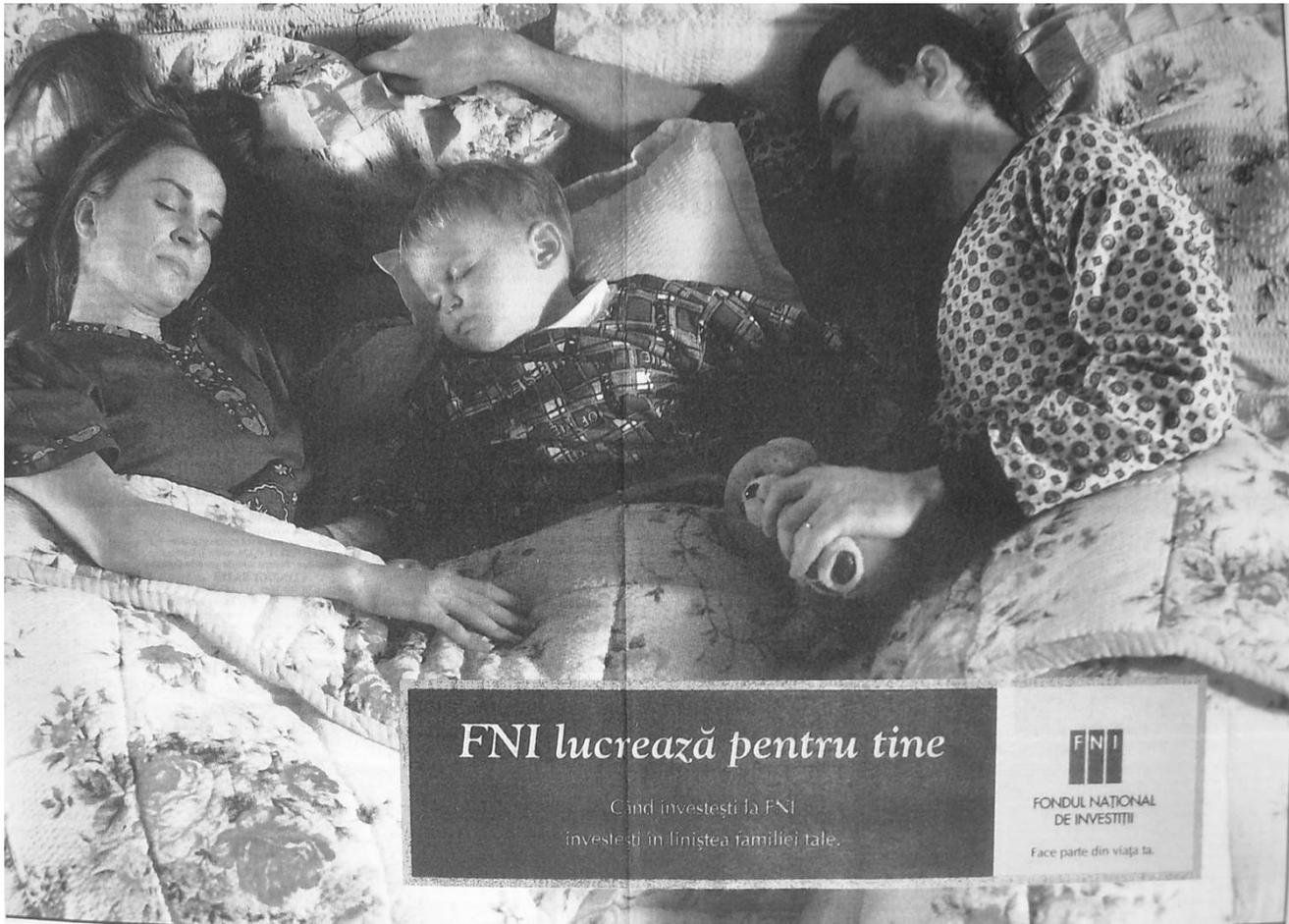
Tulbure aptly summarizes this process:

"Many of the weaknesses of the Romanian capital markets were structural being induced by the faulty design and the untimely institutionalization of market authorities. Others can be assigned to the informal power of the former technocratic elite and of the communist secret services (former *Securitate*) that were able to manipulate the privatization process. Equally important, the culturally situated forms of knowledge and action through which new financial practices were filtered by the large part of the uninformed public also generated particular configurations and dynamics of the privatization process" (p. 85).

The hiatus between the external actors' visions of what the market is and how it should function, and the bricolage-like local practices and norms emerging in the immediate post-1989 period, forms the core of the third chapter. Specifically, Tulbure offers a critical assessment of the USAID experimental development of a capital market in Romania in the last years of the 1990s. He points out that "the scientification of business, government and individual conduct is accompanied by the evacuation of competing claims to knowledge formulated outside neoclassical economics" (p. 122). He identifies thus a crucial paradox: that, even though these scenarios, such as the USAID involvement in Romania, are promoted as forms of "experimentation," thus allegedly more ideologically malleable, they represent, in fact, dogmatic impositions, *sine qua non*-s of a neoliberal teleology.

Even more ironic is then to see the reactions to this scenario. Tulbure brilliantly shows that, far from bringing economic stability and transparency into a volatile context, the USAID experiment almost pushed financially less educated segments of population to more easily embrace the promises of rapid financial growth offered by the creators of the mutual funds. One of the crucial points made by this dissertation is that the USAID financial experiment and the rise and fall of the mutual funds must be analyzed in tandem, as mutually constitutive processes and complementary sides of the Janus-faced economic rationalities emerging in postsocialist Romania. That is, while the USAID pushed for neoliberal dogma behind a label of experimentation and flexibility, the mutual funds' logic was exactly the opposite: it promised stability and steady economic growth while it represented, in fact, a radical experiment of siphoning money from untapped sources, conducted by just a few (or, as many would argue, by just one individual).

It is this individual, SOV, that Tulbure focuses on in Chapter Four. The author aims to decipher the multiple logics that this character manipulated as, at least for a while, he successfully managed to straddle and thus redefine the threshold between risk and immorality, between the legal and socially acceptable norms. The second character playing a principal role in this story is N., the leader of the second-largest civic association representing former fund investors and seeking various forms of retribution for their losses. Tulbure's rationale for focusing on these two figures is that both "illustrate key ways of understanding the value of money, the moral and social values on which its multiplication and redistribution should be based, or the role of the state in fostering notions of risk and gain" (p.152).



FNI lucrează pentru tine

Când investești la FNI
investești în liniștea familiei tale.



FONDUL NAȚIONAL
DE INVESTIȚII

Face parte din viața ta.

Newspaper advertisement for the National Investment Fund [FNI] reading “Sleep tight, FNI works for you!” Image scanned by the author from the archival collection of daily Curentul hosted by the Central University Library in Bucharest.

The chapter breaths an exquisite ethnographic astuteness, capturing N’s constant struggle with the Caudine forks of the Romanian juridical bureaucracy as well as SOV’s unique trajectory as a Romanian Madoff and a “collector of famous people” (p.178). While Tulbure relies on hundreds of hours of interviews and more informal conversations with N., his portrayal of SOV draws on an equally impressive range of secondary sources, most of them published by investigative journalists in Romanian newspapers and media.

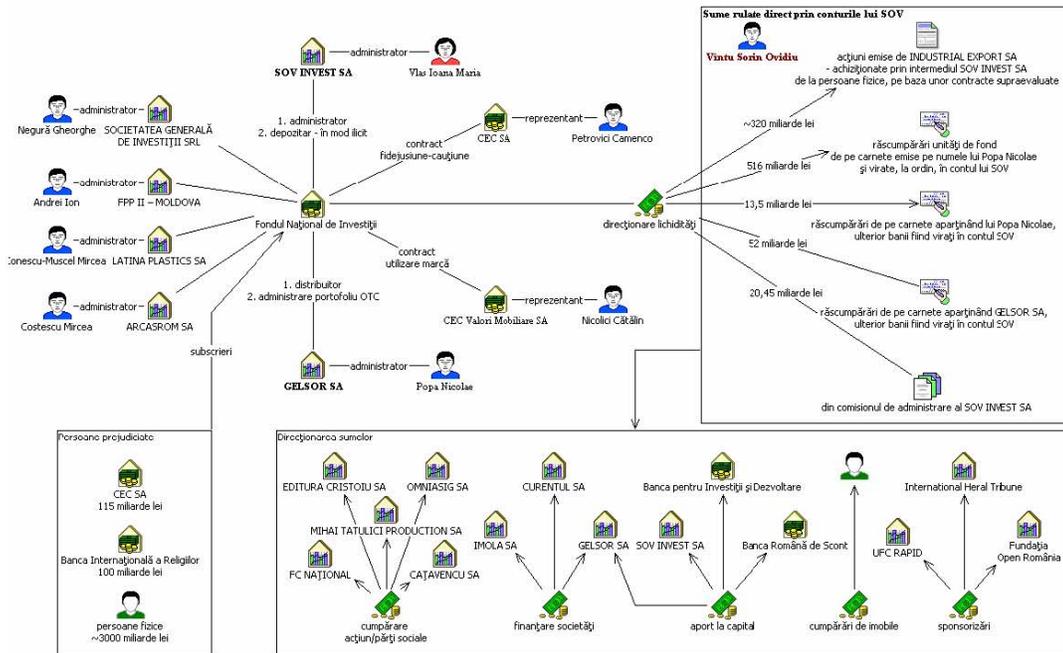
Tulbure calls upon an actor-network approach in order to understand how the mutual funds and their subsequent collapse are embedded in broader structures of meaning making and re-making via “persons, things, and actions” (p.195). Tulbure describes N. as pursuing a form of “cognitive opportunism,” as the latter manages to “entangle managers and state institutions into his projections of moral and legal responsibility” (p.196). SOV represents also another form of network-maker, as a “nexus of a diversity of interests, forms of political and financial resourcefulness, and types of knowledge” (ibid.). He thus approaches these two individuals as “actants” who, despite their opposite location and

radically different resources, are both pivotal networks nodes, “generating multiple associations between distinct types of resources and contrasting domains of value creation” (p.195).

How does this happen becomes the topic of the next two chapters. Chapter Five zooms into the judicial disputes surrounding the multiple litigations following the collapse of the mutual funds in 2000. It examines the migration of the process of financial value endowment from the political to the legal domain as “money becomes an indexical and performative device whose value comes to be determined in court”(p.256). Tulbure reads the disputes emerging in the trials as part of a wider context in which norms and actions are profoundly reassessed. He thus suggests that the latter must be interpreted as part of a legal pluralistic framework that brings together various “actants” across distinct legal geographies and temporalities. Far from assuming that these zones are distinct one from another, Tulbure approaches them as dialectically intertwined in a fabric of “relations among competing normative orders, ideological variability in responses to law, and the sources of pluralism at the core of state law itself”(p.254).

Focusing on the reform of the mutual fund industry following Romania’s inclusion into the EU in 2007, the last chapter provides a fascinating analysis of the transformation of investors from “owners and decision makers” to “consumers of financial products and choice makers,” as Tulbure aptly puts it (pp.259-260). Following the collapse of the mutual funds, the state institutions turned rather a cold shoulder to the request for compensation put forth by the civic associations representing the majority of investors. Post EU-accession, asset managers drastically reinterpreted the calls for transparency and an increase of the supervisory activity of state institutions, which had already been at the front of the former investors’ demands. Instead of maintaining the strong collective dimension of the mutual funds, in which the investors would have a say in the investment strategy, the asset managers used the push for reform and alignment to the EU regulations as a strategy to convert the funds into highly individualized resources, which did not leave much room of maneuver to the investors. Tulbure shows that such “transmogrification” of the funds did not only entail a whitewashing of the cunning schemes of those responsible for the collapse of the funds, administrators and state officials alike; it also called into question to the point of silently denying the relevance of *any* form of collective social action.

Gestionarea frauduloasă a Fondului Național de Investiții



Graphic representation of actants, relations, and transactions that made possible the “fraudulent management of the National Investment Fund (FNI)”. Source: Ordinance no. 1452/C/2011 of August 3, 2011 issued by the General Prosecutor of Romania regarding the reopening of the investigation of various financial swindlers regarding money laundering and complicity to connivance, p. 78, available [here](#).

At the end of this intellectual tour-de-force, Tulbure returns to the relationship between changing meanings of money and the reformation of values to inquire into “the judicialization of finance” in postsocialist Romania. He coins the term of “vindicatory citizenship” to argue that litigation represents the “last resort” for people to make their voice heard in a highly volatile context (p.304). He thus identifies yet another paradox: the call for justice, in the form of “over-abundance of litigation,” becomes the only way for these groups to keep the system in constant tumult, as “the constant appeal to litigation generates the instability of values and the disregard of the idea of justice” (ibid.). Thus, he concludes that “[i]n the case of Romania, the judiciary is an available repertoire of practice or a pragmatic resource when politics is inaccessible to lay people rather than the principle

of a well-functioning democracy.” (ibid.) This type of “vindicatory citizenship” appears as a consequence of the ethos of a “chary opportunism emerging both as a response to and a catalyst of economic transformations and mutations in social values.”(p.310)

Tulbure’s dissertation is an intellectual treat. It not only makes a pathbreaking contribution to the anthropology of Central and Eastern Europe, but also stands out as a unique inquiry into the tense sociality of money, i.e., the ways in which, under the illusion of a common economic rationality, its antagonistic meanings capture the making of society as a perpetual work in progress.

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Primary Sources

24 months of ethnographic research in Bucharest, including interviews with former investors of the mutual funds as well as with “representatives of the Romanian securities commission, of the European Committee of Securities Regulators, and members of Parliament,” participating observation at “the headquarters of the civic associations representing the defrauded investors” and courthouses, analysis of “a vast array of court sentences, audit reports, parliamentary and police investigation reports” and mass media accounts.

Dissertation Information

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Image: Privatization voucher from the 1990s now auctioned on website Okazii.ro by one of the collectors of old money and other financial artifacts. Such vouchers were used in auctions for shares and subscription rights at the state companies privatized in postsocialist Romania.