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International conference
Diversity of Patchwork Capitalism
in Central and Eastern Europe
– Institutional Perspective
(SGH Warsaw School of Economics, 15 March 2018)

On 15 March 2018, SGH Warsaw School of Economics (SGH) hosted an international conference on *Diversity of Patchwork Capitalism in Central and Eastern Europe – Institutional Perspective*. The conference was organized by the Department of Economics II of the Collegium of World Economy at SGH. The event was designed as a dissemination vehicle of the results of comparative studies on the diversity of capitalism carried out in the Department of Economics II in the last several years under various research programs, including statutory research and a recent project funded by grant No. 2014/13/B/HS4/00549 from the National Science Centre (NCN) in Poland.¹ The conference was also aimed at creating a platform enabling the exchange of views on the nature and most salient features of the emerging post-communist capitalism among scholars representing various disciplines in the social science area.

The conference was a whole-day event. The papers were presented by both scholars from SGH and other distinguished Polish and foreign economists, economic sociologists and political scientists conducting studies on comparative capitalism. Among conference participants, there were faculty members and students from SGH and other Polish universities, representatives of the Polish scientific community including the Polish Academy of Sciences, and journalists.

The conference was opened by Professor Ryszard Rapacki, Head of Department of Economics II; Professor Jacek Prokop, Deputy Rector for International Relations at SGH; and Professor Marzenna Weresa, Dean of the Collegium of World Economy. The official opening of the conference was followed by a keynote speech delivered by Professor Martin Myant from the European Trade Union Institute in Brussels (ETUI) on the limits to dependent growth in East-Central Europe. The ensuing comprehensive and

¹ The NCN-funded research project has been conducted by the team: Prof. Ryszard Rapacki (project leader), Prof. Juliusz Gardawski, Prof. Mariusz Próchniak, Dr. Adam Czerniak, Dr. Bożena Horbaczewska, Dr. Adam Karbowski, and Dr. Piotr Maszczyk (all from SGH). The contribution to the research by Dr. Rafał Towalski (SGH) is also acknowledged.

multi-theme discussion with the keynote speaker provided a strong background for the subsequent presentations, divided into three panels. Each panel consisted of three to four presentations by Polish and foreign researchers.

The first panel was geared towards methodological challenges in the research on comparative post-communist capitalism. It was chaired by Professor Aleksander Sulejewicz from SGH. The first speaker, Professor Juliusz Gardawski from the Institute of Philosophy, Sociology and Economic Sociology (SGH), discussed the strengths and weaknesses of the Rational Choice Theory in analysing attitudes of the Polish society. Next, Dr. Adam Czerniak and Dr. Piotr Maszczyk (Department of Economics II, SGH) introduced the idea and possible applications of the subspace clustering method as a new tool for identifying and analysing the co-existing varieties of contemporary capitalism. Later, Professor Martin Myant delivered his presentation aimed to answer the question whether institutions really matter in comparative studies of post-communist capitalism. Finally, Professor Andrzej Wojtyna from the Cracow University of Economics shared his insights on cumulative vs. reversible processes beyond dynamics of national varieties of capitalism.

The second panel focused on the results of empirical studies on the emerging varieties of capitalism in Central and Eastern Europe (CEE11). It was chaired by Professor Andrzej Wojtyna. The first speaker, Professor Mariusz Próchniak (Department of Economics II, SGH), conducted a tentative comparison of post-communist capitalism in CEE11 countries with Western Europe based on the use of hexagons of similarity, a new method designed for comparative analysis of institutional setups in various countries. The next presenters, Professor Ryszard Rapacki and Dr. Adam Czerniak (Department of Economics II, SGH), gave account of the results of another empirical study which involved the application of subspace clustering method. In these two presentations the concept of „patchwork capitalism” was introduced. The presenters argued that this notion is best suited to describe the institutional architecture in CEE11 countries. Their argument gained a strong empirical support in both studies being presented in the panel suggesting a patchwork nature of the emerging capitalism in Central and Eastern Europe. Later in this panel, Professor Beata Farkas from the University of Szeged (Hungary) addressed the question: ‘What can the data say about capitalism in Central and Eastern Europe?’, with special emphasis on the results and limits of empirical institutional analysis.

The third panel was devoted to the exchange of views on possible implications and synergies in the research on comparative capitalism between scholars representing different disciplines in social science. It was chaired by Professor Jerzy Osiatyński from the Polish Academy of Sciences. The first panel member to share his research results was a political scientist, Professor Andreas Nölke from the University of Frankfurt (Germany) who gave a presentation on dependent versus state-permeated capitalism, outlining two options open for emerging markets. The next presenter was a sociologist, Professor Krzysztof Jasiński from the University of Warsaw who discussed the strengths and weaknesses of the Varieties of Capitalism (VoC) approach in the case of Central Europe. Finally, Professor Jerzy Wilkin from the Polish Academy of Sciences contributed to the panel debate with his reflections on the institutional matrix of capitalism.

Each session was followed by an insightful discussion, both between the panel and the audience, and among panel members. During the discussions, the novelty of the proposed research methods, especially the hexagons of similarity described by Mariusz Próchniak and subspace clustering presented by Adam Czerniak and Piotr Maszczyk as well as by Ryszard Rapacki and Adam Czerniak was emphasized. The conference participants pointed out that contemporary studies on comparative capitalism usually lack advanced

quantitative tools and this shortcoming can be overcome by the proposed research methodologies. Also a more comprehensive and in-depth explanation of the very idea and intricacies underlying the concept of patchwork capitalism was provided, with special regard to some alternative notions being used in the ongoing scholarly debate, such as e.g. cocktail or hybrid capitalism. The discussion was very rich in constructive comments and suggestions of further research.

The conference was closed by Professor Ryszard Rapacki with a brief summary of key findings and conclusions stemming from the whole debate. In his closing remarks he emphasized, as the main message stemming from this conference, that the CEE11 countries do not converge unambiguously toward any particular model of established capitalism prevailing in Western Europe. This finding does not contradict the fact that most of these countries – as shown by the empirical evidence derived from the application of the hexagons of similarity method – tend to exhibit the highest relative similarity to the Mediterranean model of capitalism. Instead, the CEE11 countries developed institutional characteristics being a mixture of features transplanted from four different Western European models (Anglo-Saxon, Continental, Nordic, and Mediterranean capitalism). As a result, a new, distinct model of capitalism has emerged in former socialist countries in the CEE region. With a view to capture peculiarities of the institutional architecture prevalent in CEE11 countries and to best describe its nature, the notion of “patchwork capitalism” was proposed and acclaimed by other conference participants as the most appropriate term describing the model of capitalism evolving in these countries.