

ICWA LETTERS

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Christopher P. Ball is an Institute Fellow studying and writing about Hungarian minorities in the former Soviet-bloc nations of East and Central Europe.

Only One Kind of Commerce

BUDAPEST, Hungary

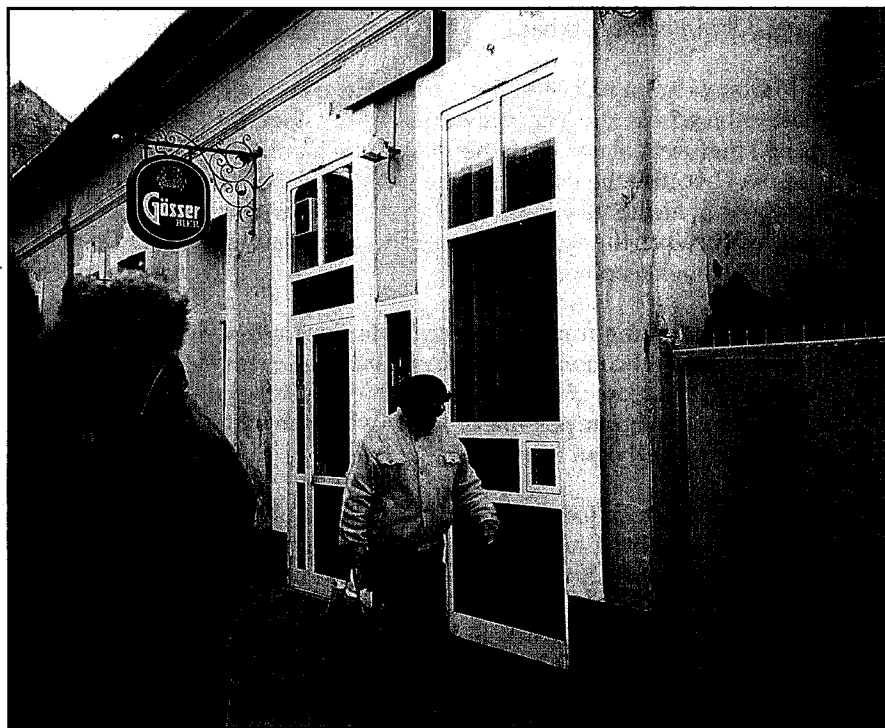
MARCH 1998

By Christopher P. Ball

Off one of the main streets in Timisoara, the Romanian city closest to Hungary by geography and tradition, there is a large and dirty open market full of kiosks, open stands and shoppers. The shops offer a wide range of goods, from fruits and other foodstuffs to carpets and cutlery. On occasion, tucked away between kiosks, there is a greasy stand where common street food is sold. On the left, at the far end of the market, there is small, well-kept bar.

Its exterior is neat and welcoming. A Gösser Beer sign hangs above the door and the windows are unusually clean. Through the large window next to the door a modern, western-style bar with all the trimmings can be seen: shiny beer taps, a steaming cappuccino machine and rows of liquor bottles on parallel shelves in front of a half-wall-size mirror. There, from morning to night, can be found local shoppers and shopkeepers taking a break from the worries of life.

Entering, you find the welcoming face of a young bartender, automatic poker machines lining the left wall and small tables occupying the otherwise open space to the right. As always in Romania it is smoky, but remarkably spruce for a small, market-place bar. The bartender mans his controls, serving drinks with rehearsed ease and dexterity. The TV above the mirror and liquor bottles runs constantly,



Tutti Frutti Bar at end of market



New bar and shelves

while the street noise fades away with the closing of the door. It is simply a pleasant place to be.

GETTING STARTED

The bar is named the Tutti Frutti Bar. It is run by a Mr. Marian Briceag, a young-looking businessman in his late thirties. He is of average height with graying hair and a certain warm gleam in his eye, especially when showing young ICWA Fellows his bar.

Marian is not a native of Timisoara. He grew up a small village near the Yugoslavian border. When he reached high-school age his father moved the family to Timisoara because the teachers there were much better than those in his home village. In high school Marian's studies focused on the economics of service (like waiting tables) and bookkeeping.

After graduating from high school Marian studied for the Bucharest Economics University entrance exam, but failed with a score of 4.5 (minimum for entrance was seven, with a maximum possible of 10). This left him with little choice but to begin working immediately.

"In the Romanian [communist] system, since I didn't go to the university I had to choose between going to work or jail. I naturally chose to work and was hired as a waiter at a local hotel," he said. "It was tough then. We got the same pay as other workers, but had to work many more hours, often staying late into the night. We did get tips, although they were illegal, but we weren't compensated in any other way for the extra hours of work and we always had to worry about being caught. To make

matters worse, under Communism [factory] workers were praised and those in the service sector, like waiters, were considered to be small capitalists, and parasites of society." Despite the long hours and slight loss of social position he enjoyed his work very much.

"Tourism was quite good then [late 1970s] because German and French tourists were coming to the natural spring baths in Romania. I got to meet a lot of foreigners and quickly learned German and French. [pause] The communists couldn't stop me from learning languages," he added with a smile. Living close to the Yugoslavian border he had already learned Serbian and then Italian in high school, making French and German his fourth and fifth languages (Romanian being his first).

In October 1978, at the age of 20, he was called into the army until February 1980, bringing a temporary end to his career as a waiter. Military service was, and still is, mandatory in Romania.

Leaving the army, he returned to waiting tables, this time at a small restaurant. There he continued to improve his language skills and learned how to cook and prepare food. He was soon offered a better paying job at another restaurant, which he took.

By this time (mid-1980s) money was becoming increasingly important for him since he had married in 1982 and was soon to have a daughter. Unfortunately all the job changing was not looked upon favorably by the authorities in Communist Romania. His amount of job changing would be considered minimal or normal by American standards, but by Romanian standards it was

considered to border on the excessive. This comes as no surprise when we consider the fact that under Communism most people, upon finishing high school, were assigned to one factory where they stayed for life. Those who didn't work for the great communist state with total commitment were considered parasites, living off the hard work of the others. Marian was caught with a sort of double-whammy since he was already considered a parasite by virtue of his work in the service sector; his job-changing just worsened an already negative perception of him.

Every employed person in Romania received a work book containing a full account of every job and position held, the duration of the jobs and an evaluation of performance; it was a kind of lifetime report card for adults.¹ When his employer of the moment noticed he had changed jobs several times in the previous few years (including the mandatory military service) Marian was fired for fear that his lack of commitment would reflect badly on the restaurant when inspected.

He got another job at a smaller restaurant, but decided to keep an eye out for other opportunities to provide a better life for his family.

THE VIDEO BUSINESS DURING COMMUNISM

Arcade-style video games were few and far between in the Romania of the late 1980s, but in demand. In 1988 Marian and a friend decided to bring video games to Timisoara. At the time there were only two such games in the entire city. Marian and his friend were given permission by the authorities to set up the games in restaurants and clubs, but their business remained under close state supervision.

"The game business was tough. We worked through the regional administration and could supply games only to businesses under its control and to which it granted approval," bemoaned Marian. "Our main client was a sports club that housed several of our games and also oversaw all of our activities for the authorities. From 1988 to 1990 we were not allowed to supply other businesses without the club's permission, and had to pay the club 75 percent of all income earned on the machines. The remaining income was divided between us, but also heavily taxed by the state and regularly checked by the police, the state financial bureau, the district administration and the banks because we were officially considered a private business and therefore suspicious."

Despite the difficulties, the games were popular and Marian earned as much money with them as he had working as a waiter. Also, he was able to learn about running a business and was soon permitted by the state to become chief manager of his business, allowing him and his partner to make and fulfill their own contracts.

THE "REVOLUTION" OF 1989

When the post-Ceausescu era dawned in 1989, Marian had already gained the contacts and know-how needed to go into the gaming business for himself. And he did. His major customer at the time was still the sports club, but he now paid only 50 percent of his business revenue to them directly and 25 percent in personal taxes. It produced a steady flow of income.

He soon began to set up machines in other restaurants and businesses, especially ones just starting up in the new-found freedom of post-communism. With these businesses he was able to negotiate better profit-sharing deals, not being as restricted by the regional administrative bureaus although they still oversaw most business activities during the early 1990s. At this time he also began switching out of the game business and into the gambling-machine business, which proved to be much more profitable.

Romanian gambling machines need a bit of explaining to American readers. Americans tend to think of gambling in terms of Vegas-style slot machines and card tables. Of course that kind of gambling exists in Romania too. In general, however, almost every Romanian bar has arcade-style machines lined up against one wall. On the machines are various kinds of card games, roulette and so on. They are more like arcade-style video games, but ones at which you can also win money. Initially they were coin-operated and some still are, but generally one buys credits from the bartender or waitress. At the end of the game the bartender checks the score and gives the player his or her winnings out of the register. Rarely is much money won, but in every bar I've been in there are always a few devoted faithfuls sitting, drinking, smoking and throwing their money away for hours on end.

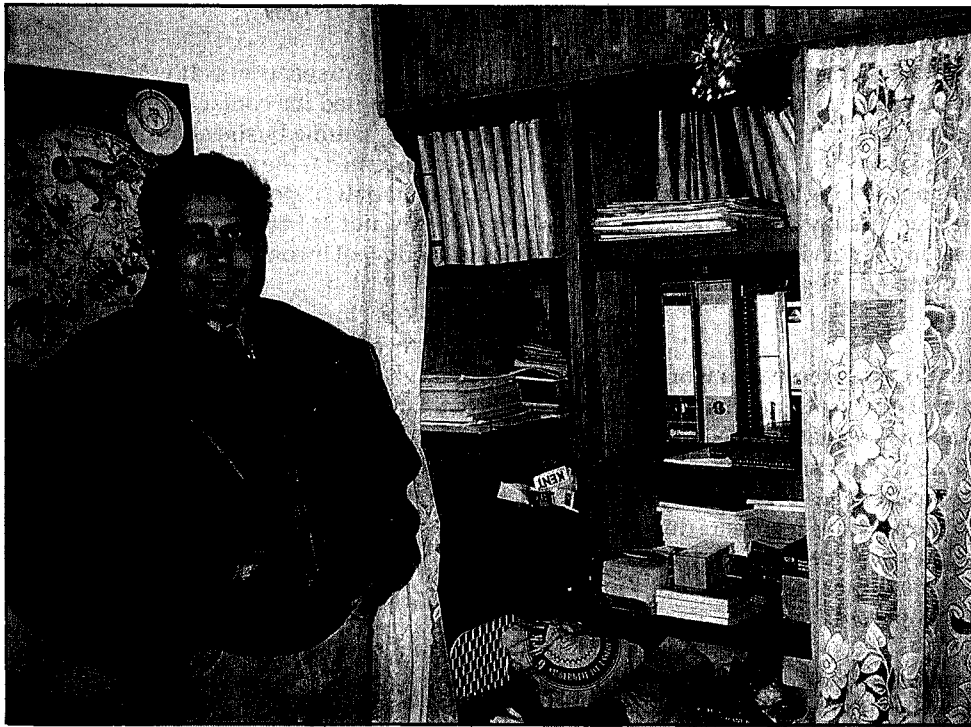
Marian explained why such games remained profitable even in times of economic hardship: "When inflation is high and incomes are low (characteristic of Romania since 1990) people are looking to earn some quick money. In the worst economic years, I earned the most profit on those machines."

BREAKING FREE

In the early years of post-communism, Marian decided to fulfill his dream of owning and managing his own bar/restaurant. The first thing he did was collect and read the relevant laws thoroughly, trying to learn the basics and keep track of constant legal changes. He gave special attention to laws on starting small businesses. As a safeguard he also converted as much of his money as possible into Deutschmarks to protect against inflation.

In a relatively short time he became an expert on business-startup law and was ready to begin. "The hardest

¹ This practice continues today.



Marian and his collection of recent laws

thing was to find a location, because there were no small businesses [from which to buy space] — only little standing bars where people could drink.” For him, however, these problems were merely technicalities. He explained: “I learned how to be a good businessman during my younger years. Forget the systems. Sure, there are differences between the old system and the new [post-1989], but there are not two types of commerce, capitalism and communism. There is only the market... everywhere.”

Finally he found a shop in Timisoara that was coming up for auction. “Financially, I couldn’t really outbid many of the others, but I knew I could win because of my knowledge of the laws. My figures and books also looked much better than any of theirs because I knew the procedures and accounting methods required.” The Romanian auction system for real assets, it should be noted, is actually an elaborate bureaucratic bidding process where money is only one aspect of the bid to be considered.

In 1992, he beat out 15 competitors and bought his current location for a price equivalent to that of a Dacia (a Romanian car modeled after the French Renault). With a bit of cash little money and a powerful drive he opened the Tutti Frutti Bar.²

TUTTI FRUTTI BAR: THE EARLY YEARS

At first the place was nearly empty, with a few

shoddy tables, an old drinking bar and a poorly-maintained interior. Luckily, a German truck company was having little success in the depressed Timisoara economy of the time. Marian bought one of the company’s trucks and resold it within a month, earning a 1000-Deutschmark profit. The Germans were so impressed that they gave him a contract to sell their trucks in Romania. Business was not great, but it supplied him with the extra cash he needed to renovate his bar.

At that time he had one employee. Together, they began to repaint and fix up the bar. They received permission from the city council to change the outside appearance of the bar, and from May to August of 1992 invested U.S.\$5,000 in renovations and supplies.

Business has improved ever since. By far, however, 1994 was his best year. His bar employed eight workers (including his wife) and he was able both to buy his first car and take his first-ever family vacation — something he was unable to do again until the summer of 1997.

His habit is to explain his progress in terms of Dacias,³ the Romanian car. “In 1994 I was finally able to buy an Italian coffee machine for one and a half Dacia. I know that’s a lot of money, but the Italian machines are the best. Then I bought an ice-cube machine for about one half-Dacia. It’s a really nice one, too. For 10,000 U.S. dollars I was able to add mirrors and shiny new bar shelves. It was

² Like the businesses of Liviu Picior (CPB 13), Marian’s bar is owned through a company that he had to found prior to the auction because it is more efficient that way under Romanian law.

³ It is common practice to account for things in physical goods when inflation is high, since 10 Romanian Lei bought a full meal in 1989 but today a one-person meal easily costs 40,000 Lei. However, if someone worked for a year in 1989 and saved all his money, he might afford a used Dacia. The same would be true today.

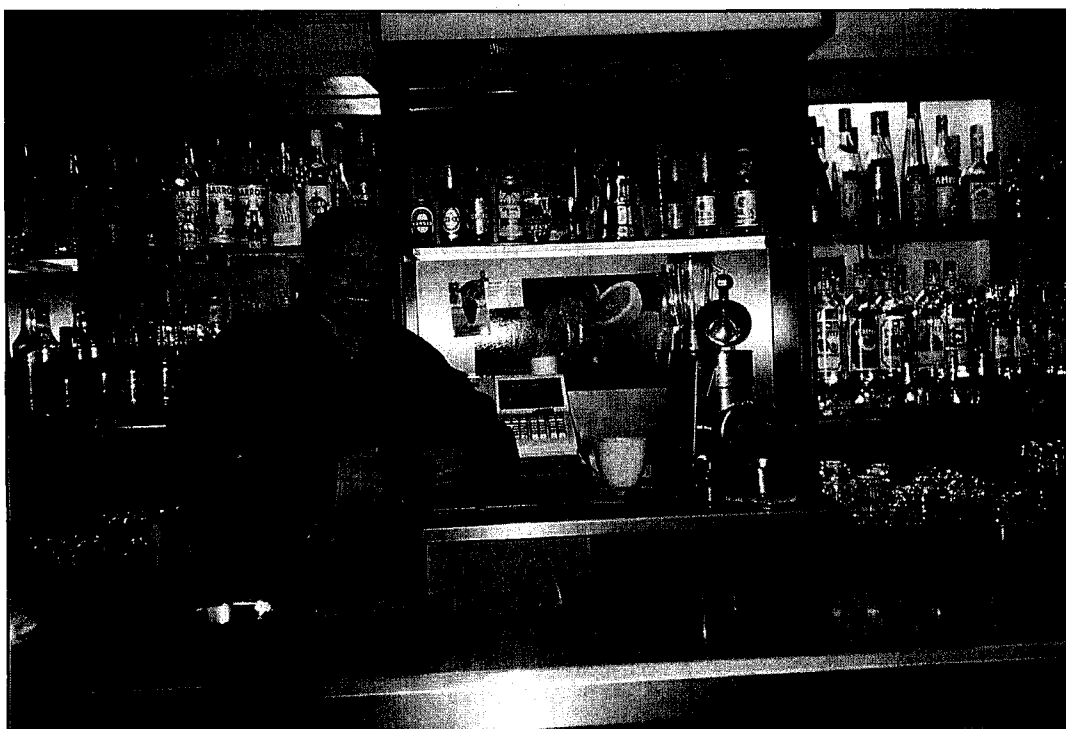
in that year that my bar finally looked like a real bar, the way I wanted it to and the way it is today." When talking about his bar, and especially the equipment, his eyes literally sparkle with pride, the way a father's would watching his son score a first touchdown or go on a first date. His relation with the bar is so intimate that he has named every item in the bar. "This is Ion" he would say pointing to a slot machine or "this is Ana," pointing to a bar stool or table.

SOME FINAL COMMENTS

If 1994 was his best year, how does he stand today? Well, his business has slowed down a bit with the economy. Today he employs only his wife and three other workers, although he still earns a handsome profit. His business has been successful enough to allow him to support, for example, a local junior-soccer team in his neighborhood and his daughter's semi-private, modern-teaching-method school (although much of that has been support he raised by getting contributions from large corporations like McDonalds). These activities reveal an interesting feeling of civic responsibility that I have not

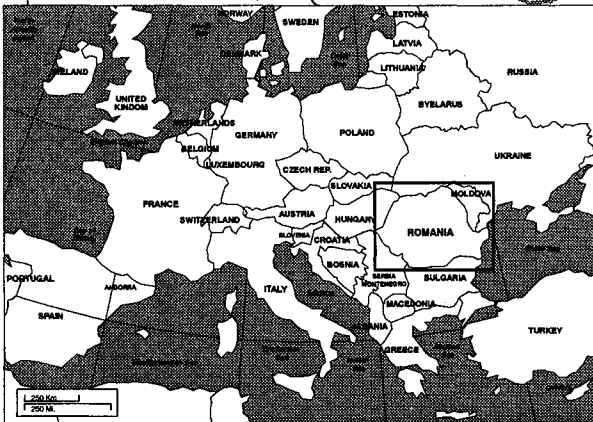
seen in other business persons in Central Europe (including Hungary and Slovakia).⁴ When asked about his motivation for giving, he answered the way one would expect — which is a surprise in Romania: "I thought my daughter's school was better than the average public school and wanted to make sure she and as many other kids as possible in our neighborhood had the chance to get the best education available." On why he had supported the junior soccer team (almost entirely funded by Marian's personal money in its first year or two of existence), with a shrug of the shoulders he had this to say: "Because I wanted to help the community. They have helped me so much by being good customers. Without them I wouldn't have a business."

Before I left the bar, Marian insisted on showing me several pictures. They were all photos of the business space he had recently purchased in a prime, downtown location where his new restaurant will open within the next year or so. It is larger and more elegant than his present place. He hopes to meet the growing demand in downtown Timisoara for a quality restaurant. He's already begun investing heavily in the restaurant's renovation. □



Marian, proud of his accomplishments

⁴ This is not to say that it doesn't exist, but does strongly suggest just how rare such civic virtues are in post-communist Central and Eastern Europe.



Institute of Current World Affairs Fellows and their Activities

Adam Smith Albion. A former research associate at the Institute for EastWest Studies at Prague in the Czech Republic, Adam is studying and writing about the republics of Central Asia, and their importance as actors within and without the former Soviet bloc. A Harvard graduate (1988; History), Adam has completed the first year of a two-year M. Litt. Degree in Russian/East European history and languages at Oxford University. [EUROPE/RUSSIA]

Christopher P. Ball. An economist, Chris Ball holds a B.A. from the University of Alabama in Huntsville and attended the 1992 International Summer School at the London School of Economics. He studied Hungarian for two years in Budapest while serving as Project Director for the Hungarian Atlantic Council. As an Institute Fellow, he is studying and writing about Hungarian minorities in the former Soviet-bloc nations of East and Central Europe. [EUROPE/RUSSIA]

Shelly Renae Browning. A surgeon specializing in ears and hearing, Dr. Browning is studying the approaches of traditional healers among the Aborigines of Australia and the indigenous peoples of Vanuatu to hearing loss and ear problems. She won her B.S. in Chemistry at the University of the South, studied physician/patient relationships in China and Australia on a Thomas J. Watson Fellowship and won her M.D. at Emory University in Atlanta. Before her ICWA fellowship, she was a Fellow in Skull-Base Surgery in Montreal at McGill University's Department of Otolaryngology. [SOUTH ASIA]

Chenoa Egawa. An enrolled member of the Lummi Indian Nation, Chenoa is spending two years living among mesoAmerican Indians, studying successful and not-so-successful cooperative organizations designed to help the Indians market their manufactures, agricultural products and crafts without relying on middlemen. A former trade specialist for the American Indian Trade and Development Council of the Pacific Northwest, Chenoa's B.A. is in International Business and Spanish from the University of Washington in Seattle. [THE AMERICAS]

Paige Evans. A playwright and former Literary Manager of the Manhattan Theatre Club in New York City, Paige is looking at Cuba through the lens of its performing arts. With a History/Literature B.A. from Harvard, she has served as counselor at the Buckhorn Children's Center in Buckhorn, Kentucky (1983-84), as Arts Editor of the International Courier in Rome, Italy (1985-86), and as an adjunct professor teaching a course in Contemporary American Playwrights at New York University. She joined the Manhattan Theatre Club in 1990. [THE AMERICAS]

Marc Michaelson. A program manager for Save the Children in The Gambia, Marc has moved across Africa to the Horn, there to assess nation-building in Eritrea and Ethiopia, and (conditions permitting) availing and unavailing humanitarian efforts in northern Somalia and southern Sudan. With a B.A. in political science from Tufts, a year of non-degree study at the London School of Economics and a Master's in International Peace Studies from Notre Dame, he describes his postgraduate years as "seven years' experience in international development programming and peace research." [sub-SAHARA]

Randi Movich. The current John Miller Musser Memorial Forest & Society Fellow, Randi is spending two years in Guinea, West Africa, studying and writing about the ways in which indigenous women use forest resources for reproductive health. With a B.A. in biology from the University of California at Santa Cruz and a Master of Science degree in Forest Resources from the University of Idaho, Randi is building on two years' experience as a Peace Corps agroforestry extension agent in the same region of Guinea where she will be living as a Fellow with her husband, Jeff Fields — also the holder of an Idaho Master's in Forest Resources. [sub-SAHARA]

Daniel B. Wright. A sinologist with a Master's Degree in International Relations from the Nitze School of Advanced International Studies of the Johns Hopkins University, Dan's fellowship immerses him in southwest China's Guizhou Province, where he, his journalist-wife Shou Guowei, and their two children (Margaret and Jon) will base themselves for two years in the city of Duyun. Previously a specialist on Asian and Chinese affairs for the Washington consulting firm of Andrae, Vick & Associates, Dan also studied Chinese literature at Beijing University and holds a Master of Divinity degree from Fuller Theological Seminary of Pasadena, California. [EAST ASIA]

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