

GEORGE SOROS AND THE FALL OF COMMUNISM IN EUROPE

George Soros, the chair and founder of the Open Society Foundations, established his global reputation as a philanthropist amid the dramatic transformation of Eastern and Central Europe that followed the fall of the Berlin Wall in November 1989.

Soros played a unique role in the drama of the times, using his fortune both to allay the pain of economic disruption that came with the collapse of the old Communist system, and to lay the foundations for an inclusive vision of democracy that endures across the region today.

“The transformation of a closed society into an open one is a systematic transformation. Practically everything has to change and there is no blueprint. What the foundations have done is to change the way the transformation is brought about. They mobilized the energies of the people in the countries concerned.”

George Soros, 1995

EXPANDING AN IDEA

- 1980** With Eastern and Central Europe firmly under Soviet control, Soros first began giving scholarships to the handful of dissidents who dared to challenge the system, allowing them to travel to study in the United States. He also began funding dissident groups such as Charta 77 in Czechoslovakia, the Solidarity labor union in Poland, and for the Sakharovs and their allies in the Soviet Union.
- 1984** By the early 1980s, with Hungary in economic trouble, the Communist government allowed Soros to establish a foundation that would offer open scholarships, and fund cultural events and academic exchanges. The new foundation began spending around \$3 million a year, seeking when possible to support groups and individuals who were exploring the limits of political and cultural tolerance.
- 1986** The Soviet Union's Mikhail Gorbachev launched new policies of *glasnost* (openness) and *perestroika* (restructuring), aimed at revitalizing an increasingly moribund one-party system. That same year, Soros was allowed to open a private foundation in Poland, followed in 1987, as restrictions eased, by an office in Moscow.
- 1989** The fall of the Berlin Wall in November was the culmination of a gradual collapse of Communist control that began with Hungary's removal of the 149 mile-long electric fence on its border with Austria. The freedom to travel meant the end of the controlled economies and politics of the East Bloc.
- Soros was now able to open more than 20 national foundations across the region in what he called an "explosive period of growth," supported financially by the enormous success of his hedge fund, creating the core of what has become today the Open Society Foundations.

Soros's foundations in Eastern and Central Europe faced very different challenges after 1989. But they shared a common vision of the need for a new, inclusive relationship between the individual and those in power, sustained by the power of independent civil society groups. Despite contemporary challenges, civil society groups today—many founded in the 1990s—continue to push for progressive change across the region. The Open Society Foundations are proud to continue our support for them.

AN OPEN SOCIETY

George Soros gave away millions of dollars in Eastern and Central Europe in the 1980s and 1990s to support the emergence of “open society”—an idea based in the philosophy of Karl Popper, the Austrian-British thinker under whom Soros studied as a young man at the London School of Economics. For Soros, open societies have “institutions and rules that allow people with different opinions and interests to live together in peace.” In contrast, closed societies seek to control information, and see open debate as an existential threat.

Soros had first-hand experience of the worst of “closed society.” He was just 13 when the Nazis occupied Hungary in March 1944. Some 500,000 Hungarian Jews were then deported to death camps in just two months: Soros and his family survived by going into hiding. Subsequently, with Hungary falling under Communist rule, Soros fled to London and to the London School of Economics, before moving to the United States. In 1979, when he launched his first philanthropic venture, he named it the Open Society Fund—the precursor to today’s Open Society Foundations.



George Soros at a press conference regarding aid to Bosnia, in London, on December 12, 1992.



George Soros visits the Step by Step program, in Kyiv, Ukraine, 1993.

EDUCATION

The foundations gave hundreds of scholarships and travel grants to economists, bankers, physicians, teachers, and local government activists, previously largely cut off from developments in the West. In the former Soviet Union, Soros gave \$200 million between 1993 and 1994 to support some 30,000 scientists who had lost official research funding. Foundations across the network funded the production of new school textbooks, with a new focus on critical thinking. In Albania, the local foundation spent more than \$57 million funding the reconstruction of 275 schools and kindergartens for children across the country, while Step by Step, a new child-focused curriculum, modernized early childhood education across the region.

In 1992, Soros launched Central European University, based initially in Prague, then in Budapest, and today in Vienna, offering post-graduate courses in the social sciences. With the region’s traditional universities then still emerging from Communist Party control and dogma, Central European University offered young people across the region a new, international, and pluralist perspective. More than 14,000 students have graduated from Central European University, including Giorgi Margvelashvili (president of Georgia from 2013-18), two former justice ministers (Croatia and Romania), and a Hungarian Member of Parliament.

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INDEPENDENT MEDIA AND CULTURE

In 1985, Soros's Hungarian foundation was able to establish a new Center for Contemporary Arts in Budapest that sought to encourage "tolerated" artistic expression. By 1994, there were more than a dozen Soros Centers for Contemporary Arts from Lithuania to Moscow, providing performance and exhibition spaces for local artists and visitors, together with other resources. Many of these now function as independent entities—such as the Foundation and Center for the Arts in Prague.

Under Communism, the state effectively controlled all aspects of the media, from radio stations to book publishing. The foundations moved to support emerging independent outlets, with grants to fund studio and transmitting equipment, printing presses and even newsprint, and new training centers and opportunities for journalists. In Moldova and Romania, when the government pushed up the price of newsprint around elections, the local foundations trucked in their own newsprint to keep the presses rolling.

In Estonia, Romania, Russia, and elsewhere, Soros's foundations funded the translation of leading works of literature and philosophy into local languages, and helped schools, universities, and libraries acquire computer equipment and access to the fledgling internet.



George Soros (right) attends the opening of C3, the Center for Culture and Communication, in Budapest, Hungary in 1996.

“In one way, freedom is like the air: people struggle for it only when they are deprived of it. When it is there, they ignore it. But, in another way, freedom is very different; if you do not care for it, and do not protect it, it has a tendency to disappear.”

George Soros, 1994