

**TALKING DEVELOPMENT.  
THE CULTURE OF INVESTMENTS AND  
NOKIA'S STORY IN ROMANIA**

By  
Irina Zincă

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Supervisors

Professor Don Kalb  
Professor Violetta Zentai

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## **Abstract**

This work puts forward an analysis of one of the largest foreign direct investments in Romania. Relying on a contextualized understanding of Gramsci's notion of hegemony, I am attempting to identify and explain the ideological forces at work in the reception of and reactions to this investment. I do so by narrowing down the narrative of late capitalism to a focus on its local discursive framings and on its contextually constructed meanings. I argue that the strength of the hegemonic discourse around development is particularly strong in Romania's case and it silences alternative imaginaries of economic security and wellbeing.

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## Introduction

While in some core areas of today's capitalism the current economic recession triggered the questioning of neoliberalism as we know it (Harvey 2009; Stiglitz 2008), in some semi-peripheries neoliberalism remained intact in doctrine and sweeping in effects. Romania's case stands as one example for the mutant outcomes resulted from socialism changing track to capitalism. The very recent years have deepened the contradictions and instabilities due to an economic recession which was dealt with by increased de-regulation of the business sector, more privatization of public services, and severe budgetary cuts. I argue that the taken-for-grantedness of the solutions to a crisis or that of the means to a better social project stands in the ideological strength of the neoliberal propositions. However the very concrete actions and reactions which are closely observable and directly experienced on the ground reveal complexity of these macro phenomena and raise theoretical dilemmas. In an attempt to understand the whys and hows of the ideological workings from an ethnographic approach, I turn my attention to the Romanian case and the specific example of Cluj-Napoca, the regional capital of Transylvania.

This research makes use of Nokia's investment in this city, one of the most significant and heavily discussed foreign investments in the area. I take up this story in particular since its popularity as an economic event and its impact as a brand made it very present in both the public and the private spaces and revealed much of the underlying logic of development as it is understood today. When the press released the news of the Nokia investment at the beginning of 2007 an entire frenzy was released: the media coverage, the abundance of official statements, and the forecasts about the city's prospects prompted a full blown hype. The local newspapers were writing several articles per edition discussing or just restating information about Nokia. The prime minister at the time posed that this event "contributes to

a new dimension of Romania's future" and it was not long before hopes and expectations started to take shape for those in Cluj but not only. The job fair organized for the first round of employment for the company was overcrowded with people, exceeding by far the organizers' expectations. Very soon after the news was released actual numbers started to circulate: 15 000 jobs to be created, a total foreign investment of 200 million Euros, a new industrial park to be built for Nokia and domestic funds worth of another few millions to be poured into the logistics and infrastructure of the future production plant. All relevant institutions, local and national, mobilized to direct significant sums and energy for this project and the cooperation was smooth and efficient throughout the unfolding of the story. Similarly, the differences between political parties vanished and all the necessary ordinances were voted in due time. The fascination with the incoming affluence brought about by the global capital seemed universal.

This pervasiveness of the pro foreign investment ideas meant that politicians and common people alike seemed to be speaking the same language of development, investments, and free markets. Moreover, the production in Cluj began at the beginning of 2008, approximately half a year before the onset of the global economic recession which means that the Nokia media hype was still in full swing when in other parts of the world the headlines were echoing the fears and anxieties over the effects of the crisis. However the first thing about the Nokia affair which caught my attention was the spectacle of official statements. The mayor at the time said that "from today on, Cluj is writing its history. This is the moment when the capitalist industry takes off – the Nokia industry – and breaks from a communist, CUG<sup>1</sup>-like industry<sup>2</sup>". Similarly bombastic, the prime minister concluded during his inaugural speech on the site of the future production plant that "Nokia contributes to a new

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<sup>1</sup> Heavy Equipment Works was the largest production platform for heavy machinery

<sup>2</sup> Quoted in an article of the newspaper Faclia published on February 12<sup>th</sup> 2008

dimension of Romania's future<sup>3</sup>". Although their association with the name of the company was evidently political and strategic (through these statements and presence at important official gatherings), it seemed to create in people expectations as great as they described Nokia's investment. Were the hopes so easily created with no questionings whatsoever? Was the 'culture of investments' so deeply and universally engrained at all societal levels that Nokia's presence was thought to bring about better living standards? Why did not the economic recession lead to seconds thoughts? These were some of the blunt questions which triggered the research at hand.

This inquiry narrows down the narrative of late capitalism to a focus on its local discursive framings and on its contextually constructed meanings. It does so by looking into both the vernacular and official articulations of the discourse on development and foreign investments and attempts to flash out the junction points of these two dimensions as they emerge in the larger context of the political economic configurations. "The seismic economic and political changes associated with neoliberal globalization coincided with anthropology's turn away from macro-narratives, grand theory, and realist ethnography" (Edelman and Haugerud 2006: 17). For this reason too I argue that an endeavor to understand the culture of capitalism in one of its local, contextualized, and historically constructed versions should first and foremost attempt the linking of this disciplinary constructed gap. The grand narratives of late capitalism should be looked for and thought of in spatially and socially construed understandings and uses, where particular material transformations shape and are being shaped by the ways in which people envision and talk about their world.

I start off my analysis by presenting the context which encases the story of this investment. The larger picture of this case is mapped out with the help of three relevant dimensions: those historical turning points which put the analysis into perspective, the

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<sup>3</sup> Quoted in an article of the newspaper Faclia on September 25<sup>th</sup> 2008

strongly advanced ideological projects of the last years, and the significant political economic characteristics of the city. The following section discusses the relevant theoretical concepts by bringing in the notion of hegemony, development, and neoliberalism in order to show how they relate within different levels of discourse, imaginary, and the material implications they talk about in this case study. Further on, a third chapter shows the articulations of the hegemonic stance on development through the interaction of the important actors at various levels, both in terms of political economy and in terms of public discourse. The continuing part of the analysis deals with the vernacular discourse on development and tries to map out the economic imaginary of the actors by understanding their relating to domestic politics.

### **Situating the study case. The social and economic context**

The conditions which facilitated the unfolding of the case as it did partly have to do with the recent history of Romania in general and Cluj's in particular. Its pathway from a heavily industrialized socialist city to one renowned for its high technology sector and a service-based economy contains two important phases. The first post-1989 decade was characterized by a strong ethno-nationalism promoted by the mayor at the time Gheorghe Funar against the Hungarian population of the city which accounts for about 20 percent of the residents in Cluj. His three consecutive tenures allowed the persistence of a powerful nationalistic discourse and symbolic struggles which brought the city into the attention of social scientists (Brubaker and Cooper, 2000, Brubaker, 2002). The factors which made possible Funar's reelection had to do with the workers' status in a city which was trying to redefine itself after the demise of socialism. His ability "to capitalize on the anxieties of a dispossessed industrial working class" (Petrovici, 2011) brought him the twelve year mayorship and allowed the pursuit of his ideas, identity and economy-related. His refusal to

receive major foreign investments like Coca-Cola or Siemens was following the same logic of the redundant workers who did not want “to sell their country to foreigners”. (Petrovici, 2011).

This sequence was halted with the election of Emil Boc in 2004, member of the Democratic Party (DP) who took the city in the opposite direction, encouraging development by means of investments. Later on he became the president of his party and two years into the leadership of Cluj he was appointed prime minister. Thus the nationalist and economically protectionist policies promoted between 1992 and 2004, followed by the liberal and foreign investment-friendly strategies of the subsequent years left their imprint on how the region experienced its trajectory and history. The early 2000s allowed the city to connect to the transnational networks of politics and capital (Petrovici, Simionca, 2011) and the economic boom was being experienced on all levels. Thus the news of the corporation’s plans to invest in Cluj was released in an already unfolding frenzy of investments.

The general excitement with the city’s advancement into the capital flows takes place at a time when the break with the communist past is asserted as necessary. The formation of the Presidential Commission for the Analysis of the Romanian Communist Dictatorship in 2006 denounces the crimes of the authoritarian regime and officializes this shift from a communist country to a democratic, capitalist society. Elaborated by the intellectual elite and supported by the current president (during his first mandate), the report of this commission sends a clear message about the ideological path that the country should take. Also, the existence of numerous think tanks<sup>4</sup> which state their right-wing credence represent significant

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<sup>4</sup> The Center for Institutional Analysis and Development, (CADI) is an intellectual center engaged in building a community of free market and open society supporters. We have engaged in this project because democracy does not automatically guarantee freedom. On the contrary, all aspects of private and public life are permanently exposed to various statist pressures tending to diminish economic and civil liberties (<http://www.cadi.ro/index.php/vizualizare/articole/agenda/57>)



cogs in the capitalism-promoting mechanism. Similarly the vernacular rhetoric is permeated by clear distinctions between ‘socialist mentalities’ and the capitalist values, the former are wanted discarded and the latter prescribe the formula for success. The acquiring of these values represents a matter of purely individual, self-making process in which one has to bring oneself to adapt to the new state of affairs, to learn the way of doing things.

These new subjectivities represent the more visible and vocal individuals of the employees in Cluj, they are the employees of the multinational corporations and the service sector. Over 20 percent of the active population<sup>5</sup> represents professionals and the entrepreneurial section (managers, owners, executives) and it is twice as much as the national average. On the other hand the processing industry make up for almost 30 percent of the total employees in the city but who are completely invisible beyond these numbers. The total stable population of the city is somewhere above 300 000 to which adds the temporary student population of another 90 000. In relation to these absolute figures the percentage of the skilled and unskilled workers in the production and processing industry represent a significant part of the workforce but their presence in Cluj’s economy is simply hidden.

The structural reason behind the invisibility of the workers lies in globally spread practices of the personnel leasing firms. The rationale of these practices is the intermediation of employment between the individual and the company where he or she will work. This entails that the contracts are signed between the employee and the leasing firm (usually for a pre-determined period of time, usually from three to six months), which translates into the lack of a legally binding relationship between the employee and the company one works for. Nokia’s investment was the moment when the personnel leasing companies in Cluj hit gold. Since its first round of hiring (500 workers) facilitated by a job fair organized for them the corporation has not directly employed anyone and solely used the services of two of these

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<sup>5</sup> The figures in this section are based on the 2002 census

firms. For this reason the turnover rate at Nokia is very high but it represents the most efficient way of coping with the fluctuating volume of orders caused by the economic recession, as explained by the representatives of the corporation and those of the leasing firms.

The presence of the IMF represents an important element in understanding the logic of the economic and social policies that the state is undertaking. Being heavily indebted Romania had to comply with the IMF requirements in dealing with the effects of the financial crisis, and generally is had to comply with its requirements to be eligible for receiving loans. The rescue packages translated into an attack on social services, closing of hospitals, cuts in the state administration jobs and salaries. These measures are accompanied by the president and prime minister's anti-statist discourse about the overly heavy bureaucratic system and against the burdening social security system. The pervasive rhetoric and imposed policies of this sort manage to endanger the wellbeing of a large majority of the Romanian population and to stigmatize the beneficiaries of social services.

### **Nokia's story in brief**

During the fall of 2005 Nokia officials and representative of Cluj's administration secretly begin the long process of negotiation. About half a year later the company takes the decision to build the factory there so that on March 8<sup>th</sup> 2006 the front page of *Ziua de Cluj*<sup>6</sup> held: "Nicoară, Connecting People", breaking the news to its readers and to the city of Cluj. Marius Nicoară, the president of the County Council and member of the governing party at the time (National-Liberal Party), was one of the main actors of the story throughout its unfolding. The use of his name in the title instead of the company's was meant to indicate

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<sup>6</sup> 'Ziua de Cluj' belongs to the Realitatea-Cațavencu Media Group, one of the four Romanian media trusts

that the deal was not closed yet and it remained like this for yet another year when on March 5<sup>th</sup> 2007 prime minister Călin Popescu-Tăriceanu made an official statement. Thus three months into EU membership the state and local officials were proudly announcing the largest investment in the Transylvanian capital.

After Marius Nicoară and Raimo Puntala (Nokia's vice-president) sign the memorandum, the Romanian Government allots 3, 5 million Euros for the infrastructure works at the new industrial park – Tetarom III, and the Chamber of Deputies almost unanimously votes for the transfer of 160 hectares from the Minister of Education into the administration of the County Council. Later on, the council concedes 90 hectares to Nokia and saves the rest of the property for future private investments. Slightly less visible in the press is the presence of Nokia Enterprise Solutions – the Research and Development Division – which came into being after the corporation took over the local subsidiary of Intellisync, a developer of web and cell phone applications. The transfer of ownership was made with the entire staff after which Nokia hired 20 more engineers reaching a total of 120 IT professionals. This division initiated its activity in November 2006 but it was the factory in Jucu that was in the public limelight and the center of people's awareness in what Nokia was concerned. By the end of June 2007 a German company starts the construction of the factory and the building site is inaugurated in high spirits. It is only at the beginning of 2008 that Nokia announces the closing of the Bochum factory, news which throws into dismay the local community and the German political sphere. . The shift from Bochum towards Eastern markets leaves behind German officials dissatisfied with the subsidies they considered wasted and an angry local population because of the suddenly high unemployment rate.

Gradually, the communication between the press and the PR department at Nokia diminished significantly and updates became more and more scant. The silence of the corporation combined with the declining public interest after the hype of 2007-2008, comes

in stark contrast with the initial fascination with the number of jobs, the sum of the investment, and the popularity of the topic. Moreover, the Nokia Village project came to a halt since none of the long awaited investors or suppliers joined Nokia. The remaining land is being auctioned so that the struggles to get a hold of a parcel in the industrial park turned into difficulties of finding occupants at all. The more recent information comes on news forums where people complain about the working conditions and level of income. At the moment Nokia has four thousand employees at Jucu and has just announced the closing of its research center.

## Methods of data-collection

Given that this inquiry traces the interaction between the hegemonic discourse and the vernacular reaction in their local manifestations, the empirical data was collected so as to grasp these two dimensions. The officialdom, which I understand here as an expression of the hegemonic discourse, is laid out using accounts of the local written media with a focus on the main actors, be they institutions or individuals, the public statements of the local administration officials and on the outline of the investment story, as depicted in the press. The vernacular is accounted for with the help of semi-structured interviews conducted with people of different social categories who have been living in Cluj-Napoca for at least six year and who have work experience in the private sector. I take these criteria as sufficient because on the one hand, the case of Nokia is employed here as a starting point for more general conversations with the interviewees about foreign investments and the general development of the city and on the other, as a case study to understand the specific official attitudes and political decisions in relation to global capital.

Specifically, the archival part of this research includes two local newspapers, an independent one (Făclia) and the other belonging to a national media trust<sup>7</sup> (Ziua de Cluj), both of which I follow from March 2007 until the beginning of the current year. While there are significant differences in terms of content and focus between the two papers, I intend neither to explain them, nor to follow up this divergence in my analysis. However it is worth mentioning that the independent newspaper had a clear tendency to concentrate on the social

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<sup>7</sup> Dealing with two newspapers of different ownership status is meant to bring out the potential divergent portrayals of the investment story and to look into the possible effects of this divergence in informing the public opinion. The independent paper, given its significantly lower coverage of the case, does not stand in a comparative analysis with the other one, but it simply allows for a balanced view on how the local press in general presented the story

issues of the ‘Bochum affair’, to bring into attention the reaction of the German trade unions, the angered reactions of the state officials in North Rhine-Westphalia, and to re-publish articles-analysis from important international journals which put in perspective the Nokia issue. Although it also informs about the highlights of the investment story (inaugurations, job opportunities), the most frequently brought up questions remain the social, rather thorny ones. On the other hand, the second newspaper is incomparably more persistent in stressing the vital importance of the investment. It published extensively on the topic<sup>8</sup>, the headlines contained bombastic forecasts, and most of the articles ended with the reiteration of the dazzling numbers related to future jobs and total sum of the investment.

My main analytical focus is represented by articles discussing Nokia’s presence in Romania, but I also look at those mentioning the auxiliary issues of infrastructure, real estate businesses, and the most important projects of development in order to create a broader picture of the city’s political economy. Further than the necessity to offer a historical and ideological overview Romania’s own variety of global capitalism, with Cluj as yet another ‘sub-variety’, stands the direct value of these material dimensions for the analytical section of this research to the extent that they represent an inseparable sphere of social reality with an inevitable impact on individuals’ outlook on the world they live in and on their self-understanding. I re-assemble the material side of the case at hand by looking into four salient issues: the Cluj labor market and its fluctuations influenced by Nokia’s presence, the city’s projects of infrastructure, the real estate business in the neighboring village where the factory is, and financing policies for the industrial park and related ventures. The less material counterpart of this investment story is delineated by other three themes which refer to Nokia’s relationship with a few local institutions, the related political and administrative procedures, and the directly expressed position of the officials with regards to the investment

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<sup>8</sup> During the more eventful periods, in 2007 and 2008, Nokia’s presence in Cluj was generating several articles per daily edition

itself. Altogether these elements taken together map out the officialdom to which people react and respond, shaping their attitudes and formulating their discourses around the issues of foreign investments and development in their city and country.

The vernacular discourse on these questions is accounted for with the help of a series of interviews which discursively map out the positioning of the individuals in relation to officialdom, be it understood as politicians, decisions which affect them, or immediate transformations of their environment. Most of the interviewees are employed in the private sector, they are academics and journalists, but also middle aged individuals being either under-employed or lacking a secure job. The questions were formulated around the following main themes: political views, understandings of economic development (and the role of corporations), relation with the public administration, opinions on the city's overall situation, and the evaluation of their own living standards over the last few years. Some of the differences in discourse are traceable on the lines of profession and academic background or level of education but they do not reflect fundamentally divergent positionings vis-à-vis the idea of foreign investment or vis-à-vis the means of attaining economic development. Furthermore, the types of advantages of such projects they put forward can easily be clustered in just a few categories and similarly, their stance on the local political activity is, to a large extent, alike. Thus I will refer to the interviewees as to a compact group with rather homogeneous stances and discourses, and only highlight the relevant variations.

I argue that the very concrete workings of the urban life, be them political, economical, or social, are embedded in one's everyday routine shaping worldviews, generating collective meaning, and contouring attitudes which in return guide actual decisions and practical workings. This dialectical view of the material-cultural interplay therefore calls for the inquiry of subaltern worldviews and hegemonic imaginaries in combination with the materiality of the particular social context at hand. In the following

sections I will offer an account of Nokia's story in Cluj and then I will take up an analysis of the (1) local articulation of the hegemonic discourse on investment and development, and the (2) shaping of the subaltern's take on these matters and ways of relating to hegemony.



## A review of the literature

The study at hand situates itself at the congruence of political economy and cultural studies, rather than beyond any of the two, and it does so drawing on Gramsci's work and neo-Gramscian studies. His concepts of hegemony and discourse are imagined and employed at the junction point between these two seemingly opposing epistemologies – materialism and cultural studies. Moreover, the conceptual framework brings together a discussion of development, neoliberalism, and subalternity in order to show how they interact at different levels of discourse, imaginary, and what are their material implications in this case study.

First and foremost I should sum up how the discourses of development and capitalism coexist in this case, and where neoliberalism fits in. While I argue that talking development is an expression of how capitalism is understood in Romania, this does not mean that the two “mega-tropes” (Knauf 2002) exclude each other from the public discourse. On the contrary, the strong anti-communist rhetoric has capitalism as its inherent positive counterpart. But being ‘truly capitalistic’ translates into the quest for development, into the need to achieve wealth through constant development. On the other hand, neoliberalism is practically absent from the mainstream public discourse, it is neither a political economic signifier, nor a notion which is employed in the critical discourse. It does however represent the rationale behind the practical actions taken by the government in the last six years or so. Thus covering the set of beliefs behind the practical and material workings of this study case it is necessary to look into it from a theoretical point of view. The concept of subalternity is taken up here in order to understand the positionality of the vernacular discourse in relation to the locally expressed hegemonic narratives, those of globalization and development.

## Development in theory

The bulk of literature which discusses the question of development emerges from studies in the Global South and focuses on the unequal power relations between on the one hand, the hegemonic powers which elaborated and implemented development programs through various political and economic agencies and on the other, those nation-states which make the object of these programs. But the shift from an inquiry of development in the Global South to a study of this concept in an Eastern European post socialist country within the same theoretical framework might seem a bit of a stretch. Notwithstanding the major social, historical and economic differences between the two ‘worlds’, I argue that the idea of development maintains many of its characteristics which are relevant for the present research. Moreover, I believe that the politics of the foreign direct investments in the CEE states placed them in a subordinate position to the hegemonic states in charge of the global financial governance. This type power relations (understood as dependence on the global capital and the intervention of agencies such as the IMF) makes the post socialist states similar those in the Global South in terms of the workings of similar international entities in the Global South. This however does not entail the assumption of comparable outcomes in terms of political imaginaries.

In general, the question of development covers a spectrum of meanings and implications. The numerous instances in which this keyword becomes visible ranges from the actual name of global institutions (United Nations Development Program, International Bank for Reconstruction and Development, Organization for Economic Co-operation and Development), micro-scale projects implemented with this explicit purpose, to embodying a gripping signifier for vernacular imaginaries. The pervasiveness of this notion came along with globalization related processes, especially in its economic doctrine and practical workings. Although the first records of idea of development were taken note of during the

eighteenth century along with the onset of capitalism, the more relevant history of the notion for this research originates in the 1940s when two major protagonists of world financial institutions were founded at Bretton Woods: the International Monetary Fund and the World Bank. In 1944 the nation state was viewed as sovereign over its society and economy and the role of these two newly found entities was to assist the states in their pursuit for development (Edelman and Haugerud 2006). The idea of development is thus inextricably connected to the history of geopolitical domination of the US, of the supranational agencies and the entailing development programs. In a similar vein, the history of the concept closely follows the history of the main promoters of neoliberal globalization (see Edelman 2006, introduction).

In anthropological theory, development is mostly understood and theorized as a narrative receiving thus close attention in terms of discursive characteristics (Cooper and Packard 1997; Ferguson 1994, Escobar 1991). For practical reason I will turn my attention to the three most relevant of these characteristics which gives support to the understanding of the ethnographic material – its ambiguity, its functionality (tool-like nature), and its features as an interpretative grid (Ferguson, 1990).

The most salient feature of this talk on development is probably its ambiguity. This mainly comes from its apparent neutrality, variety of meanings, and multitude of usages by an array of actors. Cooper and Packard underline its invariably positive meanings by arguing that “the marvelous ambiguity of the word development elides in a single concept notions of increased output and improved welfare” (Cooper and Packard, 1997: 127). Ambiguity comes not only with neutral tones but with optimistic, constructive implications which are universally assumed, no matter who are the actors which promote or refer to the idea of development. However, there is another dimension of this notion which differentiates between who and how employs it.

According to Ferguson (1990), “the state in “less developed countries” and international agencies such as the World Bank each find a role by accepting each other’s: the national government allocates development resources and portrays itself as an agent of modernity, while outside agencies legitimately intervene in sovereign states by defining their services as benevolent, technical, and politically neutral” (Ferguson in Edelman and Haugerud 2006: 127). Thus the functionality of the development discourse is capitalized on by governing agencies, be they national or supra-national. Moreover, this mutual acceptance and understanding within high-level governance works within a language of expertise, which obscures any imbalances in power relations and silences potential debates about who are or should be the beneficiaries of the development project. This last issue in particular brings about questions concerning the role and position of the common people in an all encompassing process of development. Given that they also represent a voice which ‘speaks development’, besides the governing agencies, it means that one way or another they enter this narrative. By looking into the theoretical implications of this notion, otherwise so vague and slippery, I am inquiring what development does for them and what issues it helps them voice or what issues it keeps them from articulating.

Escobar (1991) sees the development narrative as an interpretative framework formed “not so much by the ensemble of objects with which is dealt but by a set of relations and a discursive practice that systematically produces interrelated objects, concepts, theories and the like” (Escobar in Schech and Haggis: 84). Similarly, Ferguson supports the idea that “within this interpretative grid, a host of everyday observations are rendered intelligible and meaningful”. This way of looking at the development narrative offers an including picture of all social agents, individuals and institutions alike. However, it is essential not to imagine this grid as a fluid, coherent and homogenous, or merely a discursive phenomenon, but to leave space for identifying and understanding the junctions, conflicting nexus, and cultural-material

contexts in which this narrative takes varied expressions. This is exactly where Gramsci's work comes in handy in understanding dynamically the power relations which shape and are shaped both discursively and materially with his conceptualization of hegemony and subalternity.

## **Hegemonic Imaginaries**

The concept of hegemony has brought up a lot of debate about the epistemological subtleties and theoretical intricacies of what Gramsci termed hegemony and subalternity, to name just the most influential notions (see Williams 1977, Crehan 2002). Thus I will only refer to the meanings and specific usages I am employing in this research. According to Scott's very compelling argument (1985), hegemony does not entail ideological consensus and even more, he highlights the lack of it in conditions of domination and looks into the everyday forms of resistance. Moreover, the relation between the ruling and the subalterns is rather defined by the shaping of certain identities which simultaneously means taking out possible alternative identities (Corrigan and Sayer in Roseberry, 1994). In this framework, the question of silencing is applicable in other instances as well when one imaginary becomes dominant, when certain issues are brought up and not others, when particular voices are heard and others are not.

The articulation, reproducibility, and pervasiveness of a dominant worldview or constituent imaginaries are what I call here the hegemonic discourse. In a similar vein with Gramsci's approach, I argue that the cultural and material aspects are bounded in and through discourse. The direct implication of this understanding is that the hegemonic discourse is both about the political economy and the cultural transformations of a given time and space. If hegemony should not be seen as a "finished and monolithic formation", (Roseberry 1994:

358) but rather as a space of struggle and contention, as a dynamic process in its relation to subalternity, then this latter view opens up the space for identifying those potential issues which do not get to be voiced. I am using this understanding of hegemony in order to enable and give voice to the subaltern, to provide the space and the tools which would make the vernacular relevant. This grassroots approach should bring the subaltern and the related worldviews and understandings more to the forefront of an analysis which rarely considers them.

Seeing “hegemony as a framework for living through, talking about, and acting upon social orders characterized by domination” (Roseberry, 1994: 341) overlaps partially with imagining the narrative of development as a grid of interpretation. Hegemony however brings in the question of domination in a historical context which entails an embeddedness of unequal power relations between social groups. In this light the hegemonic discourse of development is defined by three characteristics: it is a discursive and material framework (“talked about and acted upon”), it renders particular interpretations of a given social order (by setting hierarchies on the developed-undeveloped scale), and it is articulated in conditions of domination preponderantly by the dominating.

In the context of this research subalternity is understood in its bi-dimensionality: Romania’s material dependence on the global capital through foreign investments and its cultural giving in to the imaginary of global capitalism. The ethnographic material which is to be discussed in the analytical section will refine this blunt distinction and will show the variations within and between different types of subalternities. Once the globalization-related processes created a plethora of new institutions and ideas which invariably reconfigured the previously self contained nation-state, the mutations and levels of relating between different social groups must be reinterpreted and so does the Gramscian hegemony-subalternity dyad.

## **Actually Existing Neoliberalism**

Neoliberalism, the new term for late capitalism (Sahlins 2002) understood as the current process connected to economic globalization, re-imagines the role of the state in relation to economy and society. Its history as a phenomenon triggered in the 1970s was presented by David Harvey; in the introduction of his *Brief History of Neoliberalism* (2005) he describes it as a “theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade” (Harvey 2005: 2). In this scheme the role of the state should be limited to provide the appropriate institutions and infrastructure necessary for the unfettered market to follow its course. It should be noted that I am using the term neoliberalism and late capitalism interchangeably.

While there is a considerable gap between the doctrine of neoliberalism and its contextual workings of everyday political practices (on the ground manifestations in their complexity and varieties), there is a politico-economical culture which I bridges this gap and makes it easier to grasp. Following Smith (2004) who argues that economy and culture are dialectically constructed I use the term neoliberal imaginary to refer to both actual practices and the ideas which drive them, both effects of implemented policies and the narratives which stand behind them. Specifically this defines the field in which investments and development are provided with a particular meaning, and rendered as important in specific political decisions.

Drawing on Brenner and Theodore (2002) I employ the concept of actually existing neoliberalism which underscores the “contextual embeddedness of neoliberal restructuring projects insofar as they have been produced within national, regional and local contexts defined by the legacies of inherited institutional frameworks, policy regimes, regulatory

practices and political struggles” (Brenner & Theodore, 2002: 2). Using this type of approach enables me to emphasize the national and regional characteristics and to ground the analysis of what I call here a neoliberal imaginary, avoiding an overly vague and inconsistent terminology.

From the 1970s the project of neoliberalism became a reality and rendered deregulation, privatization, and the retrenchment of the state as the new direction lines to be followed (Harvey, 2005). Development as an international discursive trope had emerged long before global neoliberalism, I will consider the two as interrelated since this process has reconfigured the meanings and usages of development. Moreover an inquiry of the development discourse in tandem with the neoliberal reforms is even less avoidable given the way in which this notion emerges in the discourses of today’s Romania, making it impossible to disconnect, practically and analytically, from these neoliberalizing processes in which the country has been engulfed. I will return to the concrete implications of this in the subsequent chapters.

This function maintained in the following decades and once the Eastern Bloc collapsed the development strategies took a particular turn in Central Eastern Europe. Specifically, the foreign direct investments became a viable way for the newly democratic countries to restructure their economies. While in the nineties the general trend in this part of Europe was the domestic-oriented strategies, during the 2000s “the global policy mainstream considered FDI as a developmental panacea for the region” (Drahakoupil 2009: 2). The newly emerged competition states which struggled to create the appropriate conditions for attracting investments represented the new configuration of the post socialist space. In this context, “state economic and social policies became subordinated to national competitiveness within the global economic space in order to generate growth and raise living standards” (Drahakoupil 2009: 3). The competition however does not take place only between states but



also within states through its regions or cities, increasing the importance of scales and the complexity of the interaction with the international networks. The key movers of this global capital are the transnational corporations which are relocating production plants or setting up new subsidiaries in a space whose physical and economic environments transforms and reshapes the (see Dicken 1992).

## **Articulating hegemony, constructing development**

This chapter represents the articulations of the Nokia story in the words and doings of officialdom. It discusses the ways in which the hegemonic stance on development takes shape in the case at hand by tracing the actions of the state actors at various levels, both in terms of political economy and in terms of public discourse. It does so by presenting the most important dimensions which emerged in the unfolding of the story: the work and jobs related issues, the management of domestic financial resources, the real estate business around the investment, and finally the internal and international disputes triggered by Nokia's decision.

### **Laboring development**

'Workforce' was one of the buzz words of the story. It was as much a cheap resource for Nokia as it was a major means of economic development for the locals, and it was equally a rhetorical persuasive tool of the officials as it was a soft spot in the people. The first news were announcing the creation of 15 000 but it was not clear whether Nokia alone will provide them or whether this number was an estimate which considered all the potential investors and Nokia's suppliers. Moreover, the director of the County Agency for Employment Services (Agentia Judeteana pentru Ocuparea Fortei de Munca, further referred to as AJOFM), was consistently vocal about the actual effects of this investment on the country's labor market:

"Nokia is a serious company which will offer good salaries and this will lead to an overall increase in income. It will exceed the average salary of the county. Some local firms will go bankrupt because people are going to migrate towards better jobs. Those who will not be able to adjust are going to lose but the Nokia effect on the labor market will be positive"

These prognoses were being made even before the memorandum of understanding between Nokia and the administration was signed. Moreover, *Ziua de Cluj* published an extensive reportage on Komarom, the Hungarian equivalent of the Nokia Village project at Jucu, implying the auspicious situation that lies ahead for Cluj: the production plant had 15 000 people employees, the minimum salary was 400 Euros, the employment rate even reached 100%, the land price had doubled and the real estate business was flourishing. This picture stood as an illustration of what Jucu was about to be transformed into. The director of AJOFM affirmed that the salaries offered at Foxconn (major supplier for Nokia in Hungary), 200 Euros for workers and 1400 Euros for engineers, will be maintained in Cluj as well. At the time the local administration had not heard from Foxconn, and there were no rumors about the company considering an investment in Cluj. In addition it is important to mention that most of the articles offering updates, even the briefest, ended summarizing the implications of this investment: 15 000 jobs and a 200 million Euros worth of investment.

Thus many of the pro investment arguments were built around the idea that jobs will bring about improved living standards and development for the whole region. At the time the official scenarios were taking into account not just the number of jobs (although the quantity remained the catchphrase), but also the actual salaries which will be offered by the company, strengthening the impression that the prosperity about to be generated is as real as it sounds. Given that these official statements were being made in the absence of a legally-binding agreement between Nokia and the local administration, or even without a less formal deal, raises questions about the function of this discourse.

The mantra-like statements about the future labor market of Cluj triggered an entire frenzy around the arrival of the corporation. An article published in May 2007 by *Ziua de Cluj* held as its title: “The Nokia hysteria. Thousands of Romanians from Europe, Canada or the U.S. want to work at the cell phone factory at Jucu”. The piece started by saying that “the

investment worked up the Romanians' imagination from around the world. The mirage around the work in a multinational company and the European salaries make people to return home and it makes those who remained to invade Cluj". Though the title might look like a typical attention-grabbing statement the further unfolding of the events reveal that it was not that much of an overreaction.

The event which generated this type of articles and reactions was the heavily publicized job fair for Nokia organized by the AJOFM where there were expected approximately 6 000 people. The director of Nokia Romania at the time, John Guerry, said that "it would be exceptional to be able to choose from 6000 people. But as far as we know Romania is facing some problems with the workforce". His reserve was proved unfounded on June 30<sup>th</sup> when 12 000 people turned up at the largest job fair ever organized in Romania, attendance and cost-wise<sup>9</sup>. Consequently the first round of employment at Nokia was successful and all the 500 positions offered by the company were filled. The 400 operators who were going to work at the assembly line signed their contracts which offered them 160 Euros per month, free transportation, food tickets, and one meal which is deducted from the salary. In the meantime, after several rounds of negotiation with the trade unions the company agreed to a 10 euro pay rise, making net wages reach an average of 170 Euros.

Gradually, the portrayal of Nokia underwent visible changes, and so did the general expectations of what it can offer. Once production started the articles were giving updates about the trade unions pushing for higher salaries, the robot-like working conditions, or about former employees complaining about their payment, especially given the quotas they had to fulfill. Although significantly less numerous than the ones offering enthusiastic forecasts, these articles contributed to a more moderate attitude towards Nokia. Moreover, at the end of 2008 the company stopped the production for two weeks, 104 people were laid off and the

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<sup>9</sup> The costs of the fair reached 15 000 Euros and they were covered from the municipal budget

president of the country asked for reassurances from Nokia that they will not be affected seriously by the recession and that the jobs will not be endangered. Although he received them the company continued the downsizing and fired 600 more people the next week. All in all, the average number of employees is noteworthy for the county, but to this adds the high turnover rate which produced visible changes in the statistics and enabled contradictory news: “From El Dorado<sup>10</sup> to the county of unemployment”, or “Nordic ambition: Nokia, above the University<sup>11</sup> in terms of staff”<sup>12</sup>. Thus the company kept switching now and then from top employer in the county to main source of unemployment. At the moment the number is 4000 half of whom are leased and working with limited time contracts.

These contradictions reported by the press, the information about the ‘Bochum affair’, and the typical decline of the interest in the subject resulted into a slight disenchantment with the Nokia story. The hype slowly diminished and Nokia seemed to be losing its leading role in the development narrative. This became a fluctuating, unstable, even conflicting understanding of its function in the overall political economy of the county, for the local officials and for the general public. Whereas it started off as main generator for the city’s growth and people’s hopes for better salaries and a long term, sustainable economy, several new factors brought about a re-imagining of the company. Further than the previously mentioned changes in media representation, there were two other important factors which converged with this change – the economic recession and the lack of concrete, effectual changes. I must underline at this point that this re-imagination simply implied a more temperate and realistic attitude towards the corporation, the acknowledging of actual or potential downfalls, but in no way did the perception overturn to negative. The overall media and official portrayal remained favorable to Nokia and what stands as a main proof are the

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<sup>10</sup> El Dorado was the press’s other name for Jucu

<sup>11</sup> Given its considerable size, Babes-Bolyai University is known for being one of the top employers in the city

financing policies and infrastructure projects undertaken by the administration to support and facilitate the production at Nokia.

## **Financing development**

While some of the projects related to infrastructure were already underway when the investment came into question, others were imposed by the material requirements of the production process. However the impact of Nokia is visible in terms of how the funding was deemed, used and implemented. The urgency to finish some of the projects, the smooth cooperation between agencies and authorities at various administrative levels, as well as the easiness of finding the necessary funds, represented decisive factors in Nokia's investment. There are three main aspects in this section which are relevant to the articulation of the actual workings involved in such an investment – the construction of the industrial park, transport-related projects, and types of urban reorganization. The first two speak about the material transformations that the city of Cluj went through as triggered by Nokia's arrival, while the last aspect is relevant for the ways in which the regions are re-organized and re-imagined according to the European Union requirements and conditions for funding.

Tetarom III, the industrial park in which Nokia organized its production, is the largest of the three parks<sup>13</sup> in the county expanding on 120 hectares. Given the initial estimates of 300 million Euros worth of investments in this park, much of the financial and administrative efforts were channeled to this area, mainly those of the local administration, but also the Government's. The role of the county administration was clearly drawn when the prime-minister underlined the importance of the local authorities to make the investment happen, assuring them of the center's full support. The evaluation of the City Council regarding the

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<sup>13</sup> They are organized as a state company subordinated to the County Council whose main function is to provide all the necessary infrastructure and facilities for the companies which have production centers there. The County Council is the main shareholder.

necessary funds to build the infrastructure in Tetarom III came close to 30 million Euros which were covered both from governmental funds and from local ones<sup>14</sup>. After receiving one round of funding from the Ministry of Public Finances Marius Nicoară stated:

“We would still need another 3, 5 – 4 million Euros. But you cannot win unless you invest, like in any other field. That is why, together with the Government, we have decided to invest 30 million Euros in Tetarom III because starting from 2010 this investment will bring to the state budget an annual income of 100 million from various taxes”.

According to the official records<sup>15</sup> of the County Council the revenues remained far from reaching this sum. Part of the reason is the decision of the administration (taken as early as January 2008) to exempt the company from all taxes for land and buildings for the next thirty years. The other reason is the incompleteness of Nokia Village and the inexistence of the potential investors in the industrial park, both of which rendered obsolete all estimates of this sort.

Relevant other efforts of the county administration to facilitate Nokia's production logistics are related to a connecting highway, a goods train station in Jucu, and the extension of the airport. The highway had been already under construction when the deal with Nokia was closed but the endeavors were visible to the extent that the project changed in order to include an express road to connect Jucu and Cluj (although it was not part of the understanding with Nokia). Moreover, the progress was encouraged from the center, both financially and politically. The director of NCHNR – *The National Company for Highways and National Roads* (Compania Nationala de Autostrazi si Drumuri Nationale) was very straightforward about the significance of this venture:

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<sup>14</sup> It is hard to tell what share offered each institution because there are no official reports and the press offers divergent data about these sums

<sup>15</sup> <http://www.cjcluj.ro/buget/>

No matter if the Government changes or not, the urban highway is a project of infrastructure which will carry on. I do not think that any politician would assume this political risk of stopping it. There are important investments in Cluj and the only thing you would get in case you interfere is the revolt of an entire county.

The imaginary which facilitates this type of statements entails a given hierarchy in which the economical supersedes the political, and in which the will of an actor or one's political interests should not stand in the way of development which is about to be achieved through such investments. Moreover, the will of a population is assumed as cohesive and encouraging of such investments and the political support is understood as directly dependent on a politician's efforts and readiness to support these ventures. The other two projects which were meant to aid the logistics of Nokia were very much generated and sustained by the same logic.

In June 2007 the airport began to undergo extensive redevelopment works in order to modernize it and to build a new arrival terminal. Though this project was neither part of the agreement with Nokia, nor was the project initiated for to the company in particular, the local administration reacted in accordance with the 'expansion flow' in which it found itself at the time. The numerous investments and steep growth of the 2006 and 2007 made the local authorities set in motion ambitious, simultaneous projects of this sort. Similarly, the construction in Jucu of a new station for goods train was operational by October 2008, mostly with the financial help of the Ministry of Transport and Infrastructure. The Minister said that the funds were not considerable, "but they represent necessary investments for the support of other investments". The taken for grantedness of this idea that by financing investments one finances development implies the making of a very strong correlation between an unstable process and an ambiguous notion. Foreign direct investments are very loosely regulated and the control on the side of the host country is close to insignificant, making these region-transforming processes extremely unstable. Similarly, the idea of development is in most of



the cases vaguely employed but what remains axiomatic is that the state investing in foreign investments will bring about development.

Further than the material transformations generated by Nokia's presence there were several projects which targeted the administrative reorganization of the county and that of the larger region encompassing Cluj. As mentioned, the main purpose of these endeavors is the absorption of European funds and they represent the expression of the tendencies of regionalization and rescaling characteristic to the present workings of capitalism.

The two most salient projects of this kind are the Metropolitan Area and the Northwest Regional Development Agency (NWDA henceforth). The former is an older plan of the local administration which was taken up again towards the end of 2008. This is when the municipal and the county councils have agreed upon solving their differences and cooperate for the constitution of the Metropolitan Area. Once Cluj became one of the eight national poles of development, the formation of the Metropolitan Area became a must in order to access 80 million Euros non-reimbursable funds from the European Union. According to the general urban plan, the major restructuring involves the administrative reorganization, as well as infrastructure improvements in order to facilitate the coordination between residential areas, and those with service and production functions. The area should work at full capacity by 2013, and it entails the association of the city of Cluj-Napoca with seventeen neighboring localities, and a total population of 380 000. Part of its explicit purposes<sup>16</sup> is the increase in economic competitiveness by means of attracting strategic investors, enhancing of entrepreneurial capacity, and stimulating the concentration of enterprises with regional tradition. The funding is accessed through the Regional Operational Programme (ROP), which represents the same EU tool for the implementation of regional development within NWDA.

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<sup>16</sup> <http://www.cjcluj.ro/zona-metropolitana-urbana/>

This Agency entails the association of six counties without a juridical personality, being simply an open accord between the counties. According to the explanations offered by the Ministerial website, the idea of regional development “looks to encourage economic activities, the stimulation of investments in the private sector, the decrease of unemployment rate, which lastly but not least will lead to an improvement of living standards.”<sup>17</sup> It is noteworthy that the Governmental organism which manages these projects is the Ministry of Regional Development and Tourism.

Although these projects are not directly linked to the case at hand they speak about the larger framework in which Nokia’s presence was received and dealt with. Similarly their existence and endorsement by Governmental agencies reveals the ways in which Romania is complying with EU directives and guidance for the main reasons of achieving economic growth and reducing of development lags within the state and within EU states. Moreover, the unfolding of this territorial reorganization reveals the coordinates of a supra-national economic imaginary at the level of officialdom with direct implications for the ways in which development is envisioned and pursued in Romania and particularly in the region of Cluj.

## **Real estate business**

As soon as the news of the investment got out Jucu became the promised land<sup>18</sup>. The first articles were forecasting the evolution of the land prices around and inside what was to become the industrial park – after Nokia announced its plans of building a production center, several were institutions, business people, politicians, real estate developers, and service providers were competing over the available hectares. The land price doubled in a matter of weeks and there were news about a major investment in a housing complex. The villagers in

<sup>17</sup> <http://www.mdrl.ro/index.php?p=159>

<sup>18</sup> An article published on March 30<sup>th</sup> by Ziua de Cluj held the title: “Jucu, the promised land”

Jucu soon started pressuring the authorities to release them the land ownership entitlements which had been dragged for a long time. The next step was the emergence of several corruption scandals related to the release of these documents and the main victim was the mayor of Jucu. His case and trial were followed up by Făclia which proclaimed him “a collateral victim of the Nokia investment”. He admitted to the bribery accusations so he was convicted, and excluded from the Democratic Party. For the same reason of exploding prices Jucu was called the ground zero of real estate speculations in Cluj.

The peak of this period was reached in the summer of 2008 and pushed the prices up to 100 Euros per square meter. By autumn several developers started to build hundreds of houses in Jucu because “this is where the industry will be relocated and there will be a considerable housing demand”, as one of the investors said. By December almost all transactions came to a halt and “El Dorado from Jucu remained just a memory”<sup>19</sup> – prices plummeted, constructions stagnated, and deals were canceled. Very soon an explanatory discourse emerged and generated a commonsensical understanding of the mechanisms which led to this state of affairs. First of all, it was the economic recession which affected the real estate sector – this was called the real estate bubble. Then, more specifically, it was the ‘artificial’ increase in prices which was generated by the hype around Nokia, as one of the managers of a real estate agency said: “the buyers have disappeared, the demands in the residential sector have been decimated, and the speculative enthusiasm has vanished.” (June 8<sup>th</sup> 2008) The irony regarding these speculations which were basically generated people’s impression of growth, enrichment, development, were the reasons (at least partly) which brought to an end the investors’ interest in Cluj – the land prices became too high to make an investment profitable enough. What development is for people is no development for experts.

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<sup>19</sup> Title of an article published by Ziua de Cluj

## Talking investments. On the record

There were two main events which put into perspective the position of the national officialdom with regard to the investment. One of them was created by the voiced opposition of a Romanian deputy to transfer the land in Jucu into the private property of Nokia. The other episode has to do with the international wave of reactions triggered by Nokia shutting down the Bochum factory. The political imaginary concerning foreign investments and the working of today's capitalism surfaces unambiguously in these two situations.

The first event which disturbed the normal administrative and political procedures related to the investment was occasioned by one member of the Democratic Party who opposed the change in ownership and land use entitlements for the future industrial park. Legally it belonged to the Ministry of Education and it was under the administration of the University of Agriculture Sciences and Veterinarian Medicine in Cluj for purposes of research and practical exercise for students. Valeriu Tabără, who is also the vice-president of his party group in the Chamber of Deputies, took a stance against the idea of transferring the land from the University administration to the County Council and then to Nokia. His opposing statement in the plenary meeting created a wave of distress among his colleagues and deputies from the other parties. Emil Boc, president of the Democratic Party and mayor of Cluj-Napoca at the time, had the promptest reaction saying that his position was merely an individual position, with no mandate from the party, and that he will "recommend an evaluation of the situation created by his political attitude and the application of all necessary penalties". (Ziua de Cluj, June 6<sup>th</sup> 2007) The revolt against Tabără's position was even better captured in a NLP member's statement:

To the surprise of everyone in the room, the representatives of the DP have tried by contemptible ploys and invoking the most hilarious reasons of all, to introduce the idea that this project should be rejected. I wish to warn all the people in Cluj that the DP members, out of purely political ambitions and with an unexplainable stubbornness, opposed today an investment which will positively mark the long

term development of Cluj, an investment which will create approximately 15 000 jobs and it will attract many other prominent companies to the county of Cluj.

Thus Tabără's stance triggered disorder in the plenary meeting and the vote which would regulate the land status in Nokia's favor was in danger. Ironically, the situation was salvaged with the intervention of Cluj's former mayor, Gheorghe Funar, and with the help of the Social Democrat Party's present members who managed to delay the final vote for a later date. Funar argued that the DP members do not want this investment to happen but that his party will support it and this is the reason why he intervened. In the press the incident was referred to as "the recent sample of idiocy" and it was considered yet another proof that the politicians in Cluj "do not pull the same carriage", they are not able to synchronize for the sake of a "vital investment for the county". Further on, the lack of consistent reprimanding for Tabără raised questions about the authenticity of DP's willingness to make the investment happen and even brought about the questioning of its leadership legitimacy. According to Tabără, who found himself in a defensive position, explained his reasons saying that:

Out of principle I do not agree with transferring public land to a private company, especially that which is destined to research and education. I speak solely in my name. I am a professor and I know that the situation of the agricultural patrimony should be resolved in its advantage. Academic research could have also produced jobs if it were properly supported.

On a different occasion he said that he is not in any way against foreign investments, especially if they are serious and this is definitely the case with Nokia. However he argued that public property has the same importance as the private one, if not a greater one since it serves the public interest. His remark about the abusive and illegal ways in which the transfer was made remained just a fleeting and insignificant issue in the entire debate; the camps were divided on the lines of pro and against the investment.

The other telling event which brought forward the official stand on this investment is occasioned by the reactions and counter-reactions to the ‘Bochum affair’. Both German and Romanian media became outlets for a war of statements which revolved around guilt, responsibility, fairness, winners and losers, in which the European Commission was constantly invoked as a referee. While German and Romanian politicians were exchanging bitter remarks, Nokia remained rather silent and neutral.

The revolt of the German officials in North Rhine-Westphalia and those of the community in Bochum manifested against Nokia but also against Romania. The main apple of discord was the source of funds for the construction of the industrial park and Nokia Village in Cluj. Suspecting that these came from the EU and considering the lack of fairness of the company, the president of the Socialist Group in the European Parliament, Martin Schultz, asked the EU to put a stop to the investment. The response came from a Romanian MEP who argued that “jobs should be secured through competitiveness, not through protectionism and political statements”. He continued saying that he would like to remind Mr. Schultz that “Nokia is a private enterprise and, like any other economic agent, it has the freedom to set up its own commercial strategy”.

The intervention of José Manuel Durão Barroso made explicit that the Commission proposed the Globalization Adjustment Fund<sup>20</sup> to be used when the workforce is affected due to relocations outside EU. Since this is not the case with Nokia and Romania the German representative should stay reassured that no EU money was used. Later on it appeared that the Globalization Adjustment Fund was used to direct 5, 5 million Euros to Germany in order

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<sup>20</sup> The European Globalisation Adjustment Fund (EGF) exists to support workers who lose their jobs as a result of changing global trade patterns so that they can find another job. When a large enterprise shuts down or a factory is relocated to a country outside the EU, or a whole sector loses many jobs in a region, the EGF can help the redundant workers to find new jobs as quickly as possible. A maximum amount of € 500 million per year is available to the EGF to finance such interventions  
<http://ec.europa.eu/social/main.jsp?catId=326&langId=en>

to help the 1300 newly unemployed in Bochum find other jobs, by financing the re-professionalization of workers or guaranteeing means of subsistence.

During the inauguration of construction works in Tetarom III several German journalists asked Marius Nicoară about the financial resources for this venture. He stated that “this investment is not made against someone, but for the purpose of creating jobs and revenues for Cluj”, adding that nobody knew anything about the closing of another factory when the negotiations with Nokia were held. On a different ‘line of attack’, the Christian-Democrat prime minister of North Rhine-Westphalia said that “unlike the workers in the Ruhr region, those in Romania do not come in the morning at 7 and stay until the end of the shift, but come and go whenever they want”. The reply came from a Nokia trade union leader in Cluj who declared that “these are the statements of a man who feels offended and who cannot adapt to the rules of the market economy”.

The unvarying reply in this scandal which came from Nokia to explain its decision of translocation was the considerable difference in productions costs, mainly due to the work force expenditure. Although the German officials offered to negotiate a new, more profitable production plan, the corporation said that their decision is final and that they will only discuss the social plan which entails compensations for the Bochum workers.

The problems brought about by this translocation in Germany and inside the European Commission did not go unnoticed in Romania and from the start there were questions raised about the intentions of the company. The first newspaper interview with the CEO at the time referred to this issue as one of the important concerns for the Romanian public; the reassurance came quickly: “Nokia will be here for a long time”, statement which became the title of that article. In the absence of a legal binding understanding between the local administration and the corporation, his word was taken for granted and the discussion moved on to the advantages which lie ahead. Even though the issue was not brought up anymore in

the press or in official statements, they do emerge as a more consistent concern in the discourse of the common people.



## **Articulating subalternity, imagining development. Cognitive mapping and the emotional component of the vernacular**

There is certain unity between the emotionality of the official discourse and the vernacular one. I would argue that the emotional dimension of the public/political discourse is much more in the subtext, in the rationale and the logic of argumentation it is put forward. I refer here to the unchallenged teleology inherent in the workings of the free market, a logic in which a by-the-book implementation of the neoliberal doctrine leads to a prosperity which would then trickle down to the large majority of people. This replication of assumptions and lapses in conventional practical reason entails a certain (emotional) belief which is strongly related with the hegemonic discourse of the economic processes, its influential effects on how the logic is constructed. Paradoxically, this is coated in an increasingly expert, technical language and expertise practices (see Boswell 2009).

On the other hand, the emotional dimension surfaces much more clearly in the vernacular discourse. When the stakes are the immediate well being of those who informed this research, the affective element was much more present and clearly articulated. Mostly, the source of these manifestations seemed to be a generalized frustration, continuous incapacity to overcome one's condition which was felt collectively as part of a society/nation, but also at an individual level. Words such as trust, disappointment, satisfaction, hope, skepticism, denote a strong emotional involvement with the topic. They are formulated around two main aspects: their Romanian-ness and their outlook on the political discourse and decisions. I will discuss them in turn.

The collectiveness of their emotions is part of what they construct as Romanian-ness. This is defined in terms of mentality and very specific predispositions towards work and working culture, a sort of backwardness understood as an inferior phase in economic

development, but also in a characteristic mindset which supposedly is the root of this economic state of affairs: *“Romanians are born to sit around all day. So if they complain about the salaries or anything it’s because they’re not used to working in a real company, they’re simply lazy”*. Symptomatic for the neoliberal imaginary around the role and responsibility of the individual, the extreme individualization and the self blaming for incapacity to adapt to a new order of things is a familiar credence in Romania. It is strongly connected to the pervasive anti-communist discourse which has been advanced forcefully by the public intellectuals as a political agenda. I will take up this idea about the function of this discourse in the larger scheme of things in a further section.

Romanian-ness is also translated into learned attitudes during socialism or some remainders of those which now are capitalized by foreign investors. One informant refers to the possibility that an employer may choose to start a business in a post-socialist space for the *“humble attitude of the employees because of this social context (post-socialism) we’re more used to doing what we’re told, we simply care and put effort in what we’re given to do”*. In almost every instance in which Romanian-ness is referred to, these ‘typical’ features appear as a major drawback in the current economic situation and implicitly as an impediment for future development. However, this type of remarks is not always reflecting a constant and internalized inadequacy but it can receive critical undertones: *“Even the new labor legislation is in the favor of the multinational companies and the employers! We’re sort of desperate, that’s clear”*. Although the changing of legislation is understood as a measure to cope with the problematic situation, it is still seen as an overdoing, as a situation in which the companies are advantaged in the detriment of the people, understood as an unwanted state of affairs.

The interviews are abundant in similar suggestions which articulate and bring ‘Romanian-ness’ in the forefront of people’s imaginary, as part of how they understand

themselves and the larger social context of the country. Nevertheless their Romanian-ness is not constructed without any reference point, but takes shape in opposition with *them*, an ambiguous referent invariably associated with the West, a ‘developed’ and significant Other, rather abstract and homogenous. The direct relating with this Other is made by identifying it with foreign investments and specific corporations (the bigger the brand, the stronger the impact). In the direct comparisons with the West on specific issues the positioning of the people is even more acute and the dichotomized differences appear sharper:

If they (MNCs) come here the impact is more significant than there, even if it’s the exact same investment. The economic system is more stable there; when they leave those people can afford to look for another job because they have resources. For us the jobs are essential. For us it’s a constant struggle; sometimes we need to forget about our principles and values to get what we want.

Thus in general the interviews are infused with dichotomies such as us and them, us and the West, we the less developed and them with the know-how. Although sometimes mentioned ironically, these dichotomies represent a significant part of their understanding of why Romania needs these investments. A sign of internalized inferiority, these dyadic oppositions represent a main coordinate of the people’s imaginary which speaks to a hegemonic West, understood both in terms of space (as depository of wealth) and in terms of culture (stability and self-control).

### **Imaginaries of development: mapping out coordinates**

A consistent part of the vernacular discourse which focuses directly on the notion of development was coagulated in two interview themes: on the one hand, the meanings of economic development in general, and on the other the articulation of the development logic and the role of foreign investments in the process as people see them.

The link between the presence of the company and the implicit benefits seemed to be already there, a commonsensical fact. This was somehow challenged and some dissonance became visible when the interviewees struggled to point at advantages other than those already frequently mentioned in the press: the creation of jobs and the supplementation of the city budget. Usually, what was found as beneficial from Nokia beyond the actual incomes (for the employees and the local budget), was the potential enhancement of auxiliary sectors.

“The benefices are not significant for the common people. Tourism could be an option for them, if they could make the village more known. I guess that there’s also the construction sector which might see improvements, the transportation company which deals with the commuting of the workers... Oh, and of course, the training firms and those which intermediate the employment!”

In general the idea that Nokia will give a boost to other economic sectors was imagined as something probable, a sought, fortunate accident, like a side effect of the unfolding economic processes triggered by the major investment. While talking, on a second thought, many informants concluded that the benefits are not that significant ‘as they say’, not even for those who have a job in the company once they thought about salaries and their status as ‘simple workers’. However, some did maintain the idea that the mere existence of an income should be satisfactory. While some sectors indeed thrive due to Nokia’s presence in Cluj (primarily the personnel leasing firms), the other benefits remain just prospective, vague, and disconnected from the people’s own interests and immediate wellbeing: *another model of institutional/corporate organizing, improvement of the economic environment, upgrading the country’s image, anything that puts a locality on the map must be something good.*

The possibilities cover a wide range of gains, but the implications reveal the weakness and unknown factors of this ‘process of development’ despite the strong correlation between the foreign direct investments and their effects, a connection which is more than often taken

for granted. Taken further, the attempt to identify the in-between phases of this process led to a key theme in the vernacular discourse.

The explanations of the mechanism by which significant foreign investments lead to a stable, desirable economy in Cluj brought up a series of intricacies of this imaginary. Of course, the contradictions and ambiguities of the logic could be left aside and considered as irrelevant insofar as these things are seen as a matter of technical economical knowledge. However I argue that the way these things were formulated is quite telling as far as the mapping of the development imaginary goes.

Well of course, you have the jobs. So those people are definitely doing better, they have salaries, they spend the money locally which supports the Cluj businesses. And then there are the taxes which go into the local budget. What happens with that money though is a completely different story.

This fragment underlies three aspects: the assumption that consumption is an absolute indicator of prosperity, that the salaries from Nokia are increasing the living standard of the employees and most importantly, that what happens with the local budget is not a matter which enters the logic of development. The sequence of actions which would lead to what they see as development does not reach the role of the local administration in the redistribution of incomes. When asked about what the county or city council should do with the revenues, the answers revolved around the idea that more investments should be done. Either for improving the city infrastructure, restoration of the old city center (for tourism purposes), or facilitating a better coordination between the university system and the labor market. The function of the state institutions seems to simply elude the logic of the development process and when it is though brought up, the strongly economist vocabulary conveys the desirable role of a business administrator.

These generic understandings of development vary notably. It was translated into sufficiency and quality of jobs, purchasing power, economic stability, locally adapted and well established strategies for the region, technologic development and productivity, professionalization, and creation of a stable labor market. If clustered, the imaginary of development reveals three main coordinates: the role of state institutions, the change in working mindsets, and the living standard, all formulated in an economic language. The responsibility of the local administration is seen as facilitator of conditions, of organizing relations between different sectors through strategies and coordination of activities, all in all “the creation of a platform which would attract more investments”. The question of professionalization entails the acquiring of certain capabilities of the working force: “there is the need for dynamism and reliability, and adaptability especially of the new generation”, ideas which speak very well to the requirements of the corporations in terms of ideal employees. One of the least mentioned implications of development referred to the improvement of living standards which is understood rather as increased purchasing power, the availability of “a larger variety of goods”, and an uncomplicated access to a house and car. Questions related to social security, health and education services were timidly brought up and rapidly put out aside since “we’re not very good at balancing profits on this side”, or because “you first need to have a healthy economy and then things will balance out”. These ideas are either a faithful reproduction of the official discourse about how the system regulates itself, or they render questions like healthcare so implausible that they do not even worth mentioning.

All in all, the imaginary of development appears so linear in its predefined causality and so blueprint-like that it goes uncontested. Its hegemonic character stands in exactly this capacity of offering a model, a universally applicable one, which entails the exclusion of other ways of thinking about development. In an imaginary of development which does not

appear to be about welfare or wellbeing, the question of who could be its beneficiaries is an idea which does not take form. In this context, the certainty that Nokia leads to development (directly or indirectly) translates into the sheer reproduction of the hegemonic discourse by being “taken for granted as the natural and received shape of the world” (Comaroff and Comaroff 1991: 23)

### **Dimensions of subalternity**

There could be identified two levels of discussing the subaltern’s take on the question of development: one has to do with the more deep-seated, generic, orientative framework which traces general directions and the other level which is the specific articulations of this discourse on development, strongly embedded in a temporarily given context. While the first level contains a greater degree of homogeneousness in both hegemonic and subaltern discourses, the second level reveals the tensions within the subaltern outlook and divergences from the hegemonic one.

I argue that in the case of this research the instability of the situated discourses infused with contradictions and tensions is partly due to the shift in the economic status of Cluj. The recession brought to a halt the rising curve which people were literally experiencing and the novelty of this new context has not yet allowed for the understandings to be institutionalized and generalized. The only explanation comes from the recession itself. Being understood as an external abstract force, controlled by no one and nothing identifiable makes it even a stronger explanatory and justifying tool. The current state of affairs is naturalized, normalized.

## Dissenting voices

One of the young interviewees was consistently ironic of the way corporations are viewed as “saviors” in Romania and how *“they need to give back to society through corporate social responsibility programs because, as we all know, they are not exactly on the up and up”*. She was skeptical about how these corporations function, but the more important part of the problem appears to be the fact that it is the Other (the foreigners, the West) who intervenes and that the politicians show no uprightness.

“Why don’t we help ourselves? In the end it’s about your own integrity, ambition, and respect. What kind of reputation do you make for yourself if you keep waiting for others to get you out of the gutter? At least Ceaușescu worked all the time to pay the national debts so that the country won’t depend on anybody anymore so that the country could grow on its own. And I support this”

She was also particularly vocal about encouraging the creation “our own companies” by supporting middle-sized businesses which could grow to become multinational companies. She added that politicians prefer to welcome foreign companies because it is easier to import their model for economic development, instead of elaborating a plan on their own for Romania, one in which it would found and support its own companies. The dissent is formulated against the current politicians in a striking comparison with the former dictator’s policies.

However the imaginary is configured in the same terms: investments, companies, capitalism. This being the most consistent and spelled out opposition which emerged in the interviews, it concentrates many of the undertones which outline the type of criticism which can be identified. It speaks about the imaginary which allows the formulation of alternatives to the current economic logic.

“We’re not buying into this, really. I prefer to look at other things, not whom they associate their image with, that’s too superficial. I’d much rather see them



solving the public illumination and internet connection in my part of the neighborhood.”

In order to account for the explicitly critical voices I turned to the online testimonies of those who had worked at Nokia. The language gives away the strong emotions related to the people’s experience - they feel demeaned and exploited and say they would chose any other job but the positions at Nokia. A strong opposition comes from other commentators on these forums who say that those who complain are not doing badly enough to be satisfied with these conditions, that they are lazy and incapable of coping with the state of affairs. Thus those who do not come in direct contact with these working places are not ready to see a problem within the system and blame it on the un-adapted and un-adaptable individuals. The illusions created by the coming of Nokia have blown up in the face of those who work(ed) at Nokia, not for the rest. For these, the attitude is rather more tempered. There's silence in the press, the subject became worn out in the meanwhile, and the fact that the whole thing didn't turn out to be that spectacular simply calmed down the spirits.

## **Rescaling imaginaries**

People do not seem to give much credit to the main political actors of the investment for making it happen and their discourses or opinions do not seem filtered by the political phrasing of Nokia’s story. They tend to accept political merits as far as the administrative and technical parts go but they would not say that the investment is the politicians’ making. Rather it is about a ‘natural’ process that “we are catching up with”, which would have happened anyway sooner or later, with or without these politicians. People tend to relate directly to the global capital and to an indefinite, supra-national ‘force’, leaving out national boundaries, politicians, or local processes. Their expectations come from an indefinite

outside, their hopes lie in something which is loosely connected to their own capabilities. It has much more to do with connecting the mindsets, the ways of doing things to the global processes and institutions, be them corporations or agencies such as the EU, in an attempt to catch up, to adapt, to learn, to internalize ‘the right way’. These attitudes and understandings are considerably relativized in actual discourses and I will try to account for them, as well as for the seeming contradictions and types of rationalizations that people make. The apparent homogeneousness lies I believe in the pervasiveness of the neoliberal discourse which found fertile ground in a problematic social and political context. The fundamental disappointment with the national political class, especially in combination with the felt urge to overcome one’s ‘national condition’ which has characterized most of the post-’89 period (what is understood as the developmental lag due to the communist era), could only make people look for other sources of hope and directions. Thus here lies one possible explanation for the deep-seated, unvarying imaginary which advocates Western development. Moreover, the specific example of Cluj which underwent an economic boom for a few years before 2008-9, seems to stand as an unmistakable proof that the foreign investment way is the right way.

## Conclusions

The love story between Nokia and Cluj unfolded sometime between the city's investment frenzy and the advent of the global economic recession. Posited as a definite recipe for growth this event prompted questions related to strengths of the hegemonic discourse of development and about the role of investments. The interaction between the official and the vernacular standpoints vis-a- vis this Nokia's presence reveals the forces which are at work in the formulation of economic strategies and imaginaries. I argue that the hegemonic discourse on development is on the one hand a discursive expression of how capitalism is understood in Romania and on the other, a denominator for the actual strategies to attain capitalism. The latter refers to the neoliberal economic policies promoted by the state revealing its subalternity to the global capital and the connected finance institutions.

The common people's understanding of the capitalist workings shows how their imaginary takes shape in relation to the domestic politicians and in relation to the global capital through transnational corporations. I argue that the strength of the hegemonic discourse on development is particularly strong in Romania's case and it manages to silence critical opposition and takes out the option to imagine alternative models of development. Given the complete disappointment with the local and national political class, the people's expectations become sheer hope projected onto the promises of the global capital. And this, for now, renders obsolete their agency and the possibility to articulate a meaningful criticism.

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