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## **Peripheralization and Catching Up in Eastern Europe in Historical Perspective Particularity of Eastern Europe versus History of Peripheralization**

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According to the specialization in Western Sciences and of Western Scientists, Eastern European History represents a specific discipline, with a strong regional focus. This specialization allows carrying out specific and specialized research. However, it risks losing the connection with the rest of Europe and the rest of the world, although Eastern Europe has had a long tradition of inter-regional interaction with other world regions. While Western particularities became universalized, developments in Eastern Europe are put on a different agenda: They deserve interest and research, but only as a particular problem, which does not follow the general pattern of development. They are analyzed if and to which extent they fulfil, or lag behind Western Europe. Trapped in an asymmetric comparison, Eastern Europe is conceived weaker, delayed, backward, nourishing racist interpretations for its inferiority, justifying Western expansion, conquest, or annihilation (Kappeler 2002). In a radical understanding, Eastern Europe is defined out of Europe; at the same time its "orientalization" allowed to conceive of Western Europe to represent the norm of "civilization". In comparison with non-Christian cultures, which were denied the potential to develop modern societies by their own efforts, Eastern Europe due to its christianity was considered to be part of the same "universal family", a sort of younger brother, who has the potential to assimilate and catch-up with the West.

Mapping Eastern Europe has to take account of shifting borders and shifting notions and connotations of "East" and "West". It was not before the age of Enlightenment, that the European "North" was converted into "Eastern Europe" (Wolff 1994). Only after the European cores had shifted north-west-wards, the equation of "barbarism" with the "North", rooted in Greek and Roman antiquity, was replaced by the "East", thus separating "Eastern Europe" from "Europe". This change of location reflects the endeavours of the North West European powers to identify Russian territorial aspirations - even if they expressed the Russian wish to copy and to compete with western patterns - with "barbarism", or "asiatic despotism", attributed to tsarist absolutism, state communism, or post-communist oligarchic capitalism. The stigma of barbarism was not limited to Russia, however. In the view of contemporary Western politicians, philosophers, and travellers, since the 18<sup>th</sup> century the European East started, when the rivers

Oder/Odra, Leitha or Drau/Drava were crossed, and it included Polish, Hungarian and Ottoman controlled territories, long before they became part of the "Eastern Bloc" under Soviet dominance after World War II. With the exception of Yugoslavia and Albania, two other models of state socialism, Eastern Europe was united only when the Soviet Union, the hegemonial power which dominated the region beyond its state borders between 1945 and 1989/91, forged a sort of regional integration according to Soviet guide-lines (Comecon, Warsaw Treaty Organisation). When the Soviet bloc, as well as Yugoslav unity broke apart, Eastern Europe did not "return to Europe", as many post-communist citizens and states-men longed for. Eastern Europe experienced a re-translation of the political-ideological antagonism of the period of block confrontation into its previous "otherness", based on the idea of Western superiority, imposed on Eastern Europe by economic, political, military, and cultural means.

Although Russia has always been part of Eastern Europe, it is - except for its hegemonial role - not part of our investigation. Russia differed and differs from the other Eastern European regions because of its imperial constitution, sheer size, number of inhabitants, and military power. Eastern European regions were characterized by changing state-hood, shifting external domination, and limited political sovereignty. Vast territories suffered occupation or annexation by - competing - Great Powers, including the Russian Empire, which at the same time became itself economically dependent from Western Europe. Eastern Europe in our context means: the peripheral eastern parts of the Habsburg Monarchy (resp. its successor states Slovakia, Hungary, Slovenia, Croatia, partly Romania and Poland); so Bohemia, Moravia and the later Republic of Austria which were industrial centres of the Monarchy will not be included into the considerations. But we include Poland, which was partitioned between Prussia, Austria and Russia, as well as the Balkans (often referred to as "South Eastern Europe") under Ottoman respectively Habsburg rule (Albania, Bosnia and Herzegovina, Bulgaria, Macedonia, Montenegro, Serbia, partly Romania). This notion of Eastern Europe also includes the baltic parts of the Tsarist Empire, Latvia, Estonia and Lithuania. So rather than on "Eastern Europe", which also contains Russia and the European successor states of the Soviet Union, we focus a "Europe in between", squeezed between the ascending project of EU-integration and the declining project of Soviet Union and Yugoslav disintegration. Shifting political positions within the countries waiting for EU-membership have impacts on the composition of this region, which - in modification of Jenő Szücs' "Three historical regions of Europe" (Szücs 1983) - can be considered a "Third Europe" between East and West.

The regions, countries and its inhabitants of this "Europe in between" are located between the three historical European spiritual centres: Rome - Constantinople - Moscow. They exercised shifting and competing historical influence on the region, and they still shape the region, its external alliances and internal conflicts until today. Secularization only superficially replaced interference and attraction of these centres. In the case of Rome, there were new political centres,

representing catholic (compromising with protestantism because they did not succeed to ban it) universalism: Paris, Vienna, and - since the political integration and the enlargement of the European Union - Brussels, where at the beginning of the 21<sup>st</sup> century the power of attraction is concentrated. Brussels outrivaled Istanbul (which took over the Byzantine heritage) and Moscow, which did not accept Constantinople as a spiritual centre for Russian Orthodox after it had become the capital of the Ottoman Empire in 1453. After the Russian/Soviet Revolution the spiritual lead of Moscow was based on the communist ideology, its collapse did not only concern political integration, but also the attraction of Russia as a cultural centre.

One way of liberating Eastern European history from its enclosure within the dichotomy of European East-West comparison is to ask for inter-relations with other parts of the world. From this perspective, Eastern European regions show the characteristic features of peripherality in political or economic respects. Its "orientalization" is based on the same pattern, which was applied for Asian regions.

By using concepts of world-system analysis, differences between regions can be translated into imbalances in regional development, which are embedded and thus can be explained within a system of unequal division of labour on an inter-regional or inter-national level. As a consequence, peripheralization is not regarded to be an exception, an anomaly, or a divergence: it is interpreted to be a necessary and characteristic feature of the process of capital accumulation, which depends upon the combination of different modes of production, forms and organisations of labour, and levels of income in different world regions, thus shaping cores and peripheries.

### **Attempts to Catch Up with the West**

According to the theoretical framework of the World-System theory (compare Chase-Dunn 1982; Hofbauer/Komlosy 2000; Nolte 1982; Wallerstein 1974-89), Eastern Europe fulfilled and still fulfils peripheral functions in the capitalist world system, at least since the 16/17<sup>th</sup> century when the economic centres had shifted from Northern Italy and Southern Germany to the Atlantic coast. According to specific demands at specific time peripheral regions supply the core regions with raw materials, agricultural products, labour force, industrial capacities (e.g. extended work-benches, made-to-order-production) or military services (soldiers, buffer zones, military facilities). There is much historical evidence for the economic dependency of East European regions, unequal exchange and transfer of values allowing for the rise of North Western Europe to become a hegemonic core. However, to a certain extent, world-system analysts fell into the trap, set up by the invention of Eastern European unity in the age of Enlightenment, which served to underline Western European "civilization" to represent the universal standards of human development.

On the other hand the economic gap and the functional integration of Eastern European regions into a western led world economy cannot be denied. There have always been attempts to overcome the peripheral status by efforts of catching-up (Nolte 1991; Senghaas 1982; Kappeler 2002). So Eastern Europe can be regarded as peripheral part of a modernization process which is centered in Western (and Central) Europe, which needs and creates peripheries. In this scenario Eastern Europe is part of the global "South" and its deficiencies result of the underdevelopment caused by its peripheral integration into the unequal division of labour with the "North", which in the case of Eastern Europe is situated in the "West". Conversely, modernization can also be seen from an Eastern Europe point of view, aiming to overcome the structural dependency from the North/West by establishing economic, political, and cultural developments controlled by local/regional interests. These attempts were embedded into the competition between the Great Powers of Western and Central Europe, the Russian and the Ottoman Empires (and their successors), for whom Eastern Europe did not only fulfil economic, but military and strategic functions as well.

We claim that catching-up modernization requires favourable economic, social, and political conditions; historical turning points to overcome peripheralization which depend on a coincidence of internal and external factors occurred in 1867, 1918, 1945, and 1989/91. Successful modernization is not so much depending upon a specific political system, but on a constellation of possible strength which allows the political regulation of the accumulation process in the interest of local/regional forces. Successes and failures are not only due to internal politics and measurements (development policies; internal blockades e.g. lack of reform, lack of capital, deficiencies of markets, innovation, planning ...); at the same time they depend on shifts in economic conjunctures (e.g. from an expanding to a recessionist cycle), and a changing global situation.

### **Points of Departure for Catching Up Modernization**

To illustrate our arguments we take examples from various Eastern Europe states and regions. The time frame is marked by the Dual Settlement of the Habsburg Monarchy (1867) and the accession of eight Eastern European states to the European Union (2004). The focus is on a long term comparative perspective, trying to relate political and economic cycles with specific historical events, shaping historical periods and turning points:

1867-1914/18: Period of the Austro-Hungarian Dual Settlement or Compromise  
1918-1939: Interwar period of new state sovereignty  
1938-1945: Period of German expansion and association with Nazi Germany  
1945-1989: Period of socialist catching-up under Soviet hegemony

1989ff: Period drawing new lines along Western interests polarizing different regions, or "nations" according to their ability for integration with the West

### 1867

There were earlier examples of new states aiming to overcome the integration with their former colonial power, the Ottoman Empire, like Serbia (1830) or Romania (1856). In these cases the focus was on the establishment of independent political institutions, while economic dominance was already exercised from Western and Central Europe, when the Ottomans were still in power; dependency from the West could hardly be tackled, as these powers were considered to guarantee state sovereignty vis-à-vis the Ottoman Empire. So we open the period of catching-up of former internal colonies with the case of Hungary. In 1867 as a consequence of the "Dual Settlement" (Compromise), Hungary gained quasi independence from the Austrian Habsburg State. Both states were united by a personal union and common institutions in the field of foreign policy, foreign trade, and military affairs. The Hungarian government could now pursue national politics and at the same time profit from a strong ally in military affairs and the defence of its protectionist trade policies. There were undeniable successes in industrial development, build-up of infrastructure and industrial production, up-grading of exports and the improvement of various social indicators. However, catching-up was limited to a few extracting sectors, which span off processing capacities. It was limited to a few core regions, increasing the gap between urban and industrial centres and rural peripheries, which caused masses of impoverished agricultural labourers into migration. The success of catching-up relied on foreign debts and investments, in a first phase Austrian (and Bohemian) ones, which - step by step - were replaced by French and British ones, thus reflecting the competition among cores for the control of peripheries. Austria lost this race in Hungary against Western banks and investors.

### 1918

With the break up of the Habsburg, the Hohenzollern and (with regard to Poland, Finland and Romania) the Romanov Empires in 1918, the number of independent states in the European periphery increased; the restructuring of the Balkan peninsula inter-state borders gave rise to the new Kingdom of Serbs, Croats and Slovenes (SHS-Yugoslavia). Catching-up attempts in Eastern and South Eastern Europe met their limits very soon, however. In some states export oligarchies heavily contested reforms because they would undermine their traditional privileges, which they were granted by the former dynastic courts. Where reforms were carried out, they were confined by lack of capital and training, as well as the decline of prices and markets during the Great Depression of 1929/31. The following rapprochement of most Eastern European governments with Nazi-Germany was on the one side inspired by the search for new export markets, on the other side it was fuelled by the aspirations of national enlargement, which were cultivated in many states after the Peace Treaties of 1919/20.

1945

The liberation from Nazi Germany opened another chance for Eastern European countries to modernize state and economy. The geopolitical situation of Soviet occupation, Western embargo and communist take-over opened the field for a model of catching-up, which differed from the post-World War I situation. It was based on nationalization, state planning and the dominant role of a state party, on forced industrialization and a delinking from the Capitalist West, the Soviet answer to the involuntary delinking by the western embargo policy. Instead of a strong intra-Comecon integration based on specialization and international division of labour, priority was given to national industrialization and self-reliant economic structures in each single state.

From a Western perspective the socialist model for a long time was only discussed on political ideological premises, primarily if it was wishful to establish a socialist society, and secondly if this aim was achievable and achieved by the Soviet type socialism. East-West relations were a special field of international politics, which were not at all related to the development discourse, which was limited to non-European countries. Until today development issues and "Eastern Europe" are considered to be separate topics. Thanks to the global approach of world system analysis, the Soviet Union and Eastern Europe were finally integrated into the development discourse. This gave way to an evaluation of socialism as a means of catching-up development policy. As a result, the political and economic measurements of socialist planning and development were analysed as means to up-grade and to integrate peripheral Eastern Europe into the world economy; at the same time global economic changes were acknowledged to be decisive for the regional performance of Eastern European socialism (Frank 1977, 1992; Hofbauer/Komlosy 2000). The increase of trade and financial relations, and in some cases of industrial cooperation, in the 1960s and 1970s, which marked a shift from import-substitution to debt-based, import-led growth, thus could be discussed in a broader framework, which was able to combine internal blockades of the socialist system with a new global paradigm. As a result of the new international division of labour, core countries entered into post-industrial knowledge based capitalism, while peripheries were integrated into the world economy to provide basic industrial assets and mass products. It follows that the world economic crisis of 1973 marked the transition for the socialist countries to fully re-integrate into the capitalist world economy; also in the Third World, import-substitution was replaced by new types of dependent integration. As long as the political and military alliances of Comecon and Warsaw Treaty Organization were operating and the Communist Parties controlled internal politics as well as external exchange, the socialist system seemed to be in power. Declining productivity, indebtedness, and growing social discontent about the gap in the standard of living, which was more and more compared with the West, contributed to open economy and society towards capitalist market elements, which contradicted and finally undermined political primacy.

## 1989/91

1989/91, when the socialist systems in Eastern Europe, the Soviet Union, Comecon and Warsaw Treaty Organization collapsed and regional integration was replaced by informal capitalism and spontaneous westernization of those sectors and regions which could find markets and partners, can in no way be regarded as a point of departure for catching-up. It introduced a period which is characterized by enormous disintegration, bankruptcy, de-industrialization, loss of jobs, income, savings and social security, expressed by a decline in life-expectancy of 5 to 10 percent in all Eastern European states except Czechoslovakia between 1989 and 1993 (UNICEF 1994: 35/36) - giving rise to the new technical term "transition mortality". At the beginning the threatening impacts of this decline were withheld or denied by Western and Eastern propaganda, associating the end of socialism with the hope for a better future. Only after a while the western public was warned of impoverishment and decline in Eastern Europe. Border control was established to replace the Iron Curtain in order to avoid the spread of social problems to the West. The western public is still misled by the idea that Eastern Europe was facing the legacies of communism. This misinterpretation enabled Western media and governments to make up the take over of markets, firms and labour, the degradation of skilled industries to cheap work-benches, as a strategy of relief.

## **Long-term continuities and changes**

The five periods between 1867 and 2004 represent continuity and change. There is continuity with regard to the overall aim to strengthen the economic structures on the regional/national level in order to improve the region's competitive position within the inter-regional division of labour. Conversely, the general decision if autonomy should be improved on political or on economic grounds, the internal orientation of economic politics, and the external alignments show a great variety. The variation does not so much concern the different regions and states; it rather is a variation between the different periods, which each show a high correspondence between the single states. This strengthens the assumption, that successes and failures to catch up depend upon a specific relationship between regional attempts and global conditions which are strongly shaped by world politics and world economy. Thus the five periods correspond to five cyclical shifts, each representing a catching-up cycle.

One has to distinguish between periods more or less favourable for catching-up. Success and failures depend on politics carried out by national governments, and they depend on international conditions: on the one hand on the character of the economic conjuncture, i.e. a period of stability or crisis, or a period of expansion contraction, on the other hand on the state of the international relations, i.e. a period of peace and political stability or of turmoil, break-up of states and war. Successful catching-up does not necessarily rely on economic upswings and

peaceful coexistence; in some cases such conditions favour catching-up, in other cases peripheral countries may profit from crises and conflicts in the core states opening up perspectives for peripheral states to improve their situation.

We can observe the following paths of development:

a) *Associative dependent integration with the world economic centres*, as it was and is on the agenda in the periods 1867-1918 (for Eastern Europe except Hungary), 1939-1945 and 1989/2006ff, is an obstacle for self-reliant development. It serves the economic interest of the centres and of a small Eastern Europe elite cooperating with these centres (colonial type society). Peripheralization is inevitable. However, the roles the peripheries fulfil for the centres change according to economic and technological cycles. As there is no aim of self-reliant modernization, failure is not due to a trap, but rather predictable. Or, if one considers dependent integration as a means of catching-up, the trap lies in the idea of equal opportunities for cores and peripheries.

b) *Self-reliant national and/or regional integration* pursues a different path of development, rather counting on import-substitution, production for the domestic market, employment, education and skills allowing to exercise research and development and to supply export markets with processed goods. As a result of *dependencia* theory, which emphasized the peripheralizing effects of the relationship between cores and peripheries in the course of the latter's integration into the world economy, de-linking and dissociative paths of development seemed to be viable to avoid the trap of peripheral integration. It was backed by historical investigations into the strategies of the leading industrial powers, which equally had relied on protectionism in order to develop industrial competitiveness. Severing disadvantageous links with the former colonial power was a strategy pursued by a big number of East European and Third World states after decolonization and independence. Under the conditions of global interdependency after 1973 unilateral de-linking of peripheral states turned out to promote isolation without development, hence opening a new debate on adequate strategies to combine dissociative with associative policies, strengthening self-reliance by new forms of regional integration.

## **Realization and Obstacles to Catching-Up Development**

However, the claim for self-reliance does not necessarily lead to the desired results; it risks failing because of different restrictions. We can observe three periods in which attempts to overcome peripheralization were undertaken in Eastern Europe: 1867-1918 under the Dual Settlement in Hungary; 1918-1939; 1945-1989. Why did these attempts (which showed temporary success) fail?

1) Growth trap/cyclical trap (1867-2006)



The Western model, which requires peripheries for its own success and therefore creates, shapes and reproduces them; hence it cannot be simply transferred to a periphery with its economic structures oriented towards fulfilling specific functions for the centres. This objection concerns capitalist industrialization, but it also concerns socialist industrialization.

World capitalism (as well as all those who depend from it or thrive to copy it or catch up with it) is characterized by economic cycles, periods of expansion changing with periods of recession, the latter provoking the necessary adjustment for a new period of expansion. Adjustment to a new cycle usually is linked with a new regional, sectoral and technological pattern, which brings along changes of the inter-regional division of labour. Growth shifts to new industrial branches, pushing the old branches of growth into a marginal position. *Regions which had concentrated to be competitive in those very branches (the very aim of catching-up), hence are driven aside and overtaken by new developments and innovations, in which they only can participate by taking over a dependent position again.* So the cyclical innovation of capitalism reproduces the imbalances in regional development at each specific moment of history, trapping the peripheries' strive for catching-up like a vicious circle. It is very rare, that a periphery can profit from a cyclical shift.

## 2) National trapp (1867-1945; 1989/9-2004)

The national trap may take several forms. The Hungarian government in the Dual Settlement period (1867-1918) claimed *Madjar national hegemony over the non Madjar parts of the country*, hence provoking a resistance (against the Hungarian centre Budapest) which impeded the stabilisation of political autonomy within the Dual Habsburg Monarchy. So Austria and Hungary both became victims of the territorial break-up of the Monarchy. *The new non German and non Madjar national states* founded, or enlarged by new regions, in 1918 were also caught in a national trap. In the inter-war period they *suffered from fragmentation*, which rendered economic recovery and self-reliance more difficult. Nationalist ambitions prompted the cooperation with Nazi-Germany in which Eastern Europe fulfilled the role of a supplier of food, raw material and manpower for the war. Even the socialist period, which forced the Soviet satellites into the regional integration of Comecon, was blocked by ideas of national(ist) autarky, impeding a deeper economic integration of the socialist block. Today the permanent strive towards (nationalist) secession of those who hope to improve the pace of EU-integration by separating themselves from - appearingly - less developed parts of the state, opens the door for foreign political and economic influence on regional developments.

## 3) Dept trapp (1867-1914; 1970-2004)

Indebtedness on the one hand results from lack of capital, which again results from the peripheral integration into the inter-regional/inter-national division of

labour. On the other hand it cannot be separated from the model of development, which can either count on internal resources or on foreign credit to enable the import of technologies and know-how. So the *debt trap* goes hand in hand with the growth trap. As long as exports find markets and allow paying the debt back, the model appears successful. With a shifting cycle, protectionist measurements, and new competitors debt-based catching-up may lead to a dead end. If the creditors raise the interest rates the trap is perfect.

Hungarian industrialization efforts in the last third of the 19<sup>th</sup> century relied on foreign capital, thus conflicting with the goal of national autonomy. The inter-war lack of capital, aggravated by the Great Depression, explains why most of the Eastern European states sought the cooperation with Nazi-Germany. After a period of de-linking of the socialist block from the capitalist world (which on the one hand was imposed on the socialist states by Western embargo policy, on the other hand was a possible reaction of the socialist states to pursue a socialist model of industrialization) between 1945 and 1970, the 1970s saw a shift from import-substitution to import-led growth, hence relying on credits which at the time of the world economic crises of post 1973 were cheaply available. When the interest rates were raised in 1980, it was only a question of time, when the debtors became caught in a debt trap, which ended the project of economic self-reliance first economically and then politically.

#### 4) Militarization trapp (1867-2004)

One must not forget the *military factor* which is interfering into the success and failures of self-reliant paths of developments. Building up a self-reliant military sector may serve as a means of protection, and maybe it cannot be avoided. At the same time militarization involves a state or alliance of states (block) into the arms race, which again - like the competition for growth rates - represents a trap, which is directed against the aim of the project itself. This happened in the Warsaw Treaty Organisation and the Soviet Union during the 1980s.

### **New Lines of Partition after 1989/91**

After the collapse of Communism and the dismantling of the Iron Curtain, we face the establishment of new regional partition lines. Their geographical extension is shifting eastwards, along with the enlargement of Western influence over Eastern Europe. Constitutive for this period is on the one side the attractivity of the European Union, on the other side the weakness of Russia. As the enlargement of NATO, European Union (EU, Schengen Space, Euro-Space), World Trade Organization etc. is not synchronized, membership varies and territories and borders overlap. There is a competitive situation of accession - with regard to single candidate states as well as with regard to the different agreements and alliances, allowing to impose far reaching conditions of accession not only upon new members, but on waiting applicants as well. The aspirants act against each

other without considering the possibility of mutual support, regional coordination, or the setting up of conditions from their side. Their willingness to fulfil Western demands and requirements would deserve special exploration.

Since the break up of Comecon, Warsaw Treaty Organization and Soviet Union (1991) we face the enlargement of the European Union. The same applies to the enlargement of NATO. In ironical analogy to the "permanent revolution" propagated by Leo Trotzky, one can in this case speak of "permanent enlargement". All Eastern European states are seized by this process, which is not restricted to formal membership. European Union enlargement represents a sequence of required adaptations, which have to be fulfilled without time limit. Equally, EU enlargement does not involve all aspirants at the same time, it advances step by step, confronting each single aspirant in bilateral talks with the European Union, allowing to impose the *Aquis communautaire* on each member state, thus creating a Europe of concentric circles, corresponding to the popular metaphorical expression of the "Europe of different speeds".

- The inner circle of the 15 elder members is surrounded by an outer circle of the ten new members of the 2004 enlargement.
- The next circle comprises the aspirants of 2004 (Romania and Bulgaria) and 2006 (Croatia, Macedonia and Turkey).
- A small number of states, linked to the Union by Association Treaties, are hopeful to join the aspirant status soon, thus willing to open their markets, lower the cost of production etc. (e.g. Serbia, Montenegro, Bosnia and Herzegovina ...)
- A number of states are in a waiting position; their future membership is not excluded; it is mentioned as a long-run perspective, thus contributing to an attitude, which makes them ready to fulfil any condition in order to approach membership. In this situation the split up of states according to their regional abilities to adapt to Western demands is a severe threat for state unity (for the break-up of states see the example of Czechoslovakia and Yugoslavia. With the separation of Serbia, Montenegro hopes to accelerate the rapprochement).
- Last but not least, there are European states beyond the reach of the present enlargement process. Future membership is denied to them - because of "wrong" political performance (like Belarus), extreme poverty and instability (like Albania and Moldova-Transnistria).
- In the case of Russia, membership is not taken into consideration. Conversely to the other Eastern European states, this applies for both the EU-European and the Russian side. Russia is considered - and considers itself - as a Great Power, with a diminishing zone of influence, however.

After the collapse of the Soviet Union, there were several attempts of regional integration of the former Soviet Republics, involving all successor states with the exception of the Baltic republics, which joined the European Union in the first round of enlargement (Community of Independent States; Common Economic

Space; GU(U)AM-Association of Azerbeidshan, Georgia, Moldova, Ukraine; Uzbekistan left in 2005; Eurasian Economic Community).

The mentioned projects are restricted to the territory of the former Soviet Union. The level of integration cannot be compared with the Western institutions, which compete with the Eastern projects in Eastern Europe and the states of the former Soviet Union, challenging their cohesion by political pressures as well as by competing offers. I.e.: The refoundation of the GUAM in May 2006 was patronized by the USA - showing the competing aspirations to control the former Soviet republics in Eastern Europe and Central Asia.

As a result of the ongoing attempts of integration, which overlap in those parts of Eastern Europe, which were part of the Soviet Union before 1991, a certain number of states are squeezed between EU-enlargement and post-Soviet offers of integration: Belarus, Ukraine, and Moldova-Transnistria. The lacking attractiveness of Russia as a partner for regional integration is not only due to the Eastern Enlargement of the European Union. The Russian weakness is also based on the missing perspective of development and integration for the former republics and neighbours. Neo-Russian economy relies on the production and export of energy and raw materials. By imposing prices, quantities and guaranties, it is able to blackmail the costumers without any offer for a common development (Krasilshchikov 2005).

With the collapse of the Soviet Union, "Europe in between" had experienced a shift to the East. It was joined by former Soviet republics, whose situation is characterized by isolation and lacking perspectives of regional integration.

### **Preliminary conclusions**

On a theoretical as well as on a practical level there is only one way out: the catching-up goal, which is imposed as a necessity by the core regions in order to keep the peripheries cooperating has to be overcome. Catching-up has to be replaced by a self-reliant development on the local, the regional, and the national level as well as a trans-national integration on equal terms beyond the constraints of the hegemonial economic and political powers. Strategies of a self-reliant regional integration would have to be based on the following pillars: Economically local and regional markets would enjoy priority over export markets, local and regional production would gain priority over import led growth and export orientation. Peaceful economic and political coexistence would allow nation states and supranational alliances to exercise a self-reliant currency policy, not allowing the U.S.-Dollar to make up for the indebtedness of the United States any more. Politically the priority for local and regional decision-making would go hand in hand with integration on equal terms, strengthening the local, regional, and national autonomy vis-à-vis the Great Enterprise and the Great Power interest to maintain an unequal division of labour.

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