

**Ivan T. Berend.** *Central and Eastern Europe, 1944-1993: Detour from the Periphery to the Periphery.* Cambridge: Cambridge University Press, 1996. ix + 414 pp. \$64.95, cloth, ISBN 978-0-521-55066-6.



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The events of 1989 in the former East Bloc have unleashed a flood of monographs on the causes and consequences of the collapse of socialism in Eastern Europe. Ivan Berend's new book is important because it is among the few that consciously examines the era of state socialism in its wider historical setting.

Berend lays out his full argument in the preface. He argues that state socialism was "part of a twentieth century rebellion of the unsuccessful peripheries, which were humiliated by economic backwardness and the increasing gap which separated them from the advanced Western core" (p. x). The roots of this extend back into the early modern period as the region became a captive of imperial structures and was bypassed by the dual revolutions (the French and the Industrial) in the modern period. The first twentieth-century rebellion was based on a nationalist, right-wing, anti-Western agenda that failed in the crisis-ridden interwar decades ending in World War II. The second rebellion came in the form of state socialism, which was even more anti-Western in its rejection of capitalist institutions. Although authoritarian and repressive, the state socialist regimes initially

engineered a catching-up and provided unprecedented security to "lower layers of society" (p. xvi). But, unable to cope with the structural crisis of the 1970s, the regimes eventually collapsed, which left the region still languishing on the periphery on the eve of the twenty-first century.

Within this overall framework, Berend tells the story of the rise and fall of state socialism in the region. The first section (chapters 1, 2, and 3) provides a narrative of the communist seizure of power, the post-1948 Stalinist system, and the post-Stalinist era of reform, revolution, and loosening of the Bloc, which lasted into the 1960s. In accounting for the communist rise to power, Berend gives equal weight to domestic and international forces. After World War II, the defeat of fascism and the devastation of war that ended and discredited the first rebellion created a political vacuum in Central and Eastern Europe and the region became "a playground for great power politics" (p. 13). Berend prefers to characterize Stalinist rule as dictatorial rather than totalitarian, although he certainly minces no words in recounting the horrors of the system—the show trials, the prefabricated confessions, the torture, and

the executions--that were initially intended to hammer together a uniform Soviet Bloc and ultimately took on a life of their own in the context of domestic power struggles. According to Berend, so pervasive was the reach of the regimes "law" and police that "every third or fourth family...came to grief over them" (p. 72). The system, of course, encompassed the whole of society from the economy to culture; the Soviet model of central planning promoted rapid, import-substituting industrialization while socialist realism combated both "modernism and formalism" in the arts.

Coupled with the prior break of Yugoslavia with the Soviet Union in 1948 and the "thaw" following Stalin's death, the initial break-neck surge ended in crisis, chiefly the Polish and Hungarian revolts of 1956, and subsequently to a loosening up of the system. In Poland and Hungary, for example, "a sort of civil society began to develop with accepted elements of pluralism" (p. 116) while in Czechoslovakia radical proposals for "reform-from-within" (p. 142) ended in a push for parliamentary democracy and market socialism, and the Soviet crackdown in the Prague Spring of 1968. Elsewhere in the Bloc, Romania and Albania rejected de-Stalinization and traveled down their own national paths to socialism in international affairs.

In the next section (chapters 4, 5, 6, and 7), Berend analyzes the consolidation of the post-Stalinist regimes in the 1960s, their destabilization and erosion in the 1970s, and their collapse in 1989. Berend agrees with Vaclav Havel's 1970s characterization of these regimes as a "special hybrid of a dictatorship and 'normal' industrial consumer society" (p. 155). Although the underlying structures remained in place, these regimes implemented economic, social, and cultural policies that gave them legitimacy; consumers got more attention, social policy delivered social services that were highly competitive by international standards, and cultural policy was liberalized. Drawing on Weber, Berend argues that legitimacy

does not require free elections and pluralism but "a faith in and acceptance of existing power" (p. 177). In the immediate postwar years, this Weberian legitimacy was rooted in the promise of modernization and egalitarianism and in the "painful but spectacular tour de force over Hitler in World War II" (p. 180). After this legitimacy began to erode in the Stalinist period, the elites sought to "rationalize" (legalize) their power by satisfying material needs through economic growth and expanded social services, and emotional needs through nationalism. These successes and the legitimacy associated with them came at a considerable cost. The rapid growth and catching up took place on an antiquated technological base and the clear improvements in broad social indicators must be seen against the "diseases of civilization" brought on by industrialization and urbanization.

Berend recognizes that whatever legitimacy the communist elites enjoyed in the 1960s would remain intact only as long as the regimes continued to work. By the 1970s, there was strong evidence that they were malfunctioning, which Berend attributes to several external and internal forces. At the heart, there were systemic flaws. The regimes were simply incapable of adapting once the sources of extensive economic growth began to dry up in the late 1960s. Central planning produced rigid bureaucracies and polices of economic and social leveling killed incentives, which left the regimes ill-equipped for the task of engineering the kind of innovation and structural change that was needed to resuscitate their sputtering economies. In addition, the 1970s saw the growth of permanent dissident movements, which differed significantly from the mass revolts and pushes for moderate reform-from-within movements that shook the regimes in the 1950s. A key external factor was the oil price shock of 1973, which deepened the already profound structural crisis by adding to the growing mountain of international debt. In the 1980s, these factors coincided with a weakening of the Soviet Union, which served as "the external guarantor of the

regimes" (p. 232). Its economic power was unable to meet the demands placed on it as a military superpower in a high-tech world. All this led to the dramatic events of 1989, which Berend chronicles in a detailed narrative as a "revolutionary symphony in four movements" (chapter 7): the rise of Solidarity in Poland, Hungary's reform-from-within, the fall of the iron curtain, and the "funeral march of Yugoslavia" (p. 292).

In the two chapters of section III, Berend brings the story up to date. He opens by posing the question: Does 1989 mark the end of Central and Eastern Europe's detour in its twentieth century revolt against western institutions and values, and the prelude to catching up with the West? It is too early to tell, he argues: the region could just as easily join the Third World as Europe. He notes the progress made in building up western-style political institutions since 1989 and admits to a feeling of "historical *deja vu*" (p. 312) as this marks the third round of similar agendas since World War I. He sketches out the substantial social transformation that has already taken place; the decline of the blue collar labor force, the increase in the farmer-peasant class, the rise of a new political class made up of three pre-1989 groupings--the dissident rank and file, nonparty intellectuals and professionals, and the reform wing of the old political elite. Finally, he describes the transition to a market economy and reviews the debates over gradual versus "shock treatment" approaches, and laments the lack of foreign assistance, which has been minuscule compared to the 3-5 percent of GDP that would be needed for a full-scale "Marshall Plan for Eastern Europe."

He closes on an even more cautious and pessimistic note. The rising insecurity that has accompanied the steep economic declines and the erosion of welfare systems since 1989 has provided fertile ground for right-wing extremism and resurgent nationalism, which he calls a "frightening danger" for the region. He argues further that

the region's political destiny hinges on whether the economic transformation succeeds or fails. Berend argues that the chances of success are small as long as the post-1989 regimes adhere rigidly to the "self-regulating free market model." Despite the pervasive nature of change since 1989, the structural problems inherent in the clash between the technological regime the region inherited from the communist era and the demands of the new technological age remain unresolved. The solution, according to Berend, lies in dropping the *laissez-faire* model that is currently fashionable in favor of the kind of mixed economies that fueled the post-1945 economic miracle in Western Europe.

There is much to admire in Ivan Berend's stimulating analysis of Central and Eastern Europe in the post-World War I era. Above all, it demonstrates the value, indeed the necessity, of placing the current transformation in its larger historical setting. Most of the growing literature focuses narrowly on the collapse of state socialism and/or on the strategies for transforming these societies in the post-cold war era. Missing in these accounts is the "big picture" that highlights the long-term continuities which persist in the region even in the face of revolutionary changes. In addition, I agree with his emphasis on the critical role of economic factors in determining the rise and fall of state socialism. His view that state socialism was a response by local elites to the region's economic gap vis-a-vis the West, that the growing economic crisis of the state-socialist regimes ultimately undermined them, and that the course of the current economic transformation will determine the region's political future, form a very useful framework for thinking about the region. Finally, Berend draws on a vast amount of secondary source material and skillfully weaves in primary source materials, especially memoirs and interviews with key actors in the post-1945 drama. The result is a nice blend of nar-

rative and analysis that is unusual for works of this kind.

The book will surely draw considerable fire from specialists in the twentieth century history of Central and Eastern Europe. Some will object to his strong emphasis on economic factors as the driving force behind change in the region. Others will raise eyebrows over his argument that the regimes enjoyed legitimacy in the post-Stalinist period, at least up to the 1970s. In addition, country and period specialists will surely have bones to pick on matters of fact and interpretation surrounding specific individuals and events. This is, of course, always a price that must be paid by those who set about the difficult task of synthesis and interpretation.

I leave these and other issues for specialists to debate and instead focus here on Berend's overall interpretive framework, which is captured in the provocative subtitle of the book: "detour from the periphery to the periphery." Although I applaud his efforts in presenting the "big picture," I do not find the notion that Central and Eastern Europe constituted a periphery in the last century and still lies there today a very useful starting point for interpreting the twentieth-century economic history of the region and for assessing its future.

I see several difficulties. First, Berend never really defines the term periphery, but there are hints throughout the book that, at least in a loose way, he follows Immanuel Wallerstein's usage in his world system model. If so, I do not believe that the concept has any value as a metaphor for Central and Eastern Europe. The main problem for the region over the last centuries was not that it was tied economically to Western Europe in a relationship of unequal exchange, but that it has been isolated from the West. Over time, and especially in the latter half of the nineteenth century, falling transportation costs began to erode this isolation to the region's benefit. But its external linkages weakened in the interwar period as a product of the Great Depression and the disinte-

grating world economy, and almost disappeared in the post-1945 period within the context of the Soviet model. Had it been less on the fringe of the dynamic economic, social, and political transformation that played out in the West after 1500, the region's economic lag would have narrowed much sooner.

Second, the metaphor of periphery implies repeated failures in the region's attempts to move away from the periphery. Indeed, Berend argues explicitly that modernization strategies in the region have failed over the last two centuries. But there is growing evidence to the contrary, at least for the part of the region once under Habsburg rule, and this view seems at odds with Berend's own reading of the communist experiment. Although the Habsburg empire ultimately collapsed, the strategies of modernization advanced by its public and private elites did not "fail" in the sense that Habsburg territories remained out of touch with developments in Western Europe. As World War I approached, the empire was the setting for rapid economic development, functioning political parties, and parliaments in a kind of pluralist setting, and an increasingly politically mobilized population at the grass-roots level.[1] Although the interwar years were bleak for the region, it is a mistake to focus exclusively on the economic problems and the trend toward authoritarian politics and ignore the extent to which the states of the region may have remained on a "trajectory that would have turned them into fully modern industrial societies" had it not been for the Great Depression and World War II.[2]

With respect to the post-1945 era, Berend himself argues that state socialism made substantial headway in catching up with the West prior to the 1970s: the economic and social gap began to close despite the substantial costs in economic and human terms. To be sure, things began to unravel in the 1970s as systemic problems led to an economic crisis that ultimately propelled the regimes toward collapse. Growth slowed down,

and eventually turned negative, and on the eve of collapse the states of Central and Eastern Europe still lagged well behind those in Western Europe. But the deterioration and final collapse could not possibly have rolled back the profound economic and social changes that had occurred in the preceding 40 years.

Third, the metaphor of periphery leads Berend to regard the modernization strategies as anti-Western. These strategies may have been anti-Western in the sense that they were self-conscious attempts to respond to the challenge of the West and they often included policies aimed at self-sufficiency. But by and large, most of the region's elites who debated and discussed strategies of development from the middle of the eighteenth-century looked to real-world models and/or on intellectual traditions in the West, and then adapted them to local circumstances. In the inter-war era, for example, right-wing, fascist politics prevailed in both "the west" and in the countries that were to fall under communist rule, yet the authoritarian interlude in Germany, Austria, and Italy was followed by unambiguously western strategies in the cold war era. In the post-1945 era, capitalism and democratic political institutions were squashed in the former East Bloc, but these regimes embraced very western values in their desire to promote rapid economic growth in an egalitarian setting.

Finally, even a loose version of the Wallerstein core-periphery model is not consistent with the huge diversity within Central and Eastern Europe both on the eve of state socialism and in its aftermath. Berend's account clearly demonstrates that the Polish and Hungarian cases were, for example, vastly different from the Bulgarian and the Romanian.

In short, I believe that the metaphor of periphery confuses more than clarifies the essential features of socioeconomic and political change in Central and East European over the past two centuries.

What Berend's book does point out, however, is that despite all the change that has occurred, the region still lags behind the states of Western Europe in most commonly accepted indicators of economic, social, and political development. GDP per capita levels in the region, for example, have increased dramatically since the late nineteenth century, yet in relative terms they are at or below where they were a century ago. The persistence of this relative lag deserves explanation, especially the special role of state socialism in producing it. Was the communist experiment on balance positive despite its huge costs? Or was it a gigantic missed opportunity in the sense that some alternative set of institutional arrangements would have served the region better?

Certainly most observers support the latter view. The communist period marks the most dramatic phase of modernization. At the same time, the immense human and material costs of this effort leads to the conclusion that the post-1945 era does represent a missed opportunity for the region and that some alternative scenario would have led to a better outcome. One possible scenario is some version of the mixed economies of cold-war Western Europe with their heavy doses of state intervention and cooperative social partnership arrangements. As noted earlier, Berend actually favors these models for the current transformation instead of the free-market, *laissez faire* models that tend to dominate discourse. But these models were already discussed during the inter-war period, and were clearly available to it in the immediate post-war period. Indeed the most "mixed" of the mixed economies of the West took hold in Austria, one of the "basket cases" of Central and Eastern Europe in the interwar period, and among the success stories of post-1945 Europe.

Whether such institutional arrangements were politically feasible in the region, given the international and domestic constellations of the cold war era, will continue to be debated by spe-

cialists. There seems to be no doubt, however, that if home-grown versions of the Western European mixed economies had been established and flourished after 1945 in Central and Eastern Europe, then levels of development in the Czech Republic would now be the equal of Austria; levels in Hungary, Poland, Slovenia, Slovakia, and Croatia would be equal to or above those in Greece, Spain, and Portugal; and levels in Bulgaria, Romania, and Serbia would be much closer to Mediterranean levels than they now are.

In short, *Central and Eastern Europe, 1944-1993* offers an intelligent and balanced analysis of the state socialist experiment. While I am not comfortable with the "big picture" he provides, I applaud his efforts in adopting his historical approach and believe that the book is required reading for all specialists. These strengths, plus its clear and lively style, also make the volume accessible to nonacademics who are closely following events in the region. For these reasons, too, the volume would be an excellent choice for undergraduate and graduate courses in comparative politics, international relations, and economic development, as well as for courses on the history of the region.

NOTES:

[1]. The arguments are summarized in three papers presented at the American Association for the Advancement of Slavic Studies, Boston, Massachusetts (November 1996): Gary B. Cohen, *The Advance of Modern Political Life in Imperial Austria, 1890-1914*; David F. Good, *State Building, Modernization, and Economic Development in Central and Eastern Europe: Rethinking the Habsburg Legacy*; and James Shedel, *Fin-de Siecle or "Jahrhundertwende": The Question of an Austrian "Sonderweg"*.

[2]. Daniel Chirot, *Ideology, Reality, and Competing Models of Development in Eastern Europe Between the Two World Wars, Eastern European Politics and Society* 3, no.3, Fall 1989, p. 410.

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