



*Economic Entanglements in East-Central Europe and the Comecon's Position in the Global Economy (1949-1991)*. Leipzig: Research group „East Central Europe Transnational“ at the Leipzig Centre for the History and Culture of East Central Europe (GWZO); Fachkommission Wirtschafts- und Sozialwissenschaften im J.G. Herder-Forschungsrat and the Centre for Interdisciplinary , 14.11.2012-16.11.2012.

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## **Economic Entanglements in East-Central Europe and the Comecon's Position in the Global Economy (1949-1991)**

The involvement of further parts of East-Central Europe in the Soviet sphere of influence in the wake of WWII had far-reaching consequences for the economic relations both between East-Central European countries themselves and between the region and other parts of the world. The Council for Mutual Economic Assistance (CMEA/COMECON), founded in 1949, marked for four decades socialist countries's space of action both in an economic and geographical sense. Since its dissolution more than 20 years ago the CMEA has become research object in various branches of economic history. The historicisation of research on the CMEA and the progressive opening of new sources have created both novel perspectives and questions. It therefore deserves consideration that, although the CMEA eventually proved to be a failed effort for a supranational coordination of national planned economies, it could never be reduced simple to a free trade zone. Indeed, it initiated and coordinated joint projects in large economic and infrastructural areas. Hence studying the range of bottom-up attempts at cooperation and integration offers new insights in the system and operation of central planned economies.

The conference was opened by the head of the GWZO research group „East Central Europe Transnational“ Frank Hadler (Leipzig) with a welcome address to the participants and a short presentation on the hosting institution. He was followed by Klaus

Ziemer (Trier/Warsaw), representing the Fachkommission on economics and social sciences of the J.G. Herder-Forschungsrat. UWE MÄLLER (Leipzig), together with DAGMARA JAJEŃIAK-QUAST (Leipzig/Frankfurt-Oder), in their introduction stressed the stark decline of interest in CMEA affairs after its dissolution and presented three main arguments of the existing master narrative on the failure of the CMEA: (1) The CMEA never had a supranational character, so it was „compared with the European Community“ an institution of secondary importance. (2) Decisions were based not on economic but political factors. (3) The CMEA was incapable of supporting technological revolution and structural change, particularly after the 1970s. Because of these reasons, the economic collapse seems to be a logical consequence. MÄller questions this master narrative and asks rhetorically, how it was possible for such an incomplete institution to survive for over forty years. For the upcoming research he suggested an actor-centered approach based on intensive archival studies, preferably completed by interviews with contemporaries. Furthermore, he stressed the necessity to integrate the history of the CMEA in the global contemporary history and to use theories and methods of economics and other social sciences.

The three papers of the first panel were focussed on the question: The Comecon. A Transnational Institution which Worked? SIMON GODARD (Geneva) analysed

Internationalism as a vocation for only a very specific group of Comecon public servants and member States' representatives. Using the definition of a vocation given by Max Weber, he illustrated the dynamic constitution of a transnational group of experts that promoted the genuine working culture of Comecon. ERIK RADISCH (Bochum) presented the Soviet conception of Comecon. He made a distinction between three periods: (1) the Stalinist era with the direct exchange of goods, (2) the Khrushchev era of 'International Socialistic Division of Labour' and (3) the Brezhnev era in which integration was limited to long term partnerships and large scale projects financed through credit. Radisch also reflected on important CMEA-terms such as 'socialistic integration' or 'material incentive'. JAN LOMÁĚEK (Prague) outlined the development of economic integration attempts within the CMEA during the seventies and eighties, focusing on the motivation for the ÁSSR and the role of its industry in joint CMEA-projects. Some of these projects like the gas pipeline 'Soyuz' met their expectations, while others like the iron ore processing plant in Kryvyi Rih symbolized the failure of the attempt to create socialist economic integration.

The second day of the conference started with four case studies. PÁL GERMUSKA (Budapest) shed light on CMEA-cooperation in the area of military technology and the Military Industrial Cooperative Standing Commission (MISC), constituting perhaps the most effective facet of CMEA activity. MILA OIVA (Helsinki) explored, how Polish professionals developed a marketing strategy to face the competition in export of ready-to-wear clothes to the Soviet Union in the early 1960s. She challenged the view that competition in foreign trade between the planned economies did simply not exist. ZSOMBOR BÁDY (Budapest) asked how much the Hungarian economy benefited from CMEA-integration, examining the example of the once famous brand of 'Álkarus' buses. He concluded that the elimination of competition and the export focus on planned economies (what BÁdy calls 'semi-globalisation') never created a globally competitive company. CHRISTIAN MADY (Bochum/Regensburg) also dealt with the automobile industry because of its comparatively high levels of cooperation within CMEA. Exploring the example of the Hungarian Automobile Industry, he showed that the level of cooperation remained very basic and primarily featured the simple exchange of components.

The third panel was dedicated to the relations between the West and the East. ANGELA ROMANO (London) tried to assess the reasons why negotiations be-

tween the European Community and the CMEA took so long to reach a result, putting the EC's stance and action under scrutiny. Her paper showed that the EC policy changed rapidly, moving from the initial defensive and lukewarm position to a more forthcoming stance. SUVI KANSIKAS (Helsinki) investigated the rapprochement between East and West in the 1970s, which culminated in the official meetings of the two organisations. She analysed political as well as structural reasons, why these negotiations failed and why CMEA and EC only managed to establish official relations until the 1980s. JIÁĚ JANÁĚ (Eindhoven) focused on railway connections as a form of 'material Europeanization' or 'Sovietization'. Following the concept of the 'hidden integration' of Europe, proposed by Johan Schot and Thomas Misa, he defined Europeanization as 'processes of creation and maintenance of a railway regime projected and experienced by its creators and users as European'. However, the proposed application of the term 'Sovietization' was questioned by other participants of the conference. PETER Á VÁK (Tartu/Bratislava) described the broader developments affecting the East-West trade with the civil aviation and aviation technology during the 1960s and 1970s, emphasising the relations between the United Kingdom, Czechoslovakia, and Romania respectively. He re-confirmed the standard 'master narratives' of the Cold War: after the period of very restrained relations during the early Cold War, the first relaxation came in the late 1950s when the first agreements between the airlines were signed.

The last panel paid attention to the Comecon in the global economy. CHRISTIAN GERLACH (Bern) analysed grain imports to Eastern Europe in the 1970s and their implications. Since grain was used as feed for livestock, socialist governments wanted to raise the meat and dairy consumption of the population as an important symbol of prosperity. This in turn, led to a major debt problem by the second half of the 1970s which forced Eastern European governments to restrict imports. He made sure that after a peak in the 1980s, closer global entanglements after 1990 could not increase the meat consumption of the population of Eastern Europe. MARTIN DANGERFIELD (Wolverhampton) focused on selected aspects of economic relations between Russia and the three 'small' Visegrad states (Czech Republic, Hungary, Slovakia) before and after 2004. Changing capacities in export-oriented industries after EU accession have eventually fed into trade relations with Russia and its increasingly financially empowered consumer society. For him, the most obvious enduring legacy of the CMEA is energy

dependence, with Russia maintaining its traditional role as natural gas and oil supplier. In contrast to Poland, another Visegrad member, he sees no strong evidence that they will try to reduce their dependence on Russian gas.

In conclusion of the conference CHRISTOPH BOYER (Salzburg) drew attention to the ways how to interpret CMEA and its history. Since the comparison of East and West must lead to the outcome that the Comecon was malfunctioned, he recommended comparing with other organisations like ASEAN or Mercosur. Some participants, however, questioned this interpretation because of the fundamental differences concerning the level of integration. Regarding the global context of CMEA history Boyer regretted the absence of papers on North-South relations. Once again, having the question of failure in mind, he suggested that the development path of the CMEA was only one of several possibilities, since there are other examples of industrial development under authoritarian regimes like China. DAGMARA JAJEŃIAK-QUAST proposed an agent and network oriented approach in order to get closer to the technical and scientific communities involved in the CMEA. To explore different bottom-up attempts for cooperation and integration would offer new insights to the rooms for maneuver inside the planned economy system. She referred to the concept of "hidden integration" which provides new interpretations of old phenomena of cross-border flows in cultural or human terms. Conferences, exchange programs, technology fairs and exhibitions were important places of transnational movement in the Socialist world too. Having in mind that "technocratic internationalism" stood at the beginning of internationalism in the nineteenth century the CMEA type of integration in fact has deep going roots.

The Leipzig conference helped to bring back CMEA back on the agenda of historical research. As Uwe MÄ¼ller stressed the historicisation of the CMEA offers the chance to escape the "teleological trap" by analyzing the cold war period from its outcome. Future studies will have to produce more detailed knowledge about the scope of action within the CMEA and reveal the entanglements of economic development and integration processes of the "second world" with the "first" and the "third".

#### **Conference Overview:**

##### *Introduction*

Chair: Klaus Ziemer (Trier/Warsaw)

Frank Hadler (Leipzig), Welcome address

Uwe MÄ¼ller (Leipzig): East Central European Planned Economies in the Global Economy (1945-1990). State and tasks of research

*Panel I: The Comecon. A transnational institution which worked?*

Simon Godard (Geneva), Internationalism as a vocation? Considerations on the working culture of CMEA-public servants

Erik Radisch (Bochum), Soviet Concepts of the Comecon

Jan LomÄek (Prague), Czechoslovak participation in joint projects within the CMEA in the seventies and eighties of 20th century

##### *Panel II: Case Studies*

Chair: Zdenek Lukas (Vienna)

PÄl Germuska (Budapest), A Special Case of Branch-Cooperation. Military Industrial Collaboration in the Comecon

Mila Oiva (Turku), Competition and the Socialist Integration. "Contradictory Concepts?"

Zsombor BÄdy (Budapest), Semantic of Political Economy of the International Relations in the COMECON. The Example of the Hungarian Ikarus Buses. 1957-1975

Christopher Mady (Bochum), Hungarian Foreign Trade Relations in the Automobile Industry

##### *Panel III: Relations between the West and the East*

Chair: Karl von Delhaes (Marburg)

Angela Romano (London), Defensive and transformative: the European Community's policy towards the Comecon since the early 1970s

Suvi Kansikas (Helsinki), The CMEA and the EC Challenge, 1969-1975

JiÄ JanÄÄ (Eindhoven), Tensions concerning the Sovietization and the Europeanization of Railway Governance in East Central Europe

Peter ÄvÄk (Tartu/Bratislava), Reflections on General Trends in the East-West Trade of Civil Aviation Technology in the 1960s and 1970s

##### *Panel IV: The Comecon in the Global Economy*

Chair: Sebastian Kinder (TÄbingen)

Christian Gerlach (Bern), Reintegration into the Cap-

italist World Market? Grain Imports to East Europe in the 1970s and their Implications

Martin Dangerfield (Wolverhampton), Post-Comecon Economic Relations of Former Soviet Bloc Countries and Russia: Continuities and Changes

*Conclusions*

Chair: Uwe Muller (Leipzig)

Christoph Boyer (Salzburg), Concluding Comments

Dagmara JajeÅniak Quast (Leipzig/Frankfurt-Oder), Closing Remarks: The Multiple International Dimensions of the Comecon. New Interpretations of Old Phenomena

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