

Development in the Balkan Periphery Prior to World War II: Some Reflections*

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The following article presents some reflections on the Balkan case of, admittedly, rather modest modernization in the period from the formation of the successor states of the Ottoman empire to World War II. The period is not covered chronologically and attention is given not so much to individual states but to the common problems of development. I do not want here to go into the theoretical debates on development/modernization; suffice it to refer somewhat vaguely to the emulation of Western models, especially political and economic institutions, by the more or less Europeanized Balkan elites (and governments) in the arrangement of the newly established states. While these reflections are based on the scholarly literature on the Balkans accessible to me, there is some bias in my primary sources toward Bulgarian examples – my main area of expertise.

To understand subsequent developments, one should go into the circumstances *prior to* the establishment of independent Balkan nation-states. In the course of the nineteenth century on the whole, a rather general process of nation-formation (national “revival”) took place in the Balkan parts of the Ottoman empire, with Greece and the Habsburg Serbs, better situated with respect to Western Europe, in the lead, soon followed by the Rumanians, Bulgarians, and, lastly, Albanians. Through the propagation of patriotic historical accounts by amateur-historians (with emphasis on the “glorious times” prior to the Ottoman invasion), the elaboration of literary languages and the beginnings of national literature,¹ the study of folk songs and customs, etc., a feeling of national belonging was fostered, opposed both to the Turkish oppressor and the surrounding ethnic groups. The wide circulation of ideas was made possible by the printing press. National “consciousness” was pioneered by single personalities and, as the ef-

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¹ Stavro SKENDI, *The Emergence of the Modern Balkan Literary Languages. A Comparative Approach*, in: IDEM, *Balkan Cultural Studies*. Boulder, New York 1980 (East European Monographs, 72), 3–21.

fects of education spread, was taken up by a wider educated strata (the intelligentsia), that transmitted the national "idea" to broad masses of the subjugated nationalities. Political elites were formed which would eventually take up state-building tasks, and some political experience was acquired in managing the public affairs in the self-governing communal bodies and beyond them, toward common national goals.² The educators were supported by the wealthy proto-capitalist strata, especially merchants in colonies abroad, tradesmen and craftsmen in the more prosperous towns within the Ottoman empire. The process of cultural homogenization into a nation proceeded in stages and succeeded to a different degree in penetrating the "society" as a whole, ranging from narrow elite consciousness to more popular self-awareness.³ It was during this period that modernization processes were initiated in the Balkans, primarily in the realm of ideas and education, and as European "vogues" and lifestyles which made their appearance in the urban centers.⁴ "Modernization" and nationalism went hand in hand at this point. Modern education in particular was considered by the political activists of the period to be an important prerequisite for liberation. But it came to be viewed primarily as a tool of national emancipation: hence the affirmation of the vernacular and the patriotic ethos in the teaching of the native language and history.⁵ In a dynamic of increasing radicalization of the elites, the national goals, such as strengthening the national consciousness, cultural emancipation, and finally, achieving independence, took precedence. In spite of some outward signs of modernization, the traditional bases of the Balkan economies and societies were hardly touched: primitive self-subsistent rural economy by far prevailed, while the town economies were of preindustrial artisan nature; this preindustrial economic level corresponded to a social "fabric" of extended families and local (village and urban) communities, united by collective bonds and solidarity.

The post-Ottoman state boundaries in the Balkans, though drawn in view of ethnicity – itself a very fluid and problematic criterion, especially in areas, where similarities between populations were strong and national consciousness

² See Cyril BLACK, *The Establishment of Constitutional Government in Bulgaria*. Princeton 1943, 47–51. As the author argues, few subsequent statesmen of liberated Bulgaria showed as much ability and wisdom as the early leaders who had been schooled in the political struggles against the Ottomans.

³ For stages in the processes of nation-building, see Miroslav HROCH, *Das Erwachen kleiner Nationen als Problem der komparativen sozialgeschichtlichen Forschung*, in: *Nationalismus*. Ed. Heinrich August WINKLER. Königstein/Ts. 1978, 155–172.

⁴ Leften STAVRIANOS, *The Influence of the West on the Balkans*, in: *The Balkans in transition*. Ed. Charles JELAVICH/Barbara JELAVICH. Berkeley, Los Angeles 1963 [Repr. Hamden 1974], 184–226, 191–196.

⁵ See, for example, James CLARKE, *Education and National Consciousness in the Balkans*, in: *IDEM, The Pen and the Sword. Studies in Bulgarian History*. Ed. Dennis HUPCHICK. Boulder, New York 1988 (East European Monographs, 252), 24–57.

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was not firmly established – were compromised by the interests of the “Great Powers” and left national aspirations frustrated. *Nationalism* was projected onto the subsequent period, and the liberal, progressive and cooperative (e.g. Yugoslav, Slavophil) content characteristic of the earlier times gradually succumbed to a militant, “great idea” nationalism, a suspiciousness of neighbors and a craving for national grandeur at their expense. The irredentist aspirations came to be known as “national questions”. Macedonia was most hotly disputed (among Bulgaria, Greece, and Serbia), but other areas also presented *foci* of contention; in fact, there were hardly two neighbors without a territorial dispute. In a generally nationalist climate, the interlocking of populations and multi-ethnicity resulted in ethnic tensions within states – between more or less equal units in composite states (the Serbs and Croats in Yugoslavia) or friction with conspicuous minorities (Jews in Rumania) while the influx of immigrants presented grave problems for Greece (especially after the catastrophic war with Turkey in Asia Minor in 1922) and for Bulgaria (after the loss of Macedonia in World War I). The interwar years witnessed outbursts of ethnic intolerance in some of the Balkan states and attempts at ethnic cleansing (e. g. in Macedonia, Southern Thrace).

Under the impact of the ideology of nationalism, preoccupation with national security, suspicion and fear of the neighbors ranked high. All Balkan states developed a strong military, as it was from the army that the solution of the national “questions” was expected. Military expenditure strained the weak budgets of the Balkans states to the utmost and diverted resources from other domains.⁶ Foreign loans were contracted largely for the purpose of militarization. As armament had to be bought entirely from the West, it did not constitute a stimulus for the

⁶ On high military expenditure of Yugoslavia in some interwar years (from 22 % to 26 %, and possibly much more – up to 40 %), see John ALLCOCK, *Aspects of the Development of Capitalism in Yugoslavia. The Role of the State in the Formation of a “Satellite Economy”*, in: *An Historical Geography of the Balkans*. Ed. Francis CARTER. London, New York, San Francisco 1977, 535–580, 567–568. According to Kiril POPOFF (*La Bulgarie économique, 1879–1911*. Sofia, 1920, 483–484) the share of the Bulgarian military expenditure in the national budget rose from 16 % in 1887 to 44,1 % in 1911, while the payments on the national debt, contracted largely for military purposes, rose to 39,9 % in 1911. Cf. also the figures on military budgets of Bulgaria and Serbia, cited by Alan MILWARD/Samuel SAUL, *The Development of the Economies of Continental Europe 1850–1914*. London 1977, 443–444. For the high costs of the revisionist foreign policy for Bulgaria, see Cyril BLACK, *The Process of Modernization: The Bulgarian Case*, in: *Bulgaria. Past and Present*. Ed. Thomas BUTLER. Columbus, Ohio 1976, 111–131, 117–118, 127; cf. also John BELL, *Modernization through Secularization in Bulgaria*, in: *Diverse Paths to Modernity in Southeastern Europe*. Ed. Gerasimos AUGUSTINOS. New York, Westport, London 1991, 15–32, 21–22. For a description of how, on the strength of patriotic phrases, military budgets were least debated and most readily accepted by the Parliament (in interwar Yugoslavia), see the observations of Charles BEARD/George RADIN, *The Balkan Pivot: Yugoslavia. A Study of Government and Administration*. New York 1929, 210.

development of the indigenous industry either. Perhaps more important, the military spending, effectively justified by the national goals, fostered a strong military establishment – a natural ally of the monarch – thereby imparting a military outlook to the Balkan monarchies. The financially and socially privileged officers became an important political factor in the life of all Balkan states, and, in the absence of a strong bourgeoisie (“Bürgertum”) interested in the peaceful conduct of affairs, would more easily prevail and drag the countries into war. The ideology of nationalism, now blended with a military ideology of heroic virtues, made other considerations look trivial and secondary. The “national question” always came first and subordinated the tasks of the economic and socio-cultural development. During the wars in the Balkans like the regional conflicts between Greece and Turkey in 1897 and again in 1922, the Balkan wars in 1912/1913, and the two world wars, military efforts resulted in a colossal destruction and waste of human life and material resources. Scholars generally agree that the failures of modernization of the Balkan states prior to World War Second were due to a large extent to obsession with national unification and national security, and with respect to foreign policy in general, to the neglect of economic (especially agriculture) and social issues (education, etc.).⁷ In bigger and more developed states this may not have had such grave consequences, but for the smaller and underdeveloped Balkan states the human losses and the destruction of meager resources had an all-important negative impact, besides demoralizing the defeated nations and fostering revanchism. Nationalism had yet another manifestation: in the economic sphere it favored far-reaching particularization of the small Balkan economies and even economic autarchy as an ideal (especially in the 1920s and the 1930s). Foreign capital was met with great suspicion, the prime example being the “nostrification” of industry and the “through ourselves” policy of the Rumanian liberals under the Bratianu brothers.⁸

Alexander Gerschenkron is the author of the well-known thesis that the more backward the country, the more crucial is the role of the state in substituting for the lacking “prerequisites” of (economic) modernization.⁹ The role of the Balkan

⁷ See, for example, Alexander GERSCHENKRON, *Some Aspects of Industrialization in Bulgaria, 1878–1939* in: IDEM, *Economic Backwardness in Historical Perspective*. Cambridge, Massachusetts 1966, 198–234, S. 230, S. 233; BLACK, *The Process of Modernization*, 118, 127. As the same author points out, nationalism in the Balkans, which can be regarded as a means of modernization, became an end in itself, subordinating the tasks of economic and social development (Cyril BLACK, *Russia and the Modernization of the Balkans*, in: *The Balkans in Transition* [cf. n. 4], 145–183, 146–147).

⁸ For the economic nationalism of the Rumanian liberals, see Henry ROBERTS, *Rumania. Political Problems of an Agrarian State*. New Haven, London 1951, 94–129. Cf. also Leo PASVOLSKY, *Economic Nationalism in the Danubian States*. New York 1928; Nicolas SPULBER, *Changes in the Economic Structures of the Balkans, 1860–1960*, in: *The Balkans in Transition* [cf. n. 4], 346–375, 356–357.

⁹ For the role of the state in creating “substitutes” for lacking conditions for industrialization in underdeveloped countries, see GERSCHENKRON, *Economic Backward-*

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states in particular was great and encompassing.¹⁰ The state pursued *modernizing policies* in several major areas, with varying degrees of success. To begin with economic policies, the political leadership of all Balkan states showed commitment to the development of indigenous industries. This preference is explained by the fact that Balkan statesmen were very much impressed by the industrial development of the West and wanted to emulate it; besides, industrialization seemed to confer international prestige upon the new states.¹¹ This “encouragement of industry” typically included protectionist tariff duties, tax benefits and duty-free imports for the “large” (in fact, rather modest) enterprises, freight reductions on state-owned railways, land grants or leases for the purposes of factory construction or mine excavations, etc.¹² Laws protecting the national industry were enacted in Rumania in 1887 and again in 1912, in Bulgaria in 1894 and 1897, in Serbia in 1873 and 1898 (Serbia enacted more comprehensive protectionist measures after its break with Austria-Hungary in 1903), while in Greece industrial encouragement did not begin until 1910.¹³ Nevertheless, economic historians have judged state support for the local industries as modest or inadequate (especially in Bulgaria¹⁴ and Greece, less so in Rumania), while some

ness, 16–21, 228, 353–359. On the outstanding role of the state in prewar Yugoslavia cf. ALLCOCK, *Aspects of the Development* [cf. n. 6], 535–580.

¹⁰ Nicolas SPULBER, *The Role of the State in Economic Growth in Eastern Europe since 1860*, in: *The State and Economic Growth*. Ed. Hugh AITKEN. New York 1959, 255–286; ALLCOCK, *Aspects of the Development*, 535–580.

¹¹ The failure of the leadership of the Balkan states to perceive the important role played by agriculture in the initial stages of economic growth in the whole of Europe is described by MILWARD/SAUL, *The Development of the Economies*, 462–464, 532–533, 535–537. On similar fascination by industrialization at the expense of agriculture in Hungary during the “Bethlen era” cf. Andrew JANOS, *The Politics of Backwardness in Hungary 1825–1945*. Princeton 1982, 66–68, 218–222.

¹² This kind of protectionism found theoretical support in the arguments of Friedrich List on behalf of a need of protecting “infant industries”. The internationally-known Rumanian economist Mihail Manoilescu went even further, demanding state support not only for infant industries but for all indigenous industries with a productivity above the country’s average. As exploiting the agricultural sector could not be achieved within the framework of representative government in a predominantly agricultural country, Manoilescu preferred a corporatist state styled on the Italian model to parliamentary democracy. On his views, cf. ROBERTS, *Rumania*, 193–198, and Philippe SCHMITTER, *Reflections on Mihail Manoilescu and the Political Consequences of Delayed-Dependent Development on the Periphery of Western Europe*, in: *Social Change in Romania 1860–1940*. Ed. Kenneth JOWITT. Berkeley, 1978, 117–139.

¹³ John LAMPE/Marvin JACKSON, *Balkan Economic History, 1550–1950. From Imperial Borderlands to Developing Nations*. Bloomington, 1982, 264–278; Nicolas SPULBER, *The State and Economic Development in Eastern Europe*. New York 1966; IDEM, *Changes in the Economic Structures*, 346–353; MILWARD/SAUL, *The Development of the Economies*, 438–440.

¹⁴ GERSCHENKRON, *Some Aspects of Industrialization*, 229–234; MILWARD/SAUL, *The Development of the Economies*, 440.

have doubted the very wisdom of industrialist protectionism at the expense of agriculture.¹⁵

A more important contribution of the Balkan states to industry and to economic development in general was the building up of an infrastructure of railways and roads, telegraph and telephone networks.¹⁶ The intensified traffic of people, goods and messages was certainly a sign of the new times.¹⁷ This obviously modernizing effort, however, should be put in proper perspective. Building railways necessitated the contraction of loans (a considerable part of which was diverted to purely bureaucratic purposes) and could not benefit nonexistent local industries (iron and even timber industry); the effect of the railways themselves remained rather modest in the absence of considerable traffic; besides, railways facilitated the access of cheap Western manufactured goods to the Balkan markets, thus contributing to the ruin of local artisans. As the first railways (and sometimes the question of who owned them) were of strategic importance, the question of where they should pass was fiercely debated; moreover, the Great Powers competed with each other to influence the decisions of the Balkan governments.¹⁸

Agriculture, however, received practically no state support and remained extremely backward. In Bulgaria and Serbia the land was cultivated by smallholders. The existence of large estates in Rumania (less so in Greece) did not make much difference because of the regressive system of share-cropping (serfdom in Rumania was abolished in 1864) and the lack of incentive for organizational and technical improvements. In addition, share-cropping worsened the peasants'

¹⁵ ALLCOCK, *Aspects of the Development*, 566–567. For an assessment of the effectiveness (i.e. the balance of profits to general costs for the society [external costs]) of the industrial protectionist policies in the Balkans prior to World War II, cf. Ljuben BEROV, *Protekcionizmat na Balkanite predi Vtorata Svetovna Vojna*, in: *Protekcionizam i konkurencija na Balkanite prez XX vek*. Ed. Ljuben BEROV. Sofia 1989, 27–114, esp. 90–96. In his conclusion, the costs inflicted on the Balkan societies by protectionist policies were much greater than the profits, the ratio varying for the subperiods from 1:3,2 to 1:1,81.

¹⁶ For the construction and the effects of railways in the Balkans, see MILWARD/SAUL, *The Development of the Economies*, 440–443, 532. According to them, the Balkan governments made their greatest and most sustained efforts of modernization in this sphere, and right here foreign capital (in the form of loans) made the strongest contribution.

¹⁷ The famous Bulgarian national writer Ivan Vazov has turned the railway into a symbol of New Bulgaria and the new times in his story “Djado Joco gleda”, where a blind old man is depicted as “seeing” the train and anticipating the wonders of future life. See Ivan VAZOV, *Djado Joco gleda*, in: IDEM, *Sabrani Sacinenija v dvadeset toma*. Vol. 8. Sofia 1956, 7–16.

¹⁸ The story of the building and the exploitation of the Orient Railways by the western-owned Orient Railways Company and its conflict with the Bulgarian government may be cited as an example. Cf. Todor KARAKASEV, *Iztočnite Železnici v Bălgarija i otkupuvaneto im ot dăržavata ni*, *Spisanie na bălgarskoto inženerno-architektno družestvo* 9 (1906), N 3–4, 25–38, with a Bulgarian perception of this case.

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standard of living.¹⁹ The estates were broken up by land reforms: in Greece after the influx of Greek refugees from Asia Minor in 1922, in Rumania in 1917–1922; however, this was primarily a social, not an economic measure, and strengthened small subsistence farming.²⁰ A major social obstacle impeded the modernization of agriculture in the Balkans: large peasant populations united by traditional (familial and communal) bonds of solidarity and steeped in their traditional practices and ways of life. In these populations, collectivist modes of thinking, feeling and acting prevailed. Here the problem was not so much that the “superfluous” peasants could not be absorbed by the anemic industries in the towns (the “flight from the countryside” had not yet assumed great proportions) but that the peasant masses could not easily be persuaded to adopt new (more individualist, achievement-oriented) modes of thinking and new practices: different crops, progressive ways of land cultivation and cattle raising, commercial farming, etc. Due to the very different conditions of land tenure and life in general in the Ottoman Empire, Balkan peasants had not yet assimilated the achievements of the agrarian revolution, which had predated the Industrial Revolution. In contrast to their Western counterparts, who had undergone long centuries of learning through experience, Balkan peasants were still backward in terms of adaptiveness and flexibility, empathy,²¹ capacity to manage activities in the wider world outside the village community, the ability to read and write and other components of social competence.²² Marriage and reproductive practices – with early and practically universal marriage, and as a consequence, a large number of children – and the family structure itself with its large families living in a domestic communion were very different from the family arrangements in the West with its restrictive marriage practices such as late marriage, pressure on the adolescents to become economically independent, a large number of single persons. Since these family practices in the Balkans discouraged mobility and innovation, they constituted yet another obstacle to modernization.²³ As a result

¹⁹ For a comparison between the two types of land regimes, see Doreen WARRINER, General Introduction: Contrasts and Comparisons, in: *Contrasts in Emerging Societies*. Ed. Doreen WARRINER. Bloomington, 1965, 10–16, 25; IDEM, Some Controversial Issues in the History of Agrarian Europe, *The Slavonic and East European Review*, 32 (1953–54), 168–186, esp. 184–185. On Balkan agriculture and agricultural exports prior to World War I, cf. MILWARD/SAUL, *The Development of the Economies*, 446–459.

²⁰ David MITRANY, *The Land and the Peasant in Rumania. The War and Agrarian Reform 1917–21*. London 1930, 460, 480–481, 580–581; SPULBER, *Changes in the Economic Structures*, 354–355.

²¹ For a definition of “empathy” as the ability to imagine oneself in new situations and put oneself in the place of other persons, and for a definition of the “mobile person”, see the classic study of Daniel LERNER, *The Passing of Traditional Society: Modernizing the Middle East*. Glenco/Illinois, London 1964, 50, 88.

²² Holm SUNDHAUSSEN, *Historische Statistik Serbiens 1834–1914*. München 1989 (*Südosteuropäische Arbeiten*, 87), 23–28.

²³ *Ibidem*, 24–25.

of high reproduction rates and the subdivision of land into smaller plots to provide an inheritance for all sons, small-scale subsistence farming predominated and rural areas became increasingly overpopulated.²⁴

With the advantage of hindsight one may say that agriculture could have provided a strong economic stimulus. The failure of the Balkan countries to modernize their agriculture – the “missed agrarian revolution” – has been recognized by most of the scholars as a major obstacle to their economic development.²⁵ The experience of bigger European countries like England and France and of regions such as Catalonia in Spain, northern Italy, Germany to the West of the Elbe but also, and more relevant here, the experience of smaller countries and late-modernizers like Denmark demonstrates that, at least in the initial phase of development, the modernization of agriculture (and its commercialization) provided the impetus for successful industrialization.²⁶ In the ideal case, the agricultural way would mean diversification of agricultural exports (and greater flexibility in accordance with world price trends), more domestically produced raw materials of improved quality to serve as a basis for the development of indigenous processing industries (and growing exports of their products), a more active exchange between the cities and the countryside, rising per capita incomes in the agricultural sector, and, as a result, the opening up of the domestic market. A breakthrough would have required more intensive and technically superior land cultivation, consolidation of the land (“commassation”), and, most importantly, a decisive change from cereals to livestock breeding, dairy farming, and the cultivation of “cash” (technical or industrial) crops, on which domestic industries could have been based.²⁷

²⁴ LAMPE/JACKSON, *Balkan Economic History*, 582. For the problem of overpopulation (relative to the level of productivity: technology and organization), still cf. Hugh SETON-WATSON, *Eastern Europe between the Wars 1918–1941*. Cambridge 1945, 97–99. As a cure to the population problem he envisioned the following measures: an improvement of agriculture, a transfer of a portion of the rural population to other occupations, and an industrialization on the basis of agricultural products, raw materials and timber resources (105, 115–120). The problem of overpopulation (defined as an excessive working population with reference to a certain technique of cultivation) is thoroughly treated by Doreen WARRINER, *Economics of Peasant Farming*. London, New York, Toronto 1939, 61–78, 162–163, 166–168. For the overpopulation in Yugoslavia, Bulgaria and Rumania between the wars, see Joso TOMASEVICH, *Peasants, Politics and Economic Change in Yugoslavia*. Stanford, California 1955, 308–343; cf. also Holm SUNDHAUSSEN, *Die verpaßte Agrarrevolution. Aspekte der Entwicklungsblokade in den Balkanländer vor 1945*, in: *Industrialisierung und gesellschaftlicher Wandel in Südosteuropa*. Ed. Roland SCHÖNFELD. München 1989 (*Südosteuropa-Studien*, 42), 50–52.

²⁵ SUNDHAUSSEN, *Die verpaßte Agrarrevolution*, 45–60. For possibilities of development initiated via the agrarian sector, cf. MILWARD/SAUL, *The Development of the Economies*, 455–456, 462–463.

²⁶ Dieter SENGHAAS, *The European Experience. A Historical Critique of Development Theory*. Leamington Spa/Dover, New Hampshire 1985, 46–54.

²⁷ This was clearly pointed out by a number of contemporaries, who recommended

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Small subsistent (and largely self-sufficient) agriculture hardly favored such a change, though cooperative arrangements may have offered some opportunities for progress. From the point of view of a typical smallholder, the persistent cultivation of cereals is not so irrational, especially under the conditions of an underdeveloped market, which reinforces subsistence interests (and favors the principal diet); this vicious circle can only be broken if we allow for the factor time and gradual change. Actually, there were certain modest beginnings in the direction of industrial crops, intensive gardening, dairy farming, most notably in Bulgaria in the thirties,²⁸ but the transition to commercial agriculture did not take place. In this connection it should be pointed out that progress was due to appear even slower, since changes were taking place in attitudes and modes of thinking first, before becoming manifest in conduct and practises.

Since the backward Balkan agriculture could not provide an adequate basis for the domestic manufacturing industries (textiles, leather industries, etc.), the raw materials for these goods (leather, wool, etc.) had to be imported.²⁹ The Balkan agricultural sector was, on the whole, incapable of processing staples into a more advanced state (what A. Hirschman calls forward production linkages³⁰). Wheat and tobacco may serve as illustrations. Here some possibilities for development can be seen, e.g. the development of a milling industry for export as in Hungary and advanced tobacco processing. Opportunities seem even greater with tobacco, the processing of which (unlike the milling industry) is not so “strange” an activity to the grower of the staple, hence an “inside linkage” (i.e. an activity

less cereals (as their prices were falling) and more of other crops (vegetables, fruit, industrial plants) as well as livestock-breeding for meat and dairy produce and poultry (meat, eggs), all of which were regarded as promising better prices in the domestic and international markets. To cite a few Bulgarian examples: Ivan GEŠOV, Činovničieski proletariat, in: IDEM, *Dumi i dela*. Sofija 1899, 60–61; Dimităr JABLANSKI, *Zemledelčeskata kriza u nas i sredstvata za neinoto premachvane*, *Spisanie na bălgarskoto ikonomičesko družestvo* 1 (1896), N 4, 233–249, esp. 244–249; Christo NIKOLOV, *Doklad vărchu ikonomičeskoto săstojanie na rajona na Varnenskata Tărgovsko Industrijalna kamara prez 1896 godina*. Varna 1897, 15–19; Janaki MOLLOV, *Nasoki na zemledelskoto proizvodstvo*. Trudove na instituta po zemledelska ikonomija pri agronomolesovădnija fakultet na universiteta. Sofija 1931, esp. 52–57. Cf. also SETON-WATSON, *Eastern Europe between the Wars*, 107–109. The author mentions the absence of good communications as a major reason for the backwardness of agriculture in Eastern Europe. On some advantages of “peasant farming” cf. WARRINER, *Economics of Peasant Farming*, 140–156. The same author qualifies the positive assessment of peasant farming by pointing out that it does not sufficiently encourage capital accumulation (by saving), but he mentions the possibility of mobilizing capital by means of cooperatives and state intervention, citing Bulgaria as a positive example (166–167).

²⁸ WARRINER, *Economics of Peasant Farming*, 24, 56, 120–124, 165, 167.

²⁹ MILWARD/SAUL, *The Development of the Economies*, 435; GERSCHENKRON, *Some Aspects of Industrialization*, 213–215.

³⁰ Albert HIRSCHMAN, *A Generalized Linkage Approach to Development*, in: IDEM, *Essays in Trespassing. Economics to Politics and Beyond*. Cambridge 1981, 59–96, esp. 71–88.

undertaken by indigenous economic operators) can be more easily established. However, and without going into the particulars, tobacco was exported (by Bulgaria and Yugoslavia) in a rather raw state, and at an accordingly low price. In general, another type of agricultural system, different from both the individual smallholder farming in Serbia and Bulgaria and the sharecropping arrangement in Rumania, both of which fostered subsistence interests, would have been better suited for enhancing agricultural progress. In addition, the state should have played a more active role in the modernization process by promoting agricultural education and propaganda, by granting agricultural credit, etc.³¹ But to pursue such policies and to perceive the potential of agriculture for development and modernization would require other economic policies than industrialization, which was wrongly interpreted as the Western way worth of emulation.³²

The role of the state in promoting economic development under backward conditions proved very ambiguous.³³ To begin with, the bureaucracy increased at a rapid pace; comparison with the corresponding stages of the first modernizing states shows it to be much more numerous on a per capita basis.³⁴ It is a general and often noted characteristic of the state in Eastern Europe that, contrary to the historical experience of the West, it developed before the modern economy. Among the far-reaching consequences were that it preceded the development of civic politics, subverted the market, and resulted in a particular pattern of social

³¹ To cite Doreen WARRINER (General Introduction [cf. n. 19], 25.): "If the past experience of this region has a lesson to teach, its is simply that economic development is a long slow process, much impeded by large landownership, and not easy for peasant economies, which need help to create their own institutions to encourage investment and education."

³² MILWARD/SAUL, *The Development of the Economies*, 455–456, 462–463, 536–537.

³³ Gerschenkron was not unaware of this problem, speaking of corrupt state officials taking their "share" and of the direct dependence on political circumstances and policy changes, etc. Generally, he considered the state as an agent of modernization only in the absence of other, more effective agents, such as commercial banks, etc.

³⁴ Bureaucracy in the Balkan states (prior to World War I) accounted for more than 5 % of the labor force compared to 2,4 % in Germany and 1,5 % for England, with 25 % to 39,4 % of the budgets being spent for civilian salaries. Cf. LAMPE/JACKSON, *Balkan Economic History*, 233; Andrew JANOS, *The Politics of Backwardness in Continental Europe, 1780–1945*, *World Politics* 41 (1989), N 3, 338. By 1930 the Bulgarian state bureaucracy had quadrupled (to 87000) compared to its prewar level, while its Yugoslav counterpart had jumped sevenfold to 280000 by 1925 (nearly double the Bulgarian total in per capita terms). See John LAMPE, *Belated Modernization in Comparison: Development in Yugoslavia and Bulgaria to 1948*, in: *Diverse Paths to Modernity* [cf. n. 6], 41. For a discussion of the excessive growth in state personnel of "late industrializers" (by the example of Greece and some Latin American countries) compared to the size of the state apparatus in the first industrializing countries at corresponding stages of their development, cf. Nicos MOUZELIS, *Politics in the Semi-Periphery*. Houndmills, Basingstoke, Hampshire 1986, 11–12. (The author calls this the problem of "early parlamentarism, late industrialization".)

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mobility by pushing ambitious individuals into professional politics instead of into private entrepreneurship.³⁵ Balkan bureaucracies, army officers, politicians and some members of the professions evolved into a genuine political class with vested interests in the maintenance of state power, or as such an astute contemporary observer as Hugh Seton-Watson put it, “state bourgeoisie”.³⁶ It was this “political class” that occupied a dominant position in the Balkans and throughout Eastern Europe and influenced business interests in many ways; in fact, administrative roles were socially preferred to economic ones.³⁷ An unholy alliance between the state bureaucracy and big capital-owners was established at the expense of the vast peasant majorities.³⁸ The concept of oligarchy, though best suited for describing traditional ruling groups like those in Greece prior to 1909, or the landowning boyars in Rumania prior to the land reform, expresses well both the restrictiveness of the ruling class and the intertwining and fusion between government and business.

State intervention in the economy, which promoted a corrupt administration trafficking in influence, was hardly conducive to the formation of autonomous entrepreneurial classes.³⁹ Instead, a kind of privileged but state-dependent capitalism was fostered, one that lived in close relationship with the state and relied on various state opportunities: state contracts and deliveries, the undertaking of public works, leases and concessions, tax exemption and other privileges.⁴⁰ In fact, it was not industrial but financial and commercial interests (and speculation with urban real estate) that thrived under the Balkan governments.⁴¹ In some cases entrepreneurial tasks were even relegated to despised ethnic minori-

³⁵ JANOS, *The Politics of Backwardness in Hungary*, 313–314, 322.

³⁶ Hugh SETON-WATSON, *Neither War nor Peace*. New York 1960, 161. For a thorough analysis of the development of Hungarian bureaucracy (its “politics”, “economics, and ”sociology“), see JANOS, *The Politics of Backwardness in Hungary*, 96–118.

³⁷ In conditions of backwardness politics dictated the conditions of economic life, as Janos notes, e.g. in Rumania and elsewhere; being a politician inflicted more opportunities, less risk, and a higher social status than being an entrepreneur (Andrew JANOS, *Modernization and Decay in Historical Perspective: The Case of Romania*, in: *Social Change in Romania* [cf. n. 12], 89).

³⁸ For a description of such a narrow “oligarchy”, in the case of which business and bureaucracy became identical, during the rule of the Rumanian liberals in the 1920s, see Roberts, *Rumania* [cf. n. 8], 110. As SETON-WATSON (*Eastern Europe between the Wars*, 133.) put it: “The fundamental conflict in Eastern Europe is that between the ruling bureaucratic-commercial class and the peasantry.”

³⁹ SPULBER, *Changes in the Economic Structures*, 353; ALLCOCK, *Aspects of the Development*, 573.

⁴⁰ The dependence of capitalist interests on the largess of government bureaus and ministries in return for “largess” of the business is stressed by Traian STOIANOVICH, *The Social Foundations of Balkan Politics, 1750–1941*, in: *The Balkans in Transition* [cf. n. 4], 297–345, esp. 336–337.

⁴¹ SETON-WATSON, *Eastern Europe between the Wars*, 126–128; George MAVROGORDATOS, *Stillborn Republic. Social Coalitions and Party Strategies in Greece, 1922–1936*. Berkeley, Los Angeles, London 1983, 123–124.

ties, e.g. Jews in Rumania, who were made to pay for official “protection”.⁴² Moreover, the state itself gradually evolved into the largest capitalist: owner of enterprises and natural resources, holder of (trade) monopolies on articles of mass consumption, the biggest employer (the military establishment included); it even undertook (in the interests of the peasant producer) the buying out and marketing of agricultural produce and grain in particular (state agencies in the 1930s like Hranoiznos in Bulgaria, Prasad in Yugoslavia), etc.⁴³ State interference was especially pronounced in Yugoslavia, but similar conditions prevailed in the other Balkans states, too, especially between the wars.⁴⁴ Some scholars have spoken here of a paradox of state power operating in a situation of scarce resources: poverty and stagnation require more state intervention, which in turn causes more poverty.⁴⁵ The prominence of the state (in the collective representations as well) contrasts sharply with the weakness of autonomous institutions and self-reliant economic forces (i.e. of a “civil society”) which were unable to impose limits on state intervention and resist the arbitrariness of state officials.⁴⁶ By operating in a sort of social vacuum (in any case before an impotent public) and serving narrow (domestic and foreign) political and economic interests, this

⁴² JANOS, *The Politics of Backwardness in Continental Europe*, 336; Roberts, Rumania [cf. n. 8], 14 (n), 224. Hungary presented another example of relegation of economic tasks to the Jews – JANOS, *The Politics of Backwardness in Hungary*, 112–118.

⁴³ The thesis of an expansion of the economic activities of the state in the Balkans, especially in the interwar period, has been developed most consistently by SPULBER, *The State and Economic Development* [cf. n. 13]; IDEM, *The Role of the State* [cf. n. 10], 255–286, esp. 266–277, 284–286; IDEM, *Changes in the Economic Structures* [cf. n. 8], 346–375, esp. 345–359. While not affirming that the communist regime in Bulgaria (and even less so in Yugoslavia) represented any direct continuation of the previous situation as far as the increased role of the state is concerned, some scholars have looked for antecedents of the communist centralization in the interwar period, e.g. in some tendencies of Stambolijski’s rule, the state grain monopolies, etc. See LAMPE, *Belated Modernization*, 36–37, 45, 48.

⁴⁴ The major role of the Yugoslav state in the development of the capitalist economy (in banking and credit, the military build-up, direct participation in productive enterprises, etc.) is considered by ALLCOCK, *Aspects of the Development*, 562–573. Cf. also Dragolioub YOVANOVICH, *Les classes moyennes chez les slaves du sud*. Paris 1939, 237–238.

⁴⁵ JANOS, *The Politics of Backwardness in Continental Europe*, 327; Jean-Philippe PLATTEAU, *Das Paradoxon des Staates in wirtschaftlich rückständigen Ländern*, *Österreichische Zeitschrift für Soziologie* 9 (1984), N 4, 63–87, esp. 70–74.

⁴⁶ For a description of the ways in which the centralized state, occupied by modernizing elites, asserted its power (and jurisdiction) over the territory and destroyed the traditional local and regional autonomy, and of the subsequent deficit of intermediary (relatively autonomous) modern institutions and other public agencies, cf. Holm SUNDHAUSSEN, *Institutionen und institutioneller Wandel in den Balkanländern aus historischer Perspektive*, in: *Institutionen und institutioneller Wandel in Südosteuropa*. Ed. Johannes PAPALEKAS. München 1994 (*Südosteuropa-Jahrbuch*, 25), 37–42, 46–48.

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“Demiurg” state – to borrow an expression from Holm Sundhaussen – contributed to the alienation of its population.

The expansion and domination of the state apparatus was by no means conducive to rational (efficient and rule-following) organization. On the contrary, the bureaucratic apparatus was inefficient, dependent on the party in office, and displayed strong patrimonial elements: personalism and nepotism, a condescending attitude toward applicants, slowness of services unless “oiled” by graft, etc.⁴⁷ Salaries were low, especially at the lower levels of the civil service, and civil servants were subject to arbitrary transfers and dismissal, etc.⁴⁸ Higher officials, on the other hand, received generous salaries and pensions, apart from other opportunities for self-enrichment.⁴⁹ Only to a certain extent did the political elites function as promoters of modernization and of a civic society; some of them were traditional and oligarchic, and most of them were interested in power for its own sake.⁵⁰ In order to sustain the expanding bureaucracies and the military establishment and to pursue the active foreign policies demanded by inflated nationalist ambitions, the Balkan governments had to raise ever increasing revenues. The primary source for this was domestic taxation, supplemented by for-

⁴⁷ For a general description of the Balkan administration, see SUNDHAUSSEN, *ibidem*, 48–50. As to the lazy and corrupt ways of Balkan bureaucracies (corruption of petty officials up to the highest levels), cf. SETON-WATSON, *Eastern Europe between the Wars*, 146–148. As the author notes, the salaries being that low, graft was almost an economic compulsion for petty officials. For the formation of the “bureaucratic polity” in Rumania and its social and economic consequences, see JANOS, *Modernization and Decay*, 84–94. For unfavorable impressions of the working habits of the Bulgarian bureaucratic apparatus, compare George LOGIO, *Bulgaria. Past and Present*. Manchester 1936, 32–49. The Serb monarch Miloš Obrenović, a former livestock trader, made unashamed use of his position in order to acquire profit (Joel HALPERN, *A Serbian Village*. New York 1958, 34–37). Andrew JANOS compares the functioning of the Hungarian public servants with their Balkan counterparts, to affirm that the former were less inclined to petty corruption and extortionist practices due to greater efficiency in siphoning off resources from the private to the public sector via the tax system (*The Politics of Backwardness in Hungary*, 108–109). For the particularly vicious nature of the Rumanian bureaucracy, cf. ROBERTS, *Rumania*, 338–339.

⁴⁸ To mention only some of the contemporary Bulgarian material on what was called “the civil servants’ question”: Ivan GEŠOV, *Činovnički proletariat*, 48–65; Todor VLAJKOV, *Okolo činovničkija vāpros*, *Demokratički pregled* 7 (1909), N 5, 597–610; Stojan KOSTURKOV, *Cinovničkijat vāpros i pravitelstvoto*, *Demokratički pregled*, 7 (1909), N 5, 576–582; Dimitār MITOV, *Cinovničestvoto i zaplatite*, *Demokratički pregled* 17 (1924), N 5, 366–377.

⁴⁹ For a description of the functioning of the Yugoslav administration in the 1920s and the system of pensions in particular, cf. BEARD/RADIN, *The Balkan Pivot* [cf. n. 6], 179–191. Among the opportunities for self-enrichment at the highest level of bureaucracy and politics in Rumania counted regular salaries as attorneys or members of the boards of directors of banks, while petty officials and policemen extorted for example a “tithe” from Jewish shopkeepers (for “protection”; JANOS, *Modernization and Decay*, 93–94).

⁵⁰ SUNDHAUSSEN, *Institutionen und institutioneller Wandel*, 51–53.

eign loans, which had to be serviced in the long run by domestic sources as well. Taxation fell heavily upon the vast peasant masses, the more so as it was imposed upon meager individual incomes. A common trend in the development of taxation in the Balkans was the increase of indirect taxation on products of universal consumption, often by establishing state monopolies, a measure glaringly unjust in a social sense and actually amounting to regressive taxation.⁵¹ The recourse to police brutality in collecting taxes in Rumania made David Mitrany speak of an “economy of plunder” (“Raubwirtschaft”).⁵² Alienated by these oppressive regimes, the rural populations sometimes staged uprisings, the only form of protest available to peasants before the era of mass political mobilization, which were brutally suppressed (most notably, the uprising in Rumania in 1907). This sort of semi-patrimonial bureaucratic state superimposed upon peasant societies caused a serious drain on resources, which were diverted toward the state sphere.⁵³ As a result of reduced purchasing power and a restricted domestic market, an impoverished population was deprived of an opportunity to invest in improvements (e.g. in land cultivation) and in education. Still more important, its moral “alienation” from the state and the political elites reinforced the contrast and animosity between town (i.e. urbanites) and countryside (i.e. peasants), rulers and ruled, characteristic of the Balkans (and of other underdeveloped areas).

The Balkan states pursued with more or less sustained effort and a measure of success modernizing policies in other (non-economic) spheres, especially education, social legislation and health care. State policies in education included centralization and unification of the educational system (under a Ministry of Education), obligatory primary education for all children, extension of the school network to cover the whole territory, special funding for higher education, etc. The results achieved varied between countries, depending on a number of factors:

⁵¹ As to the state as an instrument of revenue raising and income transfer from the society to civil and military state officials, cf. JANOS, *The Politics of Backwardness in Continental Europe*, 338–342. Indirect taxes and income from monopolies rose from 16 % of the government revenue in 1879 to 42 % in 1911; in 1905 they accounted for almost 50 % of the Rumanian revenue: MILWARD/SAUL, *The Development of the Economies*, 461. Indirect taxes on the eve of World War II reached 60 % of the total tax revenues in Yugoslavia and Bulgaria, 75 % in Rumania. An important form of indirect taxation was state monopolies on articles of universal consumption (salt, tobacco, kerosene, matches, etc.): SETON-WATSON, *Eastern Europe between the Wars*, 131–132.

⁵² MITRANY, *The Land and the Peasant*, 571.

⁵³ JANOS, *The Politics of Backwardness in Hungary*, 322. As the author notes; “the transfer of surplus from the public to the state, from the economy to the polity, may well have been far more substantial than any transfer of surplus from the country to the more developed sectors of the world economy” (ibid.). John LAMPE (*Varieties of Unsuccessful Industrialization: The Balkan States before 1914*, *The Journal of Economic History* 35 (1975), N 1, 83.) asserts as well that: “Throughout the prewar Balkans, the state sector in fact diverted more financial and human resources away from productive investment than into it”.

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pre-liberation traditions, the purposefulness and continuity of the state policies, the amount of resources in the budget allocated for educational purposes, the material resources of the population, and the perceived need for education, etc. On the whole, a comparison shows that the Bulgarian educational system achieved more success than the Rumanian or the Serb (Yugoslav) schools; since the beginning of the century, rates of literacy in Bulgaria have risen faster than in those countries.⁵⁴ The educational system was plagued by such common problems as a scarcity of trained personnel⁵⁵ (as the low salaries were hardly attractive), the poor condition of many of the schools,⁵⁶ irregular school attendance, and a high rate of pupil absenteeism (due to malnutrition and frequent diseases, to having to work in agriculture or in a workshop, etc.); not surprisingly the

⁵⁴ In 1900 29,6 % of the Bulgarians were literate (data about other countries missing); in 1910 the figures are 42,2 % for Bulgaria, 40 % for Rumania, 43,5 % for Yugoslavia; in 1920 53,3 % for Bulgaria, 49,5 % for Yugoslavia (Rumania missing); in 1930 78,4 % for Bulgaria, 57 % for Rumania, 55 % for Yugoslavia; data cited from Andrew JANOS, *The One-Party State and Social Mobilization: East Europe between the Wars*, in: *Authoritarian Politics in Modern Society*. Ed. Samuel HUNTINGTON/Clement MOORE. New York, London 1970, 209. Literacy among army recruits in the Balkan Wars in 1912 (an apt index for comparative purposes) was 75 % for Bulgaria, 70 % for Greece, 59 % for Rumania, and 50 % for Serbia (LAMPE, *Varieties of Unsuccessful Industrialization*, 70). To cite the official Bulgarian statistics, literacy in Bulgaria was 10,71 % in 1887 (actually higher, if children of pre-school age are excluded from the population total); 23,87 % (actually 29,81 %) in 1900; 34,75 % in 1905: *Statističeski Godišnik na Knjažestvo Bălgarija. Kniga părva. Sofija 1909*, 57–59, 66–69. For the Bulgarian educational tradition, cf. CLARKE, *Education and National Consciousness*, 24–57. For the state of education and literacy in Bulgaria at the turn of the century, see Georgi MINČEV, *Zadălžitelnoto učenie v Bălgarija. Faktičesko položenie, uslovija na prilagane i opătvane v izsledvaneto mu. Sofija 1906*. On the educational policies of the Bulgarian state, cf. Nikola ALEKSIEV, *Našata učilistna politika. Sofija 1912*. For a review of the state of education in Rumania (in the aftermath of World War I), see MITRANY, *The Land and the Peasant*, 509–525. The author cites data from the census of 1899, according to which 78 % of the inhabitants of Rumania older than 7 years could neither read nor write; according to the census of 1912, 60,7 % were illiterate. A law on compulsory elementary education was introduced in Serbia in 1888, but 20 years later, it was still largely ineffective, as school attendance remained below 50 %, the villages being especially affected by this phenonemon (Ruth TROUTON, *Peasant Renaissance in Yugoslavia. 1900–1950*. London 1952, 98–117.) In 1866, about half a century after the Serbian liberation, 96 % of the population was still illiterate, and still 83 % at the turn of the century (SUNDHAUSSEN, *Die verpasste Agrarrevolution*, 57).

⁵⁵ Thus, after the establishment of the independent Bulgarian state, a large number of educated people left their posts as teachers (the main possibility at their disposal in the previous epoch) in order to become civil servants, army officers, lawyers etc.; as a result, teaching personnel became scarce and many ill-trained people entered this field.

⁵⁶ For a description of the deplorable state of the Rumanian schools, see MITRANY, *The Land and the Peasant*, 509–525.

results achieved were not particularly significant, rarely exceeding the limits of elementary literacy. Some efforts were undertaken to promote more “practical” (technical, agricultural, artisan) education by opening special vocational schools, but hopes that their graduates would pursue careers other than in civil service did not materialize.⁵⁷ At the university level, the faculty was initially staffed by graduates of foreign educational institutions. In general, the expansion of higher education was also dictated by considerations of national prestige. The common trait of higher education in the Balkans was an excessive demand for studies in law⁵⁸ and the humanities (history, philology, pedagogy, etc.), obviously in the hope of securing a position in the civil service, while enrollment in the agricultural, technical and medical sciences lagged behind. Nationalism was very strong among students and lecturers at some Balkan Universities.⁵⁹

On the most general level, it seems obvious that education and development go together: the better educated the people of a certain state are, the better its prospects for development and for economic growth in particular (in recognition of this, one speaks of “human capital”). For our purposes, we may leave aside the difficulties in measuring education and the ways it correlates with development.⁶⁰ Accordingly, Bulgaria’s superior educational system, compared with some of its neighbors, may perhaps explain its better performance in certain fields (agriculture) and in overall rates of growth. This slight advantage did not suffice for a decisive breakthrough, though (the more so as there is a “time-

⁵⁷ For these special (“professional”) schools in Bulgaria, see ALEKSIEV, *Našata učilistna politika*, 20–25, 296–305. The author was very skeptical about the hopes associated with this type of schools, regarding the absence of general opportunities for industry and commerce.

⁵⁸ Students of law accounted for 51 % of the total enrollment in Bulgaria in 1913–1914 and for 78 % in 1919–1920; for Rumania the figure is 51 % for 1914–1914 and 38 % for 1927–1928 (JANOS, *The One-Party State*, 211).

⁵⁹ Cf. the observations of SETON-WATSON (*Eastern Europe between the Wars*, 138–146) on the educational system in Eastern Europe between the wars. He points at the rise of a romantic nationalism shading into chauvinism in University teaching, and in this respect at the eminent role of the teaching of history. He holds the Rumanian (and Polish) Universities in lowest esteem, because of a low academic level and the politicization of the students (converted to anti-Semitism and Fascism in the Rumanian case). For the special importance of education in the genesis of new social classes in Yugoslavia, given the egalitarian structure of the society and the attraction of career in the civil service, see TROUTON, *Peasant Renaissance*, 114–117. The same is true for the quite similar Bulgarian society.

⁶⁰ Carlo CIPOLLA (in his *Literacy and Development in the West*. Baltimore 1969) advocated his well-known thesis of a correlation of rates of literacy and economic development. For research done on this topic for the Balkan case, cf. Holm SUNDHAUSSEN, *Alphabetisierung und Wirtschaftswachstum in den Balkanländern in historisch-komparativer Perspektive*, in: *Allgemeinbildung als Modernisierungsfaktor*. Ed. Norbert REITER. Wiesbaden 1994 (*Balkanologische Veröffentlichungen*, 23), 21–36. For an application of this thesis to explain the inability of the Balkan states to modernize their agricultures, cf. IDEM, *Die verpaßte Agrarrevolution*, 56–60.

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lag” until the effects of education are felt).⁶¹ The Balkan case, however, amply demonstrates that education under conditions of underdevelopment also acts in adverse ways. In all Balkan states (in Greece less so than in others) education came to be viewed as the main avenue of personal promotion, the ultimate goal of which was state employment. A university degree, usually in the humanities and especially in law, was highly coveted as a credential for and even as a guarantee of a career in government service.⁶² Given the lack of opportunity for suitable employment in other areas, the attractiveness of state service is quite understandable. Furthermore, the absence of anything resembling an aristocratic class in Serbia and Bulgaria reinforced the emphasis on education in climbing the social ladder (unlike Rumania with its plutocratic quasi-nobility). But since the civil service was unable to absorb all university graduates, higher education in the Balkans produced a host of educated or semi-educated office-seekers who formed a “reserve army” of an intellectual “proletariat”.⁶³ This unemployed intelligentsia readily entered the political arena and was available for party mobilization, supplying both “partisans” of the traditional parties and ideologues, leaders and followers for the radical (anti-establishment) social movements: communism and fascism.⁶⁴ Among the indirect effects of mass education (and even of elementary literacy) is that, by giving the means for articulation of social and political demands, it results in what has been called social mobilization,⁶⁵ the entry of the masses into politics, their becoming available for political participation and organization. As pointed out by Andrew Janos, the emergence of the masses as political actors in an arena of far greater scarcities in backward societies was a much more painful problem than in societies with successful agrarian and industrial revolutions; there, at least some of their needs could be satisfied, whereas similar demands in a pre-industrial society led to violence and frustration.⁶⁶ Ironically, the very success of public education under conditions

⁶¹ IDEM, *Alphabetisierung und Wirtschaftswachstum*, 28–29.

⁶² To cite SETON-WATSON (*Eastern Europe between the Wars*, 142): “A University diploma was considered a claim on the State for the rest of life”.

⁶³ The problem was clearly conceived by contemporaries, who deplored the formation of an “intellectual proletariat” and the debasing involvement of the “intelligentsia” in partisan political struggles. For a Bulgarian example of such critique, cf. Ivan KEPOV, *Našata deistvitelnost*. Plovdiv 1927, 88–95, and also GEŠOV, *Činovnički proletariat*, 48–65.

⁶⁴ For a treatment of some of the problems of the educated class, cf. Roumen DASKALOV, *Transformations of the East European Intelligentsia: Reflections on the Bulgarian Case*, *East European Politics and Societies* 10 (Winter 1996), N 1, 46–84, esp. 62–71. On the new type of social movements and their alienated, anti-establishment intelligentsia leaders cf. JANOS, *The One-Party State*, 219–224.

⁶⁵ For the concept of social mobilization, see Karl DEUTSCH, *Social Mobilization and Political Development*, *American Political Science Review* 55 (1961), 453–502. He associates social mobilization with literacy and urbanization as the preconditions for “mobilizing” the masses to participate in politics.

⁶⁶ Cf. JANOS, *Modernization and Decay*, 99–100; IDEM, *The One-Party State*, 209–210.

of backwardness, by producing an army of office-seekers on the one hand and disgruntled intellectuals and radical movements on the other, actually served to aggravate the consequences of economic stagnation.⁶⁷ A further irony is that the very people who most deplored the lack of development could actually contribute least to a solution; the intelligentsia cannot substitute for the lack of an entrepreneurial class. When converted into a political class in the form of a bureaucracy, it may even weigh heavily upon the state budget and produce stifling étatism.

The health-care system evolved gradually under the auspices of the state.⁶⁸ Medical academies and schools for nurses were opened. Substantial progress was achieved in the struggle against some epidemics and infectious diseases. However, the successes in the struggle against pulmonary tuberculosis, the prime example of "social disease", i.e. one that depends on socially conditioned living standards, and a scourge of the working population, remained modest because of inadequate living conditions (malnutrition, bad hygiene, humid and narrow living quarters, etc.). As a result of ignorance of appropriate hygiene and of prostitution, venereal diseases were also wide-spread, especially syphilis. Epidemics of plague broke at certain times with the inevitability of natural disasters, especially during wars, and took a heavy toll. The pellagra, the disease of poor diet caused by exclusive consumption of badly cooked maize in particular, was rampant among the poor Rumanian peasants.⁶⁹ On the whole, the number of doctors per thousand persons of the population remained low. Due to uneven distribution large cities had more doctors than the countryside and some especially backward regions.⁷⁰ Hospitals and beds were insufficient. Despite these problems, qualified medical care gradually spread over the territory of the new states, disease incidence and mortality rates dropped while life expectancy rose correspondingly. Here again, what was obviously progress from the point of view of health had an adverse effect upon the general prospects of development. The unprecedented rise in population in the first decades of the century (due to the effect of increased birth rates and reduced mortality rates), unaccompanied by a corresponding advance in economic productivity, led to the problem of "overpopulation" and to a Malthusian depression of living standards. This was one of the unintended (and

⁶⁷ This irony is noted by JANOS, *Modernization and Decay*, 98.

⁶⁸ For the beginnings of medical service in Bulgaria cf. a contemporary report by the chairman of the Supreme Medical Council of Bulgaria at the turn of the century: P. ORACHOVAC, *Kăm anketata po delata na sanitarnoto upravljenie prez 1903–1908*. Sofija 1910. Cf. also his report on the inspection of the medical establishments in several Bulgarian districts: P. ORACHOVAC, *Otčet po revizijata na sanitarnite učreždenija*. Sofija 1987; for the occurrence of tuberculosis in Bulgaria prior to World War I, see Charalampi NEIČEV, *Tuberkulozata*. Sofija 1920, esp. 200–241.

⁶⁹ Cf. MITRANY, *The Land and the Peasant*, 495–509, for data on health conditions (on pellagra, tuberculosis, mortality rates, etc.) and a description of the deplorable situation in Rumania prior to World War I.

⁷⁰ For health and health care in Serbia between the wars, see TOMASEVICH, *Peasants, Politics and Economic Change* (cf. n. 24), 585–600.

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perhaps most serious) consequences of the influence of the West upon the Balkan periphery.⁷¹ It is an example of how things did not work the same way in the East and West because of different “sequencing” and the lag of economic development in the East.

Some progress was made in the area of social legislation. This vast area includes the introduction of labor legislation – a norm for maximum working hours, prohibition of child labor under a certain age, regulation of women’s labor, arbitration in strikes, workers’ insurance in cases of accident, illness; it also includes pensions (for state employees), broader social insurance, unemployment relief, etc.⁷² In the Balkans such measures were introduced later than in the West, and they copied the socially more advanced Western legislation, especially in Germany and Austria. It is interesting to note that they were adopted not so much under the pressure of workers’ movements (these were not strong at the time) but on the initiative of the reform-minded political intelligentsia, or upon international pressure (after World War I). However, the numerous omissions and violation of the labor laws in the reality of daily life rendered them ineffective.⁷³

Development always takes place in a context. Assuming that the “core” (and major objective) of development is economic growth and prosperity, there are various social, political, cultural, international contexts. The inherited *social stratification* weighed heavily upon the prospects of development in all Balkan states. Most of them began independent existence with predominantly (up to 80%) peasant populations, while Serbia and Bulgaria were truly “peasant states” with strongly egalitarian social structures.⁷⁴ Greece with its maritime location was less rural and, with the traditional big landowners and rich

⁷¹ STAVRIANOS, *The Influence of the West* (cf. n. 4), 200. Describing the impact of Europe upon Rumania, Henry ROBERTS mentions the expansion of the population as a result of the implementation of modern medicine, and a corresponding decline in the level of consumption (Rumania [cf. n. 8], 66).

⁷² For an expertised treatment of the labor laws in Bulgaria, see Ilija JANULOV, *Razvitie na socialnoto zakonodatelstvo v Bălgarija*. Sofija 1939, esp. 92–175; IDEM, *Socialno zakonodatelstvo v Bălgarija*. Sofija 1938; IDEM, *Pravata na truda v Bălgarija*. Sofija 1925; IDEM, *Socialna politika v čužbina i v Bălgarija*. Sofija 1924. The first social law in Bulgaria (on the protection of women’s and child labor) was passed in 1905; other laws followed (on labor hygiene and safety in 1917, on the 8-hour working day in 1919, on social insurance against illness and accident, on motherhood insurance, etc.; Rumania enacted a law in 1906 analogous to the Bulgarian law of 1905, Serbia a general law in 1910 on labor protection, labor agreements, arbitrage, etc., and a number of social laws were passed in Greece in 1909–1912).

⁷³ On the Bulgarian case cf. the inspections of the inspector general on the implementation of labor laws, Stojan KUTINČEV, *Uslovijata i zaštitata na truda v Bălgarija*. Inspekcii i anketi. Sofija 1919. The reports cover the period of 1910–1915.

⁷⁴ There is the characteristic title of a book on Bulgaria by Edward DICEY, *The Peasant State. An Account of Bulgaria in 1894*. London 1894. In fact, Bulgaria got even more rural after the liberation because of the ruin of the previously prosperous crafts after the loss of the wider Ottoman markets and due to the competition of European manufacture.

merchants as well as the new state bourgeoisie, less egalitarian,⁷⁵ while Rumania had some big towns and striking social contrasts between rich landowners and the vast peasant majority. As David Mitraný noted, what appeared as a “land question” in the West (i.e. an issue of organization and productivity) appeared as a “peasant question” in the East (i.e. a social issue about the fate of the peasants).⁷⁶ From a purely economic viewpoint the agrarian reforms were dubious: they meant “not the rise of capitalist farming but the triumphant emergence of the peasants”.⁷⁷ Above and against the peasants there stood the state, i.e. the government apparatus which extracted taxes from them and suppressed their protests, often with violence.⁷⁸ Instead of mutually beneficial relations (as under commercial agriculture in the West), peasants in the East were exploited, at least until the burden was transferred to the poor urban classes, by way of indirect taxation.⁷⁹ Little wonder that tax-collectors were most dreaded and hated,⁸⁰ and so too were wholesale merchants who took advantage of the peasants’ inability to carry their produce to distant markets by cheating them; from here peasant suspicion and animosity extended to all townfolk. The village was not only economically exploited but also culturally debased by town elites in a way that left deep traces in subsequent history. In the peasant societies of the East a profound gap emerged between town and village, and urbanites and peasants regarded each other with a lack of comprehension and distrust.⁸¹ To the peasants, for whom it was difficult to imagine a community beyond the village, the predatory characteristics of the state had to appear even more detestable.

⁷⁵ On the social structure of Greece cf. MAVROGORDATOS, *Stillborn Republic* (cf. n. 41), 116–180.

⁷⁶ MITRANÝ, *The Land and the Peasant*, 460.

⁷⁷ David MITRANÝ, *Marx against the Peasant. A Study in Social Dogmatism*. Chapel Hill, 1951, 94.

⁷⁸ To cite David MITRANÝ (*Marx against the Peasant*, 119–120), in the Eastern countries “the machinery of government had not grown, as in the West, *pari passu* with the growth of economic life, but was superimposed in all the intricacy of a western system upon an underdeveloped agrarian subsistence economy”; “the peasant countries had to carry political and military overheads far in excess of what their economy could bear”.

⁷⁹ As Barrington MOORE (*Social Origins of Dictatorship and Democracy. Lord and Peasant in the Making of the Modern World*. Boston 1966, 472–473) points out, referring to France, Russia, and other parts of Eastern Europe, the failure of commercial farming to gain ground meant that there was no alternative left to squeezing the peasant, thereby provoking peasant discontent.

⁸⁰ From the point of view of a poor peasant, this is graphically described in the short story “Andreško” by the Bulgarian writer Elin Pelin.

⁸¹ For this gap cf. for example TOMASEVICH, *Peasants, Politics, and Economic Change*, 249–250. For the peasant view of townsmen in Yugoslavia in the first half of the century: TROUTON, *Peasant Renaissance*, 79–82, 140–144. Samuel HUNTINGTON (*Political Order in Changing Societies*. New Haven, London 1968, 72–73) put it in a more generalized context: “The city and the countryside became different nations, different ways of life”.

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For a long time the peasants remained passive subjects of state policies, but when they entered the political scene, they imparted a specific populist stamp to politics. First mobilized by peasant parties, they were pushed into political activism by the peasant movements after World War I – the so-called “green uprising”.⁸² Peasant support brought the Bulgarian Agrarian National Union to power in 1919–1923, the Rumanian National Peasant Party in 1928–1930, while the Croatian Peasant Party of Ante and Stjepan Radić dominated the Croatian parts of Yugoslavia after 1918. In view of the overwhelmingly peasant population consistent democracy logically meant rural democracy.⁸³ In any case, if left to express themselves freely, dissatisfied peasant masses would and did threaten the rule of the political-financial elites and the traditional parties. That is why the urban political elites in the Balkan states tried to suppress the peasants as long as possible (even when they sought support in them). This was done by rigging elections, managed by the government administration, police intimidation, hired thugs, etc.⁸⁴ After effective mass mobilization took place, there remained the extreme measure of a coup d'état against agrarian parties.⁸⁵

What matters here is not only how broad democracy was allowed to be. The point is what popular (in this case, peasant) democracy meant, and what its relation to modernization is. Huntington has presented the “green uprising” as either traditionalizing or revolutionary; the successful incorporation of the countryside within the existing political system is seen by him as desirable from the point of view of political stability and modernization.⁸⁶ From a global historical perspective Barrington Moore has argued that the predominance of peasants was not conducive to (liberal) democracies but to peasant revolutions leading to communism (Russia, China).⁸⁷ Even as sympathetic an observer as David Mitrany admitted certain limitations and backward characteristics of the peasant movements: a stubborn adherence to small-sized property (the so-called “property of use”), a resentment against the towns, an understanding of the rural society “not

⁸² MITRANY, *Marx against the Peasant*, 118–145. Within the framework of political science, the entry of the peasants into the political arena and the beginning of “mass politics” (“the green uprising”) has been analyzed by HUNTINGTON, *Political Order*, 72–78.

⁸³ This consequence was drawn, for example, by the Rumanian populist and agrarianist Constantin Stere, who regarded any political progress as meaningless in a peasant country like Rumania unless it tended toward a rural democracy; accordingly, the state would have to assume a specifically peasant character (cf. MITRANY, *Marx against the Peasant*, 39).

⁸⁴ JANOS, *The Politics of Backwardness in Continental Europe* [cf. n. 34], 342–343; ROBERTS, *Rumania* [cf. n. 8], 90–92.

⁸⁵ John BELL, *Peasants in Power. Alexander Stamboliiski and the Bulgarian Agrarian National Union, 1899–1923*. Princeton 1977; MITRANY, *Marx against the Peasant*, 122–126.

⁸⁶ HUNTINGTON, *Political Order*, 74–77.

⁸⁷ MOORE, *Social Origins of Dictatorship and Democracy*, 413–414, 419–423, 429, 453–483.

merely as a means of living but as a way of life", and even a vision of a "new rural civilization". He also notes the contradictions between the sense of equity and the communal spirit, so important in a peasant society, and the modern trends in legislation ("formal law"), the functions of central authority and economic organization, guided by the pursuit of profit.⁸⁸ In fact, it is exactly in the case of peasants that the disparity between social justice and economic productivity achieves a dramatic dimension, leaving one with a problem of value judgment; this judgment is even more difficult to make, when one realizes that the sort of urban politics conducted in the Balkans was often a perversion of the alleged goal of economic progress.

Next comes the urban population: civil servants, military officers, professionals (lawyers, journalists, doctors, etc.), commercial and industrial classes (merchants, bankers, entrepreneurs and workers), artisans, shopkeepers, etc.⁸⁹ As already noted, the ruling elites all over Eastern Europe were mainly "political classes", attracted by the opportunities in the government service. The commercial part of the "bourgeois" classes was the most developed and influential; there were big landowners in Rumania and Greece. Modern industrial classes were slow to evolve, and while the entrepreneurs of the generally small enterprises were not very distinct from an artisan employing several workers, the worker typically preserved links with the village (possessed some land) and entertained hopes of becoming self-employed. The intermediate layer of technicians and engineers was hardly present in the small enterprises. Besides the interests of the bureaucracy, the state served the interests of the industrial and the commercial bourgeoisie and compromised with the interests of the landed oligarchy, where such was available.⁹⁰ The salient feature of urban life was the thinness and weakness of autonomous, market-oriented "middle classes", which did not therefore constitute a genuine "bürgerliche" (civic) society and the basis for a stable political democracy.⁹¹ The position of the middle class was in fact very

⁸⁸ MITRANY, *Marx against the Peasant*, 126–127, 130, 134–135, 144. Cf. also the concession of Henry ROBERTS, *Rumania*, 90, who is otherwise strongly opposed to the sham and venality of Rumanian politics, that the economic role of the peasant confines the orbit of his interests to his village, his social experience does not extend into many of the fields of modern government, his wishes for land, more lenient credit and lower taxes do not present a satisfactory basis of a political program, and that, consequently, his status can be improved only by indirect measures, which are beyond his socially restricted political understanding.

⁸⁹ For a description of class structure in the Balkans (and Eastern Europe in general), see SETON-WATSON, *Eastern Europe between the Wars*, 123–138. Cf. also the chapter on social structure in Ivan BEREND/György RANKI, *East Central Europe in the 19th and 20th Centuries*. Budapest 1977, 29–40.

⁹⁰ SETON-WATSON, *Eastern Europe between the Wars*, 127–128.

⁹¹ To quote Andrew JANOS (*The Politics of Backwardness in Continental Europe* [cf. n. 34], 336): "Thus while the history of the modern Western state may well be described as one of the rising middle classes in quest of larger, national markets, the history of the peripheral states is one of the declining middle classes trying to escape

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precarious. In the first place, the market for free-lance professional activities was extremely limited. Secondly, the very few engineers, technicians, and agronomists were already, at least in part, employed by the state. In addition, the intelligentsia in the fields of education (school teachers, University Professors, etc.) and culture (artists, writers, etc.) had to rely on a state salary or state support.⁹² Shopkeepers and artisans, while more independent of the state, rarely prospered under conditions of an underdeveloped market and an instable currency. The consequences of this sort of social structure are clear: absence of considerable independent (and well-to-do) social strata, severe competition for a government position (in the absence of other opportunities), subservience of the educated and professional classes to the government in power; hence, possibilities for irresponsible political rule.

The unquestionable prestige of the West as a model of “civilization” made most Balkan states adopt Western democratic *political* institutions: representative (parliamentary) government, a legal system, and party politics.⁹³ Some of the Balkan states could boast of the most “advanced” liberal constitutions of that time (e.g. the Bulgarian constitution of 1879 and the Serbian constitution of 1888, both drafted on the Belgian model). In fact, the significance of these constitutions, though tailored after the advanced Western industrial societies, was limited because they had to operate in entirely different socio-economic settings, which reduced their meaningfulness.⁹⁴ Only gradually and against the opposition of tradition and custom was modern (Roman) law introduced in the Balkan societies, lending support to capitalist market interests and establishing new social relations, while contributing to the dissolution of inherited practices and institutions.⁹⁵ The Balkan case demonstrates the difficulties of implementing liberal democracy in rural societies with politically inert populations, nascent industrial classes, overblown bureaucracies, thin and insecure “middle classes” with the ideal of salaried employment, etc. Deviations from the model, malfunctioning, distortions of the very ideas and meaning of the institutions, and quite unwestern consequences were the logical result. This “perversion” of liberal democracy took various forms: electoral fraud (ballot stuffing), the recourse to vio-

the vagaries of the market and hoping to find safe haven in political, rather than economic, entrepreneurship”.

⁹² TROUTON, *Peasant Renaissance*, 135–138.

⁹³ As noted by Andrew JANOS, *The Politics of Backwardness in Continental Europe*, 337–338, of all the Western political institutions transferred to the East, state bureaucracy was to strike roots most easily and to bear much stronger consequences e.g. than parliamentary government.

⁹⁴ There were people like Stojan Michajlovski among the prominent Bulgarians who attributed the failures of the political system directly to the liberal character of the constitution (Stojan MICHAJLOVSKI, *Kak zapadat i se provalijat dържавите*, in: IDEM, *Neizdadeni Săčinienija*. Vol. 1: *Metapolitika*. Sofija 1940, 75–209, esp. 108–147, 168–193, 206–208).

⁹⁵ For the conflict between the traditional (customary) law and formal (Roman) law in the Balkans, see SUNDHAUSSEN, *Institutionen und institutioneller Wandel*, 42–44.

lence in suppressing political opponents, encroachments upon the freedom of the press, police brutality, etc.⁹⁶ The “spoils system” flourished: the party acceding to power replaced the administrative personnel from top to bottom with its own political partisans and clients, and treated the government as “crèche” for its own nourishment (to borrow a more drastic expression, a trough in which successive cliques took turn in wallowing.)⁹⁷ Among the much criticized consequences of this kind of rule were the incompetence and corruption of the state officials, who strove to benefit as much as possible while still in office. The constant bickering of the parties over the distribution of offices left little time for enacting significant legislation.⁹⁸

The parties themselves (typically named after their leader) consisted initially of leaders and their personal followers and local notables but had no regular organization. There existed a sort of “biotic relationship” (Traian Stoianovich) between leader and party, so that the party weakened or dissolved upon the death or the elimination of the leader (e.g. the Radical party in Serbia after the death of its leader Nikola Pašić, the Liberal Party of Venizelos in Greece); this highly personal bond is reflected by the transfer of party leadership to another member of the family (the Rumanian Liberal party of the Bratianu family is a case in point).⁹⁹ The frequent internal splits and fissures were due to a large extent to the personal ambitions of the leaders. Another way to characterize a party was its “great power” orientation: e.g. a Russophil or Russophobe party, Germanophils, Francophils, etc.¹⁰⁰ The social-democratic parties presented the first formations of a new type, held together by ideology, local organization, and tighter discipline; however, this hardly reduced the “personalism” while conflicts with opponents became sharper and more intolerant. A gradual transition took place in Balkan politics from oligarchic parliamentary politics (based on leaders and club-like associations, local notables and their clientelistic networks¹⁰¹) to

⁹⁶ For some features of the political system between the wars, cf. SETON-WATSON, *Eastern Europe between the Wars*, 154–156; STOIANOVICH, *The Social Foundations*, 318–330; ROBERTS, *Rumania*, 89–93, 337–339.

⁹⁷ ROBERTS, *Rumania*, 337. As to the so-called “partisanship” in Bulgaria, i.e. arbitrary dismissals and renumeration of political services with an office, etc., cf. contemporaries such as Todor VLAJKOV, *Partizanstvo*, *Demokratičeski pregled* 17 (1924), N 3, 181–196; Petăr DŽIDROV, *Partii i partizanstvo*, *Archiv za stopanska i socialna politika* 2 (1926), N 4, 339–347. Cf. also Richard CRAMPTON, *Bulgaria 1878–1918. A History*. Boulder, New York 1983 (East European Monographs, 138), 158–159, 326–327. Political parties were “corporations for the exploitation of power”, as put it an observer of the Bulgarian political scene (Dimo KAZASOV, *Ulici, chora, săbitija*. Sofija 1959, 200).

⁹⁸ For an example in the early times of the Serb state, see the description by Traian STOIANOVICH, *The Pattern of Serbian Intellectual Evolution, 1830–1880*, *Comparative Studies in Society and History* 1 (1958–1959), 242–248.

⁹⁹ IDEM, *The Social Foundations*, 318.

¹⁰⁰ STAVRIANOS, *The Influence of the West* [cf. n. 4], 199.

¹⁰¹ For clientelism both in theory and in the Greek reality, see MAVROGORDATOS, *Stillborn Republic* [cf. n. 41], 5–20, 67–79.

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broader political participation and rational methods of organization. As pointed out by Augustinos, the transition to post-oligarchic politics in the Northern Balkans (Bulgaria and Rumania) tended to take the form of peasant populism (direct appeal to the masses, circumvention of governmental institutions, etc.) while in Greece clientelism was preserved until quite late and underwent a non-populist transformation.¹⁰² Traian Stoianovich notes the formation after World War I of parties of “social integration” (peasant, Communist, integral-nationalist, Muslim), claiming to represent social or religious-cultural groups and to regenerate society in quasi millenarist way;¹⁰³ there were also attempts to form governmental bureaucratic mono-parties in the 1920s and the 1930s.¹⁰⁴

Authoritarian tendencies made their appearance quite early on the Balkan scene.¹⁰⁵ There were, to begin with, the early royal “personal regimes”, leaning as a rule upon the military: the Obrenović dynasty in Serbia (throughout the second half of the nineteenth century), the practices of George I of Greece, the suspension of the Bulgarian Constitution by Alexander Battemberg in the 1880s, and Ferdinand’s “personal regime” in Bulgaria prior to World War I, etc. The weakness of the incipient parties and of “bourgeois” (civic) society as well as some constitutional prerogatives of the monarch (to nominate a cabinet-chief, to dissolve parliament) made such regimes possible. Balkan politics also witnessed attempts to establish a strong rule upon populist foundations, e.g. the agrarian government of A. Stambolijski after World War I in Bulgaria. Authoritarianism of a monarchist-bureaucratic character (and the attempt to create some unitary “party” or movement as its prop) was characteristic of the 1930s, in tune with the eclipse of liberal democracy in Central Europe. Examples are the monarchical cabinets after the coup d’état of “Zveno” in 1934 in Bulgaria, the royal dictatorship of King Alexander of Yugoslavia through a series of non-party regimes from 1929 until his assassination in 1934; then the government of the strong-willed economist Milan Stojadinovic 1935–1938, King Carol (II)’s dictatorship 1938–1940 in Rumania. The army also emerged as an autonomous force in politics, especially in Serbia, but also in the other Balkan states: the involvement of the army in the coup d’état of May 19, 1934 in Bulgaria, the dictatorship of Metaxas and King George II in Greece from 1936 until the war, the military dictatorship of General Antonescu in Rumania, especially after his victory over the Iron Guard in January, 1941.¹⁰⁶

¹⁰² MOUZELIS, *Politics in the Semi-Periphery* [cf. n. 34], 3–7, 29–50.

¹⁰³ STOIANOVICH, *The Social Foundations*, 330–335.

¹⁰⁴ JANOS, *The One-Party State*, 212–219, 230–234.

¹⁰⁵ For anti-establishment (Marxist, fascist, agrarian) social movements in Eastern Europe between the wars and (managerial-bureaucratic) experiments with corporatist one-party systems in the 1930s, see JANOS, *The One-Party State*, 213–234. On fascism in some of the Balkan countries (Rumania and Yugoslavia): *Native Fascism in the Successor states 1918–1945*. Ed. Peter SUGAR. Santa Barbara 1971, 112–121, 125–143, 147–156.

¹⁰⁶ For the political role of the army in Serbia, cf. Alex DRAGNICH, *The Development of Parliamentary Government in Serbia*. New York 1978, 107–114.

It has been a point of contention how great were the deviations from liberal democracy in the Balkans and were there checks on arbitrary power.¹⁰⁷ One certainly has to allow for more liberal periods ("cleaner" elections, greater tolerance of the opponent), for differences among countries (despair with Rumanian politics was especially great), and it cannot be said that liberal-democratic charters failed altogether. In trying to explain the weakness (and failures) of the liberal democracy in the Balkans, we should focus on the societies and economies in which it was transplanted. The Balkan societies did not undergo a "bourgeois revolution"¹⁰⁸ and capitalist interests remained weak and dependent. As a result political power attained supremacy, the rule tended toward étatism as the state claimed the right to interfere in all matters (how effectively is another matter) and political arbitrariness could not be effectively checked. In addition, severe material scarcities diminished the ability to resolve social conflict by peaceful means and tended to concentrate authority in the hands of a few; oppression was thus a salient feature of the Balkan regimes.¹⁰⁹ In the absence of sufficient linkages and mediations with the society, and of autonomous institutions, the state appeared to the broad public in its naked and ultimate core feature: force and repression, and to the extent that nationalist legitimation (the only form of legitimation here) failed, these were seen as still more arbitrary.¹¹⁰ It is important to note that the above-mentioned characteristics of political life in the Balkans cannot be attributed to some particular evil of the political elites of the Balkan states; rather, socio-economic realities shaped what may be called a specific "political culture", a set of representations and value attitudes, translating into practices, e.g. the state as accommodation of office-seekers, state employment as an ideal, nepotism and exchange of personal favors, the understanding of the office as a source of revenues through graft and extortion, etc. Political selection assured that the leaders most "adapted" to the conditions would make their way through the system and that they would behave exactly like their predecessors, to the amazement and despair of some Balkan intellectuals, who hoped for

¹⁰⁷ See, for example, Victoria BROWN, *The Adaptation of a Western Political Theory in a Peripheral State: The Case of Romanian Nationalism*, in: *Romania between East and West*. Ed. Stephen FISCHER-GALATI/Radu FLORESCU/George URSUL. Boulder, New York 1982 (East European Monographs 103), 269–301; JANOS, *Modernization and Decay*, 82–89; ROBERTS, *Rumania*, 337–339; Cyril BLACK, *The Influence of Western Political Thought in Bulgaria, 1850–1885*, *The American Historical Review* 48 (1943), N 3, 507–520, esp. 516–520.

¹⁰⁸ Regarding this process in the West, cf. Eric HOBBSBAWM, *Die Blütezeit des Kapitals. Eine Kulturgeschichte der Jahre 1848–1875*. Frankfurt/M. 1980, 115ss.

¹⁰⁹ JANOS, *The Politics of Backwardness in Continental Europe*, 325–326, 352–335.

¹¹⁰ The idea that the state (and domination) is perceived differently according to the existence or non-existence and the functioning of linkages and mediations with the society has been worked out by O'Donnell by the example of the bureaucratic-authoritarian state (Guillermo O'DONNELL, *Tensions in the Bureaucratic-Authoritarian State and the Question of Democracy*, in: *The New Authoritarianism in Latin America*. Ed. David COLLIER. Princeton 1979, 285–318, esp. 286–302.

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change, if only a different breed of politicians would emerge from the political struggles.¹¹¹

From the point of view of opportunities for development, it is not so much the liberal versus authoritarian character of Balkan politics that matters most;¹¹² in fact, differences between the two were not so great in the Balkans, where “liberal” governments showed oppressive traits and served a narrow oligarchy while “authoritarian” governments could achieve only a measure of control over the society (and in some cases pursued “social policies” in greater earnest).¹¹³ What matters most are some common characteristics of the Balkan polities that are largely independent of the nature of the regime: a burdensome and expensive state apparatus, overspending, corruption and irresponsibility, lack of accountability of the rulers, far-reaching disregard for laws and formal rules (and the unpredictability this entails), lack of concern for the disadvantaged (above all for peasants), military adventurousness, etc. In all these respects Balkan politics and governments, liberal or authoritarian, interfered with economic development. Yet it should not be forgotten that even more inept and wasteful governments did not hamper development in bigger and better endowed states, as long as autonomous economic forces and interests had established themselves. It was against the background of largely subsistent economies with land mortgaged under immobile peasant populations that the political (and administrative) overhead became so heavy a burden and could endanger the meager chances of development (besides becoming so conspicuous, as to be generally regarded as the source of all evils).

In this context, one must consider the impact of scarcity in developing countries. Scarcity affects all governmental activities: it restricts the latitude of political action, causes disproportionate waste, and exacerbates the consequences of incorrect policies and mistaken decisions. Politics becomes a field for remedial measures in constantly emergency situations and for desperate improvisations in the face of impending disasters, often bringing them about all the more easily. The financial situation of all Balkan states may serve as an illustration: one state loan led to another, and the servicing of debts consumed an ever increasing amount of the budget, decreasing funding for other areas. As the situation deteri-

¹¹¹ To cite Henry ROBERTS, *Rumania*, 93: “All the parties had certain points in common, arising from the nature of Rumanian society. Parties out of power tended to raise the same objections and complaints; when they came into office they began to pursue the same practices as their predecessors.” And the Bulgarian political satirist Stojan Michajlovski observed: “in such a state one may say that there are no unblemished politicians, there are only politicians, who have still had no occasion to blemish themselves”. (MICHAJLOVSKI, *Kak zapadat i se provalijat*, 86.)

¹¹² Cf. Guillermo O’DONNELL, *Modernization and Bureaucratic-Authoritarianism*. Berkeley 1973.

¹¹³ To cite David MITRANY, *Marx against the Peasant*, 122: “The Eastern dictatorships were never anything but bureaucratic and military regimes, as brittle as they were inefficient and oppressive.”

orated, the governments of the Balkan states saw no alternative but to impose new taxes, thereby depriving the population of the opportunity to consume and invest and hampering economic development, not to mention increasing popular discontent. I fully agree with Andrew Janos about the need for a new appreciation of the factor of scarcity in relation to political authority, a sort of “political economy of scarcity”.¹¹⁴

When considering conditions of development in the Balkan periphery, the impact of *international factors*, i.e. the international political order, the world economy, and the “demonstration effect”, stands out; if one has to attribute relative weights or point to “last instance” factors, the outside influences appear as perhaps *the* most important.¹¹⁵ The strategic importance of the Balkans at that time at a “crossroads” between the East and the West, led to continuous intervention of the European Great Powers and precluded the possibility of a more peaceful and continuous pattern of development (and for “disassociation” and internal development).¹¹⁶ In an international order based upon a precarious balance between several major “powers”, none would allow its rivals to dominate the Balkans – the decaying Ottoman empire first, and the successor states later; in fact, all major European conflicts prior to World War I were generated by the “Eastern Question”. In their quest for “zones of interest” as they grew more expansionist, the Great Powers drew the smaller periphery states into their power competition: as semi-colonial markets, as political clients, and military allies. Even if the small Balkan states had wanted to “disassociate” themselves from international events and forces and focus their efforts upon domestic development, restricted sovereignty and great power rivalries would have implicated them in the conflicts. But as matters were, there was a mutual orientation and a coinciding of

¹¹⁴ Andrew JANOS (The Politics of Backwardness in Continental Europe, 325–327, 338–342, 352–353, 356–357) sets an example with his correlation between etatism and material scarcity, describing the transformation of the state into an instrument of revenue raising with self-defeating consequences and stressing the emergence of anti-establishment movements in such a context.

¹¹⁵ The following is not meant to argue that without outside influences, the development in the Balkans would have been a success; in fact, without outside impulses of various sorts, the Balkan periphery would not have been drawn into the quest for development/modernization at all. What I mean is that the international milieu (power politics, international trade and credit) was mostly inimical to Balkan development in this particular epoch: in accordance with the prevailing international political philosophy and the practices of the times, the advanced states regarded the Balkan states from the point of view of narrow and mean (almost colonial) interests; from the point of view of the Balkans, Western Europe did not keep the “promise” she had perhaps unintentionally extended.

¹¹⁶ Cf. Charles JELAVICH/Barbara JELAVICH, *The Establishment of the Balkan National States, 1804–1920*. Seattle, London 1977, 323–324. For the role of Russian interests in Southeastern Europe, see BLACK, *Russia and the Modernization*, 147–151. On the major role of international environment in narrowing the range of choices for Bulgaria: IDEM, *The Process of Modernization*, 116–117.

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interests between “small” and “great”. In the pursuit of national “grand designs”, the Balkan political elites sought protectors among the Great Powers and maneuvered between them, trying to take advantage of their opposing interests.¹¹⁷ Thus the geopolitical importance of the Balkans in this period and the resulting clash of strong outside interests proved unfavorable for (domestic) development, especially when combined with the commitment of indigenous leadership to nationalistic goals in an immediate environment of small, new nation-states motivated by vigorous nationalism.

The international economy and the economic policies of the great European states did not favor development of the Balkan states either. To begin with, the developed states of the West regarded the Balkan periphery as a market for their industrial goods and a source of raw materials, extracted in enclave-like fashion (Rumanian oil, Serb non-ferrous metals);¹¹⁸ however, they were not interested in assisting the Balkan states in developing their own economies, which might have been a wiser policy in the long run. The Balkan states could not attract sufficient foreign investment to finance their development (apart from some extraction industries). Besides, loans were made mainly to the governments (not to private persons) and were issued under very unfavorable terms – with interest rates being as high as 8% (while others could borrow at 3–4%), the exigency of stringent guarantees, and international credit becoming even more scarce after World

¹¹⁷ The impact of the small size and the weakness of the Balkan states upon their international options (and on the thinking and the demeanor of their politicians) is well described by Henry ROBERTS, *Politics in a Small State: The Balkan Example*, in: *The Balkans in Transition* [cf. n. 4], 376–395. For “big man” – “small boy” (or “client”) relations in international politics, cf. Kenneth JOWITT, *The Sociocultural Bases of National Dependency in Peasant Societies*, in: *Social Change in Romania* [cf. n. 4], 1–30, esp. 19–30.

¹¹⁸ The European Powers were restricting the national sovereignty of the Balkan states for decades after their respective independence by applying to them something similar to the regime of “capitulations” originally imposed upon the Ottoman empire, thus preventing some Balkan states to raise their tariff duties. In certain periods they directly interfered with internal fiscal policies (of Greece and Bulgaria in particular); cf. MILWARD/SAUL, *The Development of the Economies*, 430, 459–460. To cite these authors: “There is nothing to say in favor of the commercial policies of the great powers toward the Balkan states; they were petty, mean, short-sighted and misguided and their consequence was the intensification of economic nationalism in the states themselves” (*ibid.*, 431). And again: “In the last resort the responsibility for the failure of economic development in the Balkan countries rested not only with their heritage of economic backwardness but with the failure of major European economies to create, in their own interests, an international economic system which would have helped such small economies towards economic growth and development” (456). Cf. Charles JELAVICH/Barbara JELAVICH, *The Establishment of the Balkan National States*, 323. For the formation of the “satellite” economy of Yugoslavia in accordance with the needs of Western European industry, cf. ALLCOCK, *Aspects of the Development*, 535–589, esp. 549–562.

War I and in the 1930s.¹¹⁹ Erroneous deflationist policies on the part of some Balkan governments in the post-war period, e.g. a restriction of note issuance and of budget expenditures with the purpose of maintaining high and stable exchange rates, the tightening of bank credit, etc. – all this demanded by the Western financial system and contemporary economic orthodoxy, interfered with the recovery and aggravated the situation of the Balkan states during the Great Depression in the early 1930s.¹²⁰ Since 1935 Germany drew the Balkans increasingly into her economic orbit with a system of bilateral clearing arrangements, while the other Western states and markets remained indifferent to this process.¹²¹

From the point of view of development, export crops are of particular importance for regulating the balance-of-payments and both for providing the country with foreign currency and for generating income for producers of primary goods.¹²² Wheat and other grains were the principle exports of Rumania and of Bulgaria (until World War I), though not of Serbia, which relied on animal husbandry. When the competition of overseas grain set in during the last quarter of the nineteenth century, the prices of these goods fell, and proceeds from foreign trade decreased.¹²³ (This is not to say that they would otherwise have been properly invested, but at least the possibility to do so would have existed.) Rumania, however, continued to concentrate on wheat exports with very negative effects for its development, especially social side-effects such as the perpetuation of neo-serfdom on profit-oriented large estates.¹²⁴ (As a contrast, one may point to

¹¹⁹ For the international capital in the Balkans, see MILWARD/SAUL, *The Development of the Economies*, 435–438, 445–456, 492–501. On the primacy of domestic sources in fueling the Balkan industrial development: LAMPE/JACKSON, *Balkan Economic History*, 587–590; LAMPE, *Belated Modernization*, 35.

¹²⁰ SPULBER, *The Role of the State*, 274, 277; IDEM, *Changes in the Economic Structures*, 357; LAMPE, *Belated Modernization*, 35–36.

¹²¹ For a description of the drifting of Bulgaria into the German economic orbit, see John LAMPE, *The Bulgarian Economy in the Twentieth Century*. London, Sydney 1986, 87–91. For a similar account on Yugoslavia cf. ALLCOCK, *Aspects of the Development*, 558–562.

¹²² The so-called “staple thesis” about the far-reaching economic and socio-political effect of a single export crop was first elaborated by Harold Innis and Canadian economists. See for an example: *Coffee, Society, and Power in Latin America*. Ed. William ROSEBERRY/Luwell GUMUNDSON/Mario KUTSCHBACH. Baltimore, London 1995, especially the Introduction by William Roseberry.

¹²³ An interesting attempt to apply the staple thesis to nineteenth century European peripheries was made by Ivan BEREND and György RANKI, *Underdevelopment in Europe in the Context of East-West Relations in the 19th Century*. Budapest 1980, esp. 16–20. On the dependence of Rumania and Bulgaria on grains cf. also LAMPE/JACKSON, *Balkan Economic History*, 582–583.

¹²⁴ As Henry Roberts points out, the Rumanian emphasis on cereal cultivation was due to the possibilities of commercial profits in the European market and resulted in the maintenance of extensive cultivation and the social and economic relations of neoserfdom (ROBERTS, *Rumania*, 66, 332–335).

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Hungary, which succeeded in transforming its grain into export of food products and in developing a flourishing milling industry.) Raisins, wine, and olives – the principle exports of Greece – did not have potential for becoming the basis of industrial development, either (at that particular moment in any case) since they required minimal processing; besides, their prices were often unfavorable. After World War I tobacco became a growing export crop for Bulgaria (after she lost her granaries in the Dobrudža), and while demand for it was initially great (the market collapsed dramatically in 1926), the possibilities for exporting it at higher prices were hardly exploited, as processing did not attain a very advanced stage. But one should not exaggerate the capacity of a single export item to generate development – a diversified and flexible export was needed, which could only result from profound changes in agriculture and the domestic processing industries.

While Europe did not directly create the grave economic and political problems of the Balkan states, she certainly aggravated them and contributed to the plight of their populations. This can be seen most clearly in the case of Rumania, where the integration into the European market led to serious displacements of the development. The Rumanian peasants were placed under a sort of “neoserfdom”, as Rumania became a leading exporter of wheat to western Europe, of course through the agency of a greedy class of Rumanian boyars.¹²⁵ The degree of dependence of Rumania on the Western market has led Daniel Chirot to analyze its development in terms of a semi-colony.¹²⁶ But Europe did not act only directly, by guns and – more to the point in the Balkans – by trade. Much of its impact (and maybe the most important) was indirect, by way of what has been called a “demonstration effect”, i.e. the effect of seeing higher material standards and new lifestyles in the advanced states, which fostered new desires and aspirations among the people in the periphery, especially among the elites.¹²⁷ The attraction of Western goods had a financially ruinous impact, expressed in economic terms as undersaving (overconsumption or disinvestment); it may also have influenced the terms of trade against primary (agricultural) products. Falling short of these (ever more unrealizable) standards of consumption created a sense of deprivation, always relative to the West and quite independent of actual domestic development, and paradoxically, even in inverse proportion to it (as a certain development is needed to be able to appreciate backwardness). In fact, the whole drive in the semi-peripheries “to modernize” was induced by the desire to emulate the more advanced countries; thus, one may speak (as does Andrew Janos) about two

¹²⁵ Ibid., 66, 332–340.

¹²⁶ Daniel CHIROT, *Social Change in a Peripheral Society. The Creation of a Balkan Colony*. New York, San Francisco, London 1976, esp. 89–157.

¹²⁷ For the demonstration effect and its consequences, see JANOS, *The Politics of Backwardness in Continental Europe*, 327–329, 331–342, 356; IDEM, *The Politics of Backwardness in Hungary*, 315–316. On the impact in the example of Rumania: JANOS, *Modernization and Decay*, 77–81. Cf. also my paper: Roumen DASKALOV, *Images of Europe: A Glance from the Periphery*. EUI Working Paper, Florence 1994, N 8 (SPS), 1–39.

different processes: the rise of a successful material civilization in the West and the response to it on the part of the rest of the world.¹²⁸ This process of emulation unfolded its own dynamics and rarely achieved the same results as in the West. To account for this difference, one may speak of “reversed sequences” in the East, compared with the historical experience of the West: expansion of the state before the development of the economy, expectations ahead of incomes, the desire for modern industry ahead of modern agriculture, bureaucrats and intelligentsia preempting market-oriented classes, etc.

The West established not only an economic and political preponderance, but a cultural hegemony as well. Once drawn into the zone of influence of the Western civilization, people in the periphery experienced a cultural deprivation alongside the material one.¹²⁹ Elites in the peripheries developed a sense of “backwardness” and “alienation”, of being pressed into “provincialism” and condemned to imitation – a sort of cultural “inferiority complex”. Quite ambivalent feelings and frustrations naturally arose in such a situation for the disadvantaged, especially after the initial fascination with the West faded (in the Balkans around World War I), resulting at times in outright rejections of Western influence and an emphasis on national distinctiveness and a unique way. A variety of intellectual enterprises of the cultural elites in the periphery can be interpreted as rehabilitative or compensatory: excessive preoccupation with the national specificity, attempts to define “the” national culture or the traits of the national character, bold attempts to reverse the values and devalue what was presumably Western (emotion versus rationality, naturalness versus artificiality, spirit versus mechanicity, solidarity versus individualism, etc.), and the fierceness of the debate between “Europeanizers” and “autochtonists” is to be seen in this light as well. In fact, all this is hardly understandable unless taking the compensatory role into account, and the more arbitrary and speculative it appears, the more evident is its compensative nature.¹³⁰

¹²⁸ Cf. JANOS, *Modernization and Decay*, 74. On various aspects of the influence of the West upon the Balkans: education, ideas, everyday life, institutions and practices, cf. STAVRIANOS, *The Influence of the West* [cf. n. 4], 184–225. For various western influences on Bulgarian nineteenth century society and culture, see Nikolai GENČEV, *Francia v bălgarskoto duchovno vāzraždane*. Sofija 1989, 384–412; IDEM, *Bălgarskata kultura XV–XIX vek*. Sofija 1988, 256, 271–273. On the enthusiastic or reluctant response of different Balkan political and ideological currents to modernization and some unintended or unforeseen modernization effects cf. Richard CRAMPTON, *Modernization: Conscious, Unconscious and Irrational*, in: *Industrialisierung und gesellschaftlicher Wandel* [cf. n. 24], 125–134.

¹²⁹ As JANOS put it (*The Politics of Backwardness in Continental Europe*, 337): “People there (in the periphery) were not only eager to eat, dwell, and dress, but also to write, paint, and think like Westerners.”

¹³⁰ For general aspects of the function of the various constructions of national identity in the “Third World”, see H. MANCILLA, *Die Trugbilder der Entwicklung in der Dritten Welt*. Paderborn, München, Wien 1986, 143–161; for various attempts to construct a Rumanian national identity, cf. Keith HITCHINS, *Gindirea: Nationalism in a*

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Let's now attempt to *summarize* the conditions under which development in the Balkans had to take place prior to World War II. To begin with, raw materials were scarce (with the exception of petroleum in Rumania and non-ferrous metals in Serbia). Technically backward subsistent agrarian economies prevailed, and they were slowly and painfully drawn into the market (domestic and international); in fact, at the end of the period commercialization of agriculture showed only modest beginnings. While land was initially abundant, the population explosion of the first decades of the present century and the failure to improve methods of production and to create other (industrial, professional) opportunities caused a problem of superfluous agricultural populations. Agrarian reform and inheritance laws led to further partitioning of the land and mortgaged it to subsistence economy. The mentality inherent in smallholder subsistence farming impeded agricultural progress; here, time was insufficient. In so far as one may speak of policies in this sector, they purported primarily to alleviate the situation of the "superfluous" population and to avoid socially destabilizing effects. The difficulties in developing indigenous industries started with the loss of the former Ottoman markets and the ruinous competition of Western industries even in the domestic market. More capital was needed (direct foreign investment, though it played a disproportionately important role in local industries, was very limited) and a more advanced agriculture to supply products for primary processing industries (textiles, leather industry, etc.). In general, it is uncertain to what extent the small new states, not richly endowed with natural resources, with extremely limited domestic markets and poorly located with respect to routes of commerce, were economically viable.¹³¹

The independent Balkan states adopted institutions of the modern state and the political system of liberal democracy on the Western model. These were superimposed upon largely subsistent peasant economies and predominantly peasant societies and preceded socio-economic development: large scale capitalism, agricultural commercialization and the opening of the domestic market, the rise of entrepreneurs and market-oriented classes. Not surprisingly, the consequences were unwestern: the predominance of political classes absorbed with corrupt practices, the transformation of the state into an instrument of revenue extraction (indirect taxes, state monopolies), perversions of the democratic system in order to secure the domination of the bureaucratic-commercial oligarchy, sharp opposition between town and countryside, the use of police brutality in subduing the peasants, etc. The basic situation of scarcities, in which the Balkan governments were permanently operating, coupled with unwise allocation of resources, unleashed an aggravating dynamic. The disproportionate growth of the admin-

Spiritual Guise, in: Social Change in Romania [cf. n. 4], 140–173. On similar attempts in Bulgaria cf. Roumen DASKALOV, Building up a National Identity: The Case of Bulgaria. EUI Working paper, Florence 1994, N 11 (SPS), 1–31.

¹³¹ Such doubts are expressed by SPULBER, Changes in the Economic Structures, 375.

istrative apparatus and the vast military expenditures overburdened the weak Balkan budgets. In view of the huge bureaucracies and militarization, it was inevitable that the Balkan states would overtax their populations and contract large loans, the servicing of which consumed an ever increasing share of the state budget, drove most of them into bankruptcy, and induced them to accept foreign control of state revenues.

Given the weakness of other forces, the state had to act as a major modernizing agent and modernizing initiatives were often introduced "from above". But the results of state intervention were ambiguous or downright negative. Most of the attempts of the Balkan governments to accelerate development were ill-conceived or inadequately carried out, especially the policies of promoting domestic industries, which fostered mostly state-dependent and state capitalism (commercial rather than industrial). Overexploiting the agricultural sector and overburdening the population with indirect taxes proved especially short-sighted. Ironically, even the small measure of success achieved by governments in certain areas turned out to be deleterious for long-term development; thus the improvement of hygienic conditions and advance in health care caused a population explosion, which eventually resulted in overpopulation, while the adverse effect of literacy and education was to swell the ranks of office-seekers.

With the advances in education and communications (hence, information and propaganda), the masses could no longer be excluded from politics, especially as disgruntled intellectuals were ready to provide ideology and leadership. The entry of the masses into politics, accelerated by the hardship and discontent during World War I, occurred dramatically through broader-based popular movements (agrarians, communists, fascists). Certain reforms were carried out and some vested interests destroyed under the impact of these movements (e.g. the land reform in Rumania), in some cases by governments that were brought to power by such movements (Stambolijski's rule in Bulgaria). But these were remedial social measures of little consequence for development. In addition, the bureaucracy was somewhat rationalized, party machines evolved, emotional populist appeal of leaders ("caesarism") was enhanced, etc. However, socio-economic foundations changed little and prospects for development hardly improved, especially in the defeated nations. Amidst the general crisis of liberal democracy in the 1930s, the Balkan states evolved into non-party (or mono-party) authoritarian forms of government, where the monarch or a strong premiere and the military played a major role.

It is possible to attempt to create a more dynamic picture by showing how various factors and forces interacted in the Balkan setting and "conditioned" each other, within some overall "structural" parameters, i. e. within constraints of a more constant and independent nature (such as geopolitics, population, etc.). Thus, given the desire for social prestige and the scarcity of opportunities outside the political sphere, the expansion of the state apparatus is understandable; once in place, the administrative machinery demanded more and more funds for its maintenance and diverted (by way of taxation) scarce

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resources from the private to the public sector, causing living standards to deteriorate and weakening the domestic market. Spoils politics and partisanship with the concomitant corruption, wastefulness, and arbitrariness were made possible by the overall social structure: the absence of strong independent market-oriented classes and the resulting weakness of “civil society” and public opinion, etc.

Given the inflated nationalist ambitions and the inadequate domestic resources, loans appear logical and unavoidable. In turn, nationalism and preoccupation with defense, when one thinks of the setting of nationalist and militarist neighbors and the international philosophy of the times, could hardly be evaded by the political leadership of a single state, while the negative effects of the nationalist course were amplified by the small capacities of the Balkan states. The resulting military spending and waste left other spheres (especially agriculture and education) without adequate investments; this in turn boded a gloomy future. In fact, it is only by imagining a scenario without militarism and Great Power intervention – something quite at odds with the actual historical situation – that one can perhaps conceive of a different course of development in the Balkans, and then only if one allows for more time for domestic-centered development, which was not there.

The above description indicates to what extent the course of events was influenced by various contexts, which make it hardly possible to envisage a different outcome.¹³² One may visualize it as a kind of downwards spiral or a case of circular cumulative causation in a downward direction.¹³³ It is, however, useful to resist the deterministic proclivity of historians in regarding past developments (reinforced here by studying a case of “failed” development) and to try to imagine other possibilities, especially after the justified criticism of such terms as “barri-

¹³² To a certain extent this is ingrained in the very effort to “explain” or “understand”.

¹³³ See Gunnar MYRDAL, *Economic Theory and Underdeveloped Regions*. Bombay 1966, 23–34. Myrdal describes the forces at work in underdevelopment as: “a circular and cumulative process, continuously pressing levels downwards, in which one negative factor is, at the same time, both cause and effect of other negative factors” (23); “everything is cause to everything else in an interlocking circular manner” (31). Myrdal generalizes the idea into a hypothesis about social change, according to which rather than tending toward a stable equilibrium, social processes are governed by principles of cumulation, whether “upwards” or “downwards”, this cumulation being caused by an interlocking and a circular causation among various factors, non of which is the basic one. In this sense he affirms that: “the variables are so interlocked in circular causation that a change in any one induces the others to change in such a way that these secondary changes support the first change, with similar tertiary effects upon the variable first affected, and so on” (30); “in the normal case the changes in other factors which are called forth as reactions by a change in one factor, always tend to move the system in the same directions as the first change” (44). In explaining underdevelopment Myrdal is mostly concerned with processes displaying downwards cumulative effects of the type of a “vicious circle” (35–90).

ers”, “obstacles”, “necessary prerequisites” or preconditions and other negative factors for development.¹³⁴ A reassessment of the possibilities to history is needed. There were hardly ever excellent conditions for development and the odds seem as a rule to be against the late modernizer, who has to compete with more advanced countries. Even if there were such a thing as a good opportunity, it may simply be missed, as so many cases of “golden ages” of trade bonanza demonstrate: Argentine beef, Brazilian coffee, Cuban sugar, or to take some Balkan examples, Rumanian wheat or Serbian pigs; one may even go a step further to suggest that “too much good is not good”, as it creates false impressions that success will last forever. It is not success that matters most but the ability to build upon it, by flexibly diversifying exports in accordance to world market prices, by finding special export “niches”, and still more important, by investing the proceeds from them in other spheres.

As far as the Balkans are concerned, there is a wide consensus among experts about the underestimation of the capacities of modern intensive agriculture (or the failure to provide enough support for it); in fact, some contemporaries saw this clearly. As already mentioned, there were some promising signs of agricultural progress toward the end of the period. Besides, after a time lag of some decades, the educational effort was beginning to bear fruit, enhancing the social competence of the populations and the value of the “human capital”. Expertise was being accumulated and professionalization was making advances. In speaking about possibilities for development, one inevitably raises the question of leadership, as the leaders are supposed to perceive the possibilities and try to by convert them into policies.¹³⁵ On the whole, aside from certain statesmen, the leadership of the Balkan states seems not to have shown enough foresight and ingenuity to make its way around the various unfavorable circumstances and to come up with some lucky solutions, discovering (in Hirschman’s terms) a “blessing in disguise” and turning a seeming obstacle into an advantage.¹³⁶ The leadership of the Balkan countries did not pay serious attention to agricultural modernization, which could have become a vehicle for more substantial growth. Instead the leaders, too impressed with industrialization and, due in part to their own peasant background, contemptuous of the rural economy, squandered their time and energy on party quarrels and nationalist ambitions.¹³⁷ The dissipation

¹³⁴ Cf. the critiques of the idea of “prerequisites” by Alexander GERSCHENKRON, *Reflections on the Concept of “Prerequisites” of Modern Industrialization*, in: IDEM, *Economic Backwardness*, 31–51, and the critique of the concept of “obstacles” by Albert HIRSCHMAN, *Obstacles to Development: A Classification and a Quasi-Vanishing Act*, in: IDEM, *A Bias for Hope. Essays on Development in Latin America*. New Haven, London 1971, 312–327.

¹³⁵ For the ability/inability of leaders to perceive possibilities for change and development, see HIRSCHMAN, *Underdevelopment, Obstacles to the Perception of Change, and Leadership*, in: *ibidem*, 328–341.

¹³⁶ HIRSCHMAN, *Obstacles to Development*, 313–318, 327.

¹³⁷ As hypothesized by MILWARD/SAUL, *The Development of the Economies*, 455–456: “In retrospect, had Balkan governments not been dazzled by western images and

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of energies and resources on nationalist adventures and an irresponsible attitude toward loans and finances are examples of blunders and negligence. Still, a detailed study may uncover opinions and suggestions of politicians which contained a promising potential for development and avoided errors. True, there is no guarantee that once the correct choice is made, it will be pursued steadfastly by the political leadership or that the country will be allowed to make its own choice and follow it. Nazi Germany cast a mighty shadow over the Balkans in the 1930s and Soviet domination would forcibly change the direction of development of the Northern Balkan countries after World War II. But this is a different story.

One last point concerns the very way development is viewed and represented. The picture of a take-off to self-sustained growth (W. Rostow) or even of “spurts” of growth is too spectacular and biased toward overall success. Hirschman’s view of “unbalanced” and piecemeal development, which allows for the possibility to “get stuck” at a certain point, seems to describe more accurately the actual course of development in backward countries.¹³⁸ The important thing here is that there is no once-and-for-all modernization, no point from which growth becomes certain, automatic and irreversible; there are only relative and time-bound successes along various tracks of development. Getting rid of the expectation of the decisive “take-off” and accepting a more gradualist and piecemeal view of development makes it possible to acknowledge at least a limited amount of progress in the Balkans, compared with the initial situation. It is another question how great and how manifest this progress was and why the Balkans could not proceed beyond a certain (rather low) point in their development. In trying to answer these questions, this article shifted its focus from the economy proper to society, to domestic and international politics, and culture (i.e. habits and attitudes drawn from life experiences). The phenomena from these areas, in turn, can be isolated only theoretically, while “in real life” all are intertwined and interact with economic factors and the basic economic fact of scarcity of resources, which imposes constraints on action in the various spheres of life. Mal-

patterns of industrialization they might have achieved more by concentrating on the agricultural sector, not merely as an instrument but as a source – in the early stages perhaps the best source – of economic growth. By directing more investment at an earlier date toward the agricultural sector might not the indigenous industries, brewing, flour milling and textiles, have been put in a position to utilize more domestically produced raw materials instead of the imports on which they were mostly based?” The authors then suggest that though this is possible, it would have been hard to be carried out in a very adverse international economic system, unresponsive to their needs (462–463).

¹³⁸ Albert HIRSCHMAN, *The Rhetoric of Reaction – Two Years Later*, in: IDEM, *A Propensity to Self-Subversion*. Cambridge, Massachusetts, London 1995, 51–56. In a narrower sense, the “getting-stuck syndrom” refers to the possibility that a sequence of industrialization in less-developed countries is later recognized to be strewn with obstacles; however, Hirschman applies the concept to a broader range of phenomena, e.g. the experience of falling behind after having been a leader, etc.

functioning institutions, wrong priorities, nationalist adventurousness, limited national sovereignty, and involvement in Great Power conflicts, all of these factors squandered whatever chances there were for a more impressive development in the Balkans. In the final analysis, time for continuous autonomous development was insufficient.