GLOBALIZATION AND REGIONALIZATION IN SOCIALIST AND POST-SOCIALIST ECONOMIES

Common Economic Spaces of Europe

udies in Central and Eastern Europe ries Editor: Roger E. Kanet



Globalization and Regionalization in Socialist and Post-Socialist Economies

Common Economic Spaces of Europe

Edited by

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List of Abbreviations

ADB Asian Development Bank

ASEAN Association of South East Asian Nations ATM Automated Teller Machine (bankomat)

AVAS Autoritatea pentru Valorificarea Activelor Statului (Romania:

Authority for State Assets Recovery - the privatization

agency)

BOFIT Bank of Finland Institute for Economies in Transition

BRIE Bulgarian Romanian Interuniversity Europe

CE Central Europe

CEE Central and Eastern Europe

CEEC Central and Eastern European Countries

CIA Central Intelligence Agency

CIS Commonwealth of Independent States
CMEA Council of Mutual Economic Assistance
COMECON Council for Mutual Economic Assistance

CR Concentration Ratio
CZ Czech Republic

D Germany

DDT Dichlorodiphenyltrichloroethane (insecticide)

DGPA Directorate-General for Protection and Anti-Corruption

DKMT Danube-Körös-Mureş-Tisza

EBRD European Bank for Reconstruction and Development

EC European Community
ECB European Central Bank
ECU European Currency Unit

EU European Union

EU-15 Refers to the 15 countries in the European Union before the

expansion on 1 May 2004, when eight Central and Eastern European countries as well as Cyprus and Malta joined the organization. They are Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland (Republic of), Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, and

the United Kingdom

EU-27 Austria, Belgium, Bulgaria, Cyprus, the Czech Republic,

Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, Romania, Slovakia,

Slovenia, Spain, Sweden, and the United Kingdom

ECE East Central Europe

Economic and Monetary Union Exchange Rate Mechanism

EU European Union

FDI Foreign Direct Investment

Federalnaya Sluzhba Bezopasnosti (Russia: Federal Security **FSB**

Service: FSK successor since 1995)

Group of Seven G7 Group of Eight G8

GDP Gross Domestic Product **GNI** Gross National Income

Glówny Urzad Statystyczny (Polish: Central Statistical Office) **GUS**

International Finance Corporation IFC.

GPW Warsaw Stock Exchange (Giełda Papierów Wartościowych) Guberniia Sovnarkoz (Russia: Provincial Economic Council) **GSNKh**

HH index Herfindahl-Hirschman index HRK Rectors' Conference (Germany)

International Congress of Central and East European Studies **ICCEES**

IFI International Financial Institutions IMF

International Monetary Fund

IOSCO International Organization of Securities Commissions

IPO Initial Public Offering

IRFS International Financial Reporting Standards

Japan External Trade Organization **IETRO** Komitet Gosudarstvennoy Bezopasnosti KGB

(Committee for State Security, former USSR)

LT Lithuania

Mostorg Moscow Trade Agency

MS Member State(s)

MSNKh Moscow Sovnarkhoz (a local branch of VSNKh)

North Atlantic Treaty Organization NATO

Narodowy Bank Polski (National Bank of Poland) **NBP**

New Economic Policy NEP New Member States **NMS**

NNI New Neighbourhood Instrument

OECD Organization for Economic Cooperation and Development

PL Poland

RECEP Russian European Centre for Economic Policy

Research and Development R&D

Russian State Archive of the Economy **RGAE RSFSR** Russian Soviet Federated Socialist Republic

SK Slovakia

SME Small and Medium-sized Enterprise

TACIS Technical Assistance for the Commonwealth of Independent

States (EU)

USSR Union of Soviet Socialist Republics

United Nations Conference on Trade and Development UNCTAD

Komissiya Soveta Ministrov SSSR po voenno-promyshlennym VPK voprosam, or Voenno-promyshlennaia komissiia (Russia:

Military Industrial Commission)

Supreme Council of the National Economy (Russia) **VSNKh**

WERI World Economy Research Institute (Poland)

World Trade Organization WTO

Acknowledgements

This volume is the second of two I have edited in this series dealing with the changing economic spaces and practices of post-socialist Europe. State and Society in Postsocialist Economies appeared earlier this year and addressed the changing roles played by state and societal actors in shaping contemporary post-socialist economic landscapes. Globalization and Regionalization in Socialist and Post-Socialist Economies: Common Economic Spaces of Europe focuses on the interweaving of general processes of economic internationalization, harmonization and integration with the complexities produced by the parallel and linked processes of regionalization, localization and adaptation. In various ways, the chapters in this volume question assumptions about contemporary European integration and broader processes of globalization, and they do so from the perspective of both earlier experiences of economic internationalization and from a diverse range of contemporary perspectives on the building of common European economic spaces. The authors come from nine countries. Together their topics and approaches reflect the growing diversity of perspectives on the practices of socialist and postsocialist economies.

I would like to thank Bob Jenkins for his help in editing the preliminary manuscripts, Christian Sellar for assistance with some translation issues and Leon Pickles for help with indexing. Roger Kanet has been a wonderful supporter of this project and has offered constructive comments at every stage. I would also like to thank the anonymous reviewers who provided useful comments and suggestions on all the chapters.

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Finally, thanks to the authors who have responded positively to the demands of repeated revision and updating, turned around chapters and queries with speed and borne the delays in the overall project with good humour.

John Pickles July 2008

Preface by General Editor

When the International Council for Central and East European Studies (ICCEES) was founded at the first international and multidisciplinary conference of scholars working in this field, held in Banff, Alberta, Canada, on 4-7 September 1974, it was given the name International Committee for Soviet and East European Studies (ICSEES). Its major purpose was to provide for greater exchange between research centres and scholars around the world who were devoted to the study of the USSR and the communist states and societies of Eastern Europe. These developments were the main motivation for bringing together the very different national organisations in the field and for forming a permanent committee of their representatives, which would serve as an umbrella organization, as well as a promoter of closer co-operation. Four national scholarly associations launched ICSEES at the Banff conference: the American Association for the Advancement of Slavic Studies (AAASS), the National Association for Soviet and East European Studies in Great Britain (NASEES). the British Universities Association of Slavists (BUAS), and the Canadian Association of Slavists (CAS).

Over the past three decades six additional Congresses have been held: in Garmisch-Partenkirchen, Germany, 1980; Washington, USA, 1985; Harrogate, UK, 1990; Warsaw, Poland, 1995; Tampere, Finland, 2000; and Berlin, Germany, 2005. The next Congress is scheduled for 2010 in Stockholm, Sweden. The original four national associations that sponsored the first congress have been joined by an additional seventeen full and six associate member associations, with significantly more than a thousand scholars participating at each of the recent congresses.

It is now a little over three decades since scholars felt the need to coordinate the efforts in the 'free world' to describe and analyse the Communist political systems, their societies and economies, and East-West relations in particular. Halfway through this period, the Communist system collapsed, the region that was the object of study was reorganized, and many of the new states that emerged set out on a path of democratic development, economic growth, and, in many cases, inclusion in Western institutions. The process turned out to be complex, and there were setbacks. Yet, by 2004, the European Union as well as the North Atlantic Treaty Organization had welcomed those post-Communist states that had met all of the requirements for membership. Not all of the applicant states achieved this objective; but the process is ongoing. For this reason, perhaps even more than before, the region that encompassed the former Communist world demands study, explanation, and analysis, as

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both centripetal and centrifugal forces are at work in each state and across the region. We are most fortunate that the community of scholars addressing these issues now includes many astute analysts from the region itself.

ROGER E. KANET

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