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The period we shall be examining is the "long 19th century",[1] a period forged by a dual revolution,[2] and characterized by the spread of capitalism and the aggravation of its contradictions. Two revolutions at the end of the 18th century initiated this era: the English Industrial Revolution starting around 1780, and the French Revolution of 1789. Their consequences and repercussions tended to reinforce one another, and soon–directly or indirectly–transformed all of Europe, indeed, all the world.

In this sense, then, it is the "long 19th century" stretching from the 1780s to 1917 that we call the age of industrial revolution. Not that the Industrial Revolution itself was of such long duration–in fact, most researchers agree that the English Industrial Revolution took place within a space of about four decades, having, for the most part, run its course by around 1820.

However, this one and only Industrial Revolution established an economic basis which created both new opportunities and a new need for social and political change. In this sense, then, the English Industrial Revolution was a European–in fact, a world–phenomenon, a challenge every society had to face. We can only agree with A. Milward and S. B. Saul: "The enormous increase in productive capacity in Britain demanded, if only for reasons of political power, a similar response on the continent. The industrial revolution . . . implied nothing less than the destruction of the old social and political order."[3]

It was in the course of this long 19th century that the peoples and nations of Europe worked out their answers to England's challenge. The countries of the Western European core did so rather quickly and more comprehensively as early as the first decades of the 19th century; Germany had done so by mid-century. The more backward regions of Europe were slower to respond, and tended to work out less complete answers when they finally started to do so from the last three or four decades of the century on. We can hardly find this surprising, for the dual revolution that had issued the challenge had taken place in Western Europe, the region that

[1] The expression seems as justified as F. Braudel's use of "the long 16th century" to describe the period from the mid-15th to the mid-17th centuries.

[2] For the concept of "dual revolution", see E. J. Hobsbaum: *The Age of Revolution* (1789–1848), London, 1962.

[3] A. Milward and S. B. Saul: *The Economic Development of Continental Europe 1780–1870*, London, 1973, pp. 28–29.

earlier, too, had been in the forefront of capitalist transformation, having been the centre of a capitalist world economy from the 16th century on.

By contrast, at the start of our period at the end of the 18th century, the European "periphery" was still far from being on the road to capitalist transformation. The ring of countries surrounding the core–Scandinavia, the countries of the Iberian Peninsula, the Italian states, the Balkans, the eastern regions of the Habsburg Monarchy, and the Russian Empire–were all relatively backward, with no spontaneous domestic forces adequate for a transformation along the lines of the dual revolution. The reasons for this, of course, are by no means exhausted by references to the discrepancies in their institutions and social structure.

Let us now look at the estimated per capita GNP for 1800, our point of departure in the analysis that is to follow.

Table 1

Per Capita GNP in 1800[4]

Region	In 1960 US dollars	Great Britain =100	European average =100
Great Britain	343	100	172
Earliest industrialized Western Europe	211	61	107
Scandinavia	193	56	97
Mediterranean countries	203	59	102
Eastern Europe	170	49	85
Austria–Hungary	190	55	95
European average	199	58	100

The data for 1860 show much more substantial differences among the various regions. The 1860s are particularly instructive from the point of view of our investigation, for most of the countries of Western Europe had, by this time, experienced their industrial revolution, while for many of those of the periphery, this was the decade that development started. The differences we see for 1860 are a good indication of the fact that throughout the first half of the 19th century, the countries of the periphery–from Scandinavia to the Mediterranean and to Eastern Europe–were unable, on their own, to start on the road to capitalist transformation and industrial development.

The six decades that had passed had given rise to extraordinarily wide-ranging differences among the various regions.

Between 1800 and 1860, the most developed nations had more than doubled their per capita national income; the countries of the periphery, however, could not keep pace. In Scandinavia, the Mediterranean countries and Austria–Hungary, the per

[4] P. Bairoch: *Europe's gross national product 1800–1975*, The Journal of European Economic History, 1976, Vol. 5, No. 2; and Bairoch: *Commerce extérieur et développement économique de l'Europe*, Paris, 1976.

Table 2

Per Capita GNP in 1860[5]

Region	In 1960 US dollars	Earliest industrialized countries = 100	Great Britain = 100	European average = 100
Great Britain	558	123	100	180
Earliest industrialized Western Europe	454	100	81	146
Scandinavia	273	60	49	88
Mediterranean countries	309	68	55	100
Eastern Europe	180	40	32	58
Austria–Hungary	288	63	51	93
Hungary	230	51	41	74
European average	310	68	55	100

capita GNP had grown by 40 per cent; in the countries of Eastern Europe, growth was less than 10 per cent. Around 1860, the latter still had the GNP level typical of pre-industrial Europe, and even Hungary was only a little farther ahead.

What was it that finally gave the countries of the periphery the impetus to change? We will not be far wrong if we say that it was the challenge that Western Europe had become to the more backward countries.

This challenge was an extraordinarily complex socio-economic and political phenomenon, one threatening at once the political system, the military power, and the socio-economic structure of the backward nations. It put particular pressure on countries unable to keep pace with the new developments, presenting them with alternative prospects of the most varied kinds of subjugation. What was a source of danger was also, however, a challenge and an opportunity.

The technological triumphs of the leading countries, the spread of the knowhow they had acquired, the transplantation of their institutions could also be a source of progress. Obviously, however, they were hardly likely to be so in the far-flung colonies, whose dissimilarity from Europe created a chasm that could hardly be bridged. In peripheral Europe, on the other hand, a fundamentally similar religious and cultural milieu and geographic proximity both facilitated the spread of these positive influences; here, then, they could develop much more effectively.

The most direct economic influence in this complex of European interrelationships was the enormous "pull" exerted by the rapidly industrializing core's ever-growing need for imports of food and raw materials. This pull always served to activate the more backward economies, though the industrial and economic superiority and growing export opportunities and needs of the developed countries being what they were, these backward economies were at no small risk of developing into distorted and one-sided complementary economies.

[5] *Ibid.*

The major factor in this relationship of attraction and repression was international trade. According to some calculations, in the period between 1820 and 1880–during which the earliest industrialized nations got over their industrial revolutions and into the period of "self-sustained" growth–world trade grew no less than nine-fold. These decades, however, were but a part of a longer period of the extraordinarily rapid expansion of world trade which, between 1750 and 1913, grew fifty-fold.[6]

Let us examine first of all the two principal forms of economic penetration and of economic "pull", the chief means of transforming the factors of production, namely, capital export and the growth of foreign trade. Capital export was a precondition of the setting up of the communication networks without which the increase of trade would have been impossible.

It is well known that capital export from the developed countries grew by leaps and bounds during the second half of the 19th century, for they had a relative abundance of capital, and the underdeveloped countries had a considerable need for it.

Table 3

The Volume of Capital Export[7]

Year	Billion dollars	1870 = 100
1850	2	33
1870	6	100
1900	24	400
1913	46	767

Table 4

The Distribution of Capital Export[8] *by Countries, in 1914*

Country	Amount invested (in million dollars)	Per cent of total
Great Britain	19,500	43
France	9,000	20
Germany	5,800	13
United States	3,500	7
Belgium, the Netherlands	–	–
Switzerland	5,500	12
Other countries	2,200	5
Total	45,500	100

[6] W. Woodruff: *The emergence of an international economy 1700–1914*, The *Fontana Economic History of Europe*, (Ed. C. M. Cipolla), Glasgow, 1973, Vol. 4, p. 658.

[7] S. Kuznets: *Modern Economic Growth*, New Haven–London, 1966, p. 322.

[8] A. G. Kenwood and A. L. Longheed: *The Growth of the International Economy 1820–1960*, London–Sydney, 1971, p. 41.

The "other countries" include also the countries of the periphery. Russia, Italy, Sweden, and Portugal were also capital exporters, and even Hungary had some insignificant foreign investment, about 40 million dollars' worth, a 0.01 per cent of the above total.

In examining the economic ties of the developed to the underdeveloped countries, it is hardly possible to overestimate the importance of the form that capital investment takes: working capital, for instance, while it is a direct contribution to the recipient country's forces of production, is also the most direct means to the capitalist power's acquiring a decisive voice in that country's economy, and to its shaping and distorting the latter to suit its own needs. This effect was especially overwhelming in the case of the colonial and semi-colonial countries outside Europe, which often did not even have the capital needs had by the European periphery, and where capital investment was a matter of sheer economic invasion. In the European periphery but a part of the capital invested was direct working capital, most of it entering the country through the mediation of the recipient country's government, or its leading capitalist groups. Naturally, this did not prevent the foreign investors from acquiring positions of influence, nor did it shield the economy from foreign pressures; nevertheless, it was a situation quite different from that of the extra-European colonies. Those with capital to export did not have absolute sway over the economies of the importing countries, nor could they simply mould them to suit their own economic interests.

The total amount of foreign capital invested in the Iberian Peninsula amounted to about 1.5 billion dollars, or 3–4 per cent of all the capital invested abroad throughout the world. Given the level of development and economic needs of these countries at that time, we can conclude that enormous sums indeed were flowing into their economies in the form of foreign investments.

Except for Greece, which, for political reasons, had been receiving government loans from Western Europe even in the first half of the century, the Balkans became importers of capital mostly in its last decade. English investment in the area–mostly in Greece–came to 100 million dollars; the French investment to 540 million dollars (in 1900 alone, it was 180 millions); German capital investment amounted to 400 million dollars; and all this was compounded by various sizes of Swiss, Belgian, Dutch, Austrian, and even Hungarian investments, altogether amounting to about 200 million dollars. Altogether, the capital exported to the Balkans was around 1,250 million dollars, a sum substantial enough to have economic effects of some significance. By contrast, the working capital invested in the Balkans by foreign financier groups was insignificant on an international scale, and did practically nothing to boost industrial development.

In Serbia, for instance, the foreign investments in industry came to only 3–5 per cent of the amount invested in the country by foreigners in the form of state loans. The situation in Bulgaria was much the same; foreign investments in industry were confined to investments in the building of electric power plants. In Romania, however, the oil industry was important enough to attract more substantial foreign investments. Thus, Romania was the only Balkan country to escape insolvency, and the consequent foreign financial supervision that Serbia's and Bulgaria's excessive and unpayable loans brought upon them, on the former in 1895, on the latter in 1901.

Between 1887 and 1914, Bulgaria's national debt had grown from 26 to 850 million levas, 40 per cent of it going to finance the national budget and the country's military expenditures.

Only 5 per cent of the loans contracted were directly invested in augmenting the country's productive capacity; this was hardly enough for economic development, and could provide no economic basis for the repayment of the loans.[9]

The situation of the Balkans was indeed as H. Feis so succinctly described it: "Any independent state can buy enough rope to hang itself with, if it will pay enough."[10]

In both Hungary and Russia the importance of foreign investments was yet greater.

In Hungary, we find the figures for the foreign investments made in the country to have been the following: between 1867 and 1875, 65 per cent; between 1875 and 1900, 45 per cent; between 1900 and 1914, 25 per cent.

Initially, this money served to finance the construction of railways, to provide loans for the development of agriculture, a chief factor of domestic accumulation, and of the establishment of the mining industry.

It was mainly in the final period after the turn of the century that interest in industry began to grow, but by then, as we have seen, foreign investments had declined, primarily because here, too, they had contributed, in a certain sense, to the acceleration of the country's economic development.

In this, foreign capital had played a more important role in the form of state loans and through the Hungarian banks. Although foreign capital kept its key positions up to 1913, the just evaluation of its contribution to the transformation of the economy to that date–yet to be given–might well show a positive balance.[11]

Russia was the number one capital importer of Europe.

Between 1816 and 1914, foreign investments in Russia rose from 0.5 billion rubels to 7.6 billion rubels. At the time of Russia's great economic boom, between 1892 and 1908, 60 per cent of all investments came from foreign capital sources. More than half of all Russian government securities were placed abroad in 1907, the foreign capital invested in private railways to World War I amounted to 93 per cent of all investments, and half of all investments in Russian industry, and nearly 88 per cent of all the mining and smelting shares were in foreign hands.[12]

In Scandinavia, foreign capital investment was significant mostly at the beginning of the period of economic development; by the time the countries of the area entered the period of "self-sustained" economic growth, development was backed mostly by domestic capital resources, with foreign capital being pushed into the background. The spin-off industries started off by the export sector initiated a process of internal accumulation that was ever more capable of supplying the economy's capital needs.

[9] I. T. Berend and Gy. Ránki: *Economic Development in East-Central Europe in the 19th–20th Centuries*, New York, 1974, pp. 105–108.

[10] H. Feis: *Europe, the World's Banker 1870–1917*, New York, 1964, p. 263.

[11] For Hungary, see Berend and Ránki: *Nationaleinkommen und Kapitalakkumulation in Ungarn 1867–1914*, in: *Social-Economic Researches on the History of East-Central Europe*, *Studia Historica*, 62, Budapest, 1970, pp. 11–35.

[12] See (V. I. Bovikin) В. И. Бовыкин: *Зарожебение Финансового капитала в России*, Moscow, 1967.

Even with Sweden's relatively high level of domestic accumulation then, foreign capital played an important part in the country's 19th-century economic development.

Eli Heckscher went as far as to conclude the following: "Whether directly or indirectly, the influx of foreign capital was one of the main prerequisites for the expansion of the Swedish economy throughout practically the whole period ending with the outbreak of the First World War."[13]

In Denmark, the situation was quite similar. Foreign capital accounted for 20 per cent of all Danish investments.

Foreign capital played a somewhat greater role in Norway's economic development, but its influence cannot be said to have been decisive. It had, rather, what could be called a stimulative effect, contributing to economic growth, and promoting domestic capital accumulation. In the most developed Scandinavian countries, in Denmark and Sweden, it resulted in a level of economic development in which domestic accumulation no longer required the stimulus of foreign capital.

Foreign capital investment, then, was a characteristic moment of the development of all peripheral countries during the industrial revolution. Even a look at just the major elements of this activity will make it obvious that foreign investment was particularly important for financing the enormous expenses of establishing the communications system and the extractive industries and, to varying degrees, the processing industries as well.

A look at the main areas of investment in the periphery, however, also indicates that the financier groups of the advanced countries were indeed attracted only to branches whose development stood to serve their own interest, and hoped to use these economic ties to restrict the weaker economies to a complementary role. No less importantly, we find that, with the demand for capital often exceeding the supply, the monopoly the great powers enjoyed held promise of enormous profits for the creditor nations' leading capitalist and banking groups, who had, besides the high rates of interest and the multitude of mediation and service changes, also the prospects of capitalizing on these transactions on the stock market.

What was the consequence of all this for the development of the backward regions? Did it serve to promote their transition to capitalism; did it tend to work as an incentive to change? Or did it, rather, degrade the countries of the periphery to the role of dependent, complementary economies?

These questions have given rise to decades of debate, with economic, political and historical arguments being advanced on both sides. From time to time, we still find apologists of foreign capital activity, singing the praises of the blessings it brings. Economic historians, however, are ever more likely to seek for answers in a precise and complex examination of empirical data. R. Cameron, in his book on the export of French capital, provides an analysis that deserves our attention, and comes to the following conclusion: "Because of the variety of initial circumstances (e.g. resource endowments and locational factors), the timing of French assistance, and the variety of responses in different countries, one can scarcely hope to find satisfactory answers to all questions, but certain relationships stand out clearly."[14]

[13] E. Heckscher: *An Economic History of Sweden*, Cambridge, 1954, pp. 247–248.

[14] R. Cameron: *France and the Economic Development of Europe 1800–1914*, Chicago, 1961, p. 308.

In Cameron's view, the effect foreign capital investment had on the capital importing country was determined by its domestic situation at the time of investment, by the kind of legal and institutional framework it had: on whether the French codes or similar legal systems supportive of the market forces had been introduced, or whether a traditional, theocratic framework was still impeding capitalist economic activity. No less important, of course, was the country's agrarian structure: how far feudal or semifeudal elements worked against rationalization, and how far reform had cleared the way to it. Likewise determinative was the likelihood of the country's being able to adopt new techniques. And finally, and related to all this, was the factor of the level of general culture and education.

On this interpretation, then, foreign capital investment is an essential incentive to economic change wherever capital investment is accompanied by the adaptation of the new technology, and wherever a suitably mobile social structure and a high level of culture create an atmosphere conducive to change.

The weakness of this undoubtedly fruitful approach is that it assumes that capital investment is in itself a positive factor, an incentive to economic change, with the issue of whether or not the change does in fact come about depending exclusively on the level of internal structural development of the receptive environment. It fails to notice that with the very act of foreign capital penetration this environment itself undergoes changes.

Quite contrary to such an interpretation is a view that is gaining ever wider currency–especially in respect of the development of the Third World–and has received a number of formulations. All of these attribute the effects of capital investment exclusively or primarily to external circumstances, such as the attempts at colonization, the open, and so-called "structural violence" practiced by the industrialized powers, the obvious inequality of any relationship between the developed and backward countries, and the necessary subordination of the latter.[15]

It is, of course, difficult to draw the balance between these two views theoretically and with general validity. International capitalism and imperialism on the one hand, and the state and process of internal development in the various countries on the other are, at any rate, closely related concepts, expressive of a multitude of variations and possibilities.

For a valid picture in any given case, however, we have first to examine in greater detail the effect of foreign capital activity, look at how the transport system and the export branches were built up, and examine the role played by foreign trade relations. Only through the examination of all these factors together can we hope to arrive at any conclusion.

The British Industrial Revolution and its spread throughout the western half of the continent created a radically new kind of European trade. The more backward countries of Europe which, nevertheless, had strong economic, political and cultural ties to the West were all influenced by the new circumstances, though in different ways and with different consequences for their development. A whole new set of

[15] A. G. Frank: *Multilateral merchandise trade imbalances and uneven economic development. The Journal of European Economic History*, 1976, No. 2.

conditions influenced their receptivity to capitalism and their part in economic specialization. Throughout the 19th century, it was mostly these that determined the development of foreign trade. This latter had two main characteristics. The first was the growth of trade among the developed countries which, for all the advantage that England had over all the rest, was a function of a growing international specialization, and was based on the exploitation of the advantages each country enjoyed by virtue of its own particular configuration of productive factors.

The second characteristic of 19th-century European trade was that the trade between the developed and the underdeveloped nations grew by leaps and bounds. The incentives here were the nearly insatiable need of the former for agricultural products and raw materials, and the fact that trade with the nearest underdeveloped agricultural nations—those of Europe—seemed the most natural way to satisfy these needs.

It was, thus, a natural first step in its world-wide expansion for capitalism to spread the fruits and demands of the industrial revolution to the European periphery. The countries of this area were not only easily accessible geographically, they were themselves anxious to establish contact with the industrialized nations; and, with the socio-political changes transpiring and the bourgeois institutional systems being built up, they were becoming particularly fit to do so. The railways built with foreign investments provided the technical preconditions of their participation in world trade. Europe's backward countries thus became at once the market for Western Europe's growing store of industrial products, and the providers of its supplies of food and raw materials. At a time when the other continents were just starting to join in the new system of world trade initiated by the Industrial Revolution, except for a few special tropical products, it was mostly Southeastern Europe and, to a certain degree, Northern Europe which functioned as a peripheral area to the European industrial core.

There can be no doubt, therefore, that the needs of the developed industrialized countries stimulated to export orientation these theretofore self-sufficient consumption oriented economies. The scale and consequences of this change, however, were functions of external and domestic factors combined. The geographical proximity of the European periphery—as much as the revolution in transport of the 19th century, the building up of the railway network and the consequent drop in transportation costs was to make this a secondary consideration—was in itself a potential advantage. The scope and the effects of foreign trade, however, depended primarily on how far the developed countries' import demands coincided with what the backward countries had to offer.

The exporters of crucially important raw materials of high market elasticity had an advantage—in the given phase of development—over the exporters of agricultural products, whose market elasticity was lower. The domestic repercussions of foreign trade were no less important. The development through which capitalism drew ever newer areas into the international economy, a wave which reached Scandinavia before it did the Balkans, can, indeed, be regarded as a unified process. For all that, we can hardly consider the relationship of the first industrialized and the follower countries simply in terms of a time-lag, nor see their functional relationships as an instance of natural specialization based on comparative production costs.

The first conclusion we can draw from Table 5 is that in most of the countries we are concerned with, the rate of export growth was faster than the European average. The countries with the fastest growing export rate were Finland and Denmark, both with an annual growth rate of over 5 per cent. At the other pole, we find the countries of the Iberian Peninsula, and Italy, with an export growth that was short of the European average. All this indicates the period as a whole to have been one of relatively rapid export growth, with a corresponding rise in the demand for import goods, all of which served to accelerate the development of the economy and its capitalist transformation. Establishing the fact of the growth of exports and foreign trade, however, is by no means tantamount to establishing how far it contributed to economic development as a whole, how far it led to growth through savings and investments. Yet the social ramifications of these questions can hardly be mooted. In this connection, we shall merely mention that in many countries, bourgeois transformation was at that time an incomplete, still ongoing process; the power of the old ruling classes survived in a number of them, as did the feudal system of big estates.

Table 5

Rate of Export Growth[16] *(Annual average, in %)*

Country	1860–1880	1880–1890	1890–1910	1860–1910
Hungary	–			2.7*
Bulgaria	–	9.4	3.3	5.3
Greece	2.1	6.7	2.9	3.3
Romania	–	2.1	3.9	3.3*
Serbia	–	1.9	4.2	3.4*
Russia	4.1	3.5	3.6	3.8
Sweden	4.9	3.7	3.2	4.0
Norway	3.3	1.8	3.8	3.2
Finland	6.6	1.6	5.5	5.1
Denmark	7.2	1.8	4.8	5.1
Italy	3.4	−2.0	4.2	2.6
Spain	4.4	2.9	0.9	2.7
Portugal	2.0	0.5	2.1	1.7
European average	3.2	1.3	3.2	2.8

*1880–1910

All this served to concentrate a great deal of the income from exports in the hands of a disproportionately small sector of the population; to boot, one which was by no means unequivocally committed to fostering capitalist values. 12

But to return to the economic aspects of the role of foreign trade, let us examine first of all the "axiom" that a foreign trade structure based on the export of raw

[16] The calculations are based on: Bairoch: *European foreign trade in the XIXth century. The development of the volume and volume of exports*, *The Journal of European Economic History*, 1973, No. 1.

materials is, in some sense, indicative of backwardness.[17] Just as common a point of departure is the assumption that in any exchange of foodstuffs and raw materials for manufactured goods, those selling the former are bound to be at a disadvantage, while those selling the latter are bound to profit from the deal. With terms of trade thus favouring the sellers of manufactured goods–the countries of the industrialized core–the rich were bound to get richer, and the backward were bound to fall even farther behind.

The facts, however, indicate that it was not in general that the terms of trade favoured the core countries to the disadvantage of the periphery. Just which side enjoyed an advantage was always a function of the given set of goods exported and imported, and of the price fluctuations of the world market.

Certain general trends notwithstanding, therefore, a country's profits or losses from foreign trade were a function of the concrete circumstances. A wheat exporting country was obviously worse off selling at world market prices than a country exporting meat and other animal products (Hungary, which sold her wheat to the Monarchy, was a special case), yet, both were "exporters of agricultural products". In the same way, machine exporters were at an advantage over exporters of chemical products–for which the terms of trade were unfavourable indeed–though both were cases of "industrial export".

All this indicates that the losses or gains sustained in the course of trade did not simply follow from a country's core or peripheral position, but were the consequence of the given country's particular production and export activity. Just what these were, however, was very far determined by a country's ability–or inability–to adapt to the demands of the market. This element of flexibility was, in fact, a crucial factor in whether foreign trade became the means of a country's subordination to a more developed economy, or whether, rather, it became the incentive to the country's itself developing a more advanced economic structure. Just which was true in the case of any given country we can determine only through a complex analysis of all the factors of both the international and the internal economic system.[18] In this respect, we must agree with H. Mint: "The traditional concept of 'terms of trade' is no adequate measure of the advantages of international trade, any more than is the distribution of the income derived from it. We must also take into consideration the growth of economic activity, the changes in employment and level of technological knowhow induced by derivative investments, and all the other dynamic incentives originating from the growth of the country's volume of trade."[19]

That this is indeed so is supported by the fact that a great many developed countries exported foodstuffs and raw materials in the initial phase of their development, and often much later, too, in the effort to speed up capital accumulation. In a number of countries, then, it was the development of the raw

[17] Samir Amin: *L'accumulation et l'échelle mondiale*, Paris, 1970, p. 472.

[18] See Ch. Kindleberger: *Foreign Trade and National Economy*, New Haven, 1962, p. 201.

[19] H. Mint: *An Interpretation of Economic Backwardness in the Economies of Underdevelopment*, New York, 1963.

material based export branches that laid the groundwork for the structural transformation of industry, and for an overall economic boom.[20]

The question, thus, is not whether the export of foodstuffs and raw materials *in itself* leads to favourable or unfavourable terms of trade for a given area, but whether the countries of an area become trapped in the role of raw material exporters, or are, rather, able to go on from there to build up a suitably developed economic structure.

The ability to build up such a developed industrial structure, to respond to the Western stimulus, and to compete successfully with the more developed countries was, naturally, the result of the complex interaction of a number of factors. The wealth of a country's natural and geographic resources, its accessibility, its communications network, the antecedents of its proto-industrialization, its chances of capital accumulation and of adopting foreign technology, and last but not least, government policy were all decisive factors of its response to the West.[21]

True as all this may be, however, we need to distinguish within the too general category of foodstuffs and raw materials those products whose export *in itself* tended to promote industrialization, from those products which were less likely or quite unlikely to have repercussions in industry or technology, or to lead to spin-off effects.

I should like briefly to sketch the three types of peripheral country to be found in Europe. The three differ from one another in respect of the rate of their export growth, but more importantly, in the kind and degree of development and economic transformation that this export growth induced. Since we are talking here of countries with dissimilar historical backgrounds and levels of socio-economic development, there is definitely a certain degree of simplification in categorizing them according to three main export products: wood, wheat, and wine.

Wood. It was after 1850 that British and Western European investments, and the new policy of free trade first stimulated Sweden to become a large-scale exporter of wood. Within 20 years, Sweden's wood export rose from 4.4 million cubic metres to 1.8 million cubic metres. In the 1850s, 34 per cent of all Swedish export was wood

[20] This is what we see in the case of Canada and the USA:

	Food and raw materials		Food industry		Industrial goods	
	USA	Canada	Canada	USA	USA	Canada
1850	68	—	—	19	13	—
1868–1870*	54	95	95	29	16	5
1914**	42	87	87	33	26	13
1926–1929	31	47	30	24	45	23
1936–1939	23	32	40	25	52	28

* for USA, 1861–1870; ** for USA, 1901–1910.

Source: Ch. Kindleberger: Foreign Trade and National Economy, Munich, 1973, pp. 41–43.

[21] These are given as the factors of European industrialization by S. Pollard: *Industrialization and the European economy*, *Economic History Review*, 1973, No. 4.

and wood products; by the 1860s, the ratio was 44 per cent, and did not change much to the turn of the century.[22]

Soon, however, there were incentives to development. To the extent that the Swedish iron industry was able to adapt the new British technology, and to the extent that British and Western European iron producers could not meet the ever growing iron needs of transport and industry, so far could Sweden again hope to become an exporter of iron. In fact, iron became the second major stimulus to Sweden's economic growth. By the 1880s, iron products were accounting for 16 per cent of all Swedish exports. For all that, the export structure of the early 1880s was very close to the traditional pattern. Twenty-four per cent of all exports consisted of foodstuffs, 43 per cent of raw materials, and 33 per cent of industrial products. Nevertheless, it would be a grave mistake to forget that a foreign trade based on the export of iron and wood had the potential to greatly accelerate Sweden's capital accumulation, and consequently, the overall transformation of her economic structure. In this case, an increase in the volume of export was bound to have more than just the consequences customary for a peripheral economy. For, while the export of wine and tropical fruits in whatever quantity could hardly lead to economic transformation (the qualitative repercussions of quantitative growth being negligible here), and wheat export, under optimal circumstances, might initiate spin-off effects, the export of wood and iron had mediate and immediate effects on industry that were much quicker to appear. For one thing, the export of even unprocessed wood and iron ore demands industrial activity requiring a considerable labour force. For another, the very process of extraction –especially in a country with industrial traditions such as Sweden's–was quick to lead to the development of primary processing. Given the favourable domestic preconditions, the booming world market soon initiated a process of industrial development in which wood processing, in combination with the nascent chemical industry, created the paper and cellulose industries that were to become major export branches. The cellulose export rose from an average of 7,300 tons per annum between 1876 and 1880 to an annual 90,000 tons between 1891 and 1895; by 1911–1915, it was an annual 800,000 tons, and comprised three-quarters of all the cellulose produced. By 1911–1913, wood accounted for but 26 per cent of all exports, paper and cellulose having risen to 17.6 per cent.[23]

Sweden, then, received a considerable income from her exports of wood (and naturally, iron ore).

This income helped both to expand the home market, and to promote domestic accumulation to a degree adequate not only to set the economy booming but also to result in this complete transformation. In respect of her economic structure and level of national income, Sweden stepped out of her peripheral position and joined the ranks of the most developed core countries.

Wheat. Wheat was one of the most important of 19th-century export products. Demand for it grew practically constantly to the beginning of World War I, by an

[22] F. Fridliziuz: *Sweden's export trade 1850–1960, Economy and History*, 1963. E. F. Söderlund: *Short term economic fluctuation and the Swedish timber industry, The Journal of Economic History*, 1963.

[23] K. G. Hildebrand: *Les traits caractéristiques de l'industrialisation des pays scandinaves, L'industrialisation en Europe*, Lyon, 1973. L. Jörberg: *Scandinavia, Fontana Economic History*, Vol. 4.

annual average of 34 per cent. The price trends, however, were not quite as favourable as they were for wood; the growing competition from American wheat especially tended to push down prices. In spite of this, however, three countries of Eastern Europe–Hungary, Russia and Romania–started on the road to development through the export of wheat and other grains.

Between 1850 and 1913, Hungary's export jumped from 30 million dollars to 368 million. In just the 40 years preceding World War I, exports increased more than threefold, which meant an annual growth of over 3 per cent.

The chief export item was grain, which accounted for over 50 per cent of all exports. Grain was considered a fortunate export item in all respects, at least to the turn of the century. The demand for it grew constantly as the western parts of the Austro-Hungarian Monarchy became ever more industrialized, and as per capita consumption increased. Prices–until the flood of cheap American grain to Europe brought them down–showed an upward trend, and long continued to be advantageous within the tariff wall protecting the Monarchy.

Hungary–primarily because of her position within the Habsburg Monarchy–felt the pull of the Western economies much before her neighbours, and was able to respond to it, too, about three decades earlier than they.

Naturally, the speed of this reaction had a great deal to do with the strength of the domestic factors of development. At the same time, this earlier start meant that Hungary fell relatively less far behind, and had a greater variety of options open to her as to the form her participation in world trade would take.

The volume of Hungary's grain export was such that it led to an extraordinarily fast growth rate in agricultural production: an annual average of 2 per cent during the half century of Dualism. But it was not merely a matter of using new production techniques to increase productivity. As early as the late 1860s, Hungary began to exploit the industrial potentials of being an exporter of grain. Unlike a great many agricultural products, grain was eminently suited for industrial processing; what was more, the conditions of its production, its technological and manpower needs promised to affect the country's economic structure as a whole. Though the manpower needs–and thus, the direct societal repercussions–of the milling industry were rather circumscribed, it required a high organic composition of capital: large-scale technological investments, a great deal of capital, and not a big, but a skilled labour force. Though there were local milling industries in all the countries of Europe, Hungary was practically the only European country to be able to transform a part of her agricultural export into the export of food products. All this indicates intense economic activity, and a responsiveness to the pull of the industrial revolution; but it also indicates that certain structural changes were taking place in the country's economy.[24]

Hungary's milling industry soon became an exporter on a world scale. Budapest's milling capacity was next only to that of Minneapolis, U.S.A. How can we account for this extraordinary boom? Primarily with the fact that Hungary was at an advantage in respect of comparative costs both in grain production and in the milling industry, not

[24] Berend and Ránki: *Hungary. A Century of Economic Development*, London, 1974, pp. 46–50.

only because of the cheaper raw materials, but because of her better technology and higher productivity. Though the machine park to be found in the mills was partly foreign import, in the critical phase of the boom it was a Hungarian invention, the roller mill, which guaranteed the country's milling industry its technological superiority, and its lead in quality and productivity.

What we see here is doubtless a case of an economy more ready to respond to external stimuli. Had Hungary not already had a certain technological practice, she could hardly have achieved such superior productivity; nor can we doubt that there already was a great deal of domestic capital accumulation, and the requisite capitalist stratum, for Hungary's milling industry was almost entirely the product of domestic investments. As a consequence, after the turn of the century, the ratio of wheat to flour in Hungary's export was 33 : 67, while it was 92 : 8 in Romania's, and 98 : 2 in Russia's.[25]

It was, however, not merely in becoming an exporter of food products rather than of unprocessed agricultural products that Hungary differed from the countries we have been examining. Just as initially the profits from the export of food products were invested in the milling industry, so the later capital accumulation fostered by the milling industry became a source of industrialization, and of a partial transformation of the country's economic structure. We see this reflected in the changes in Hungary's export structure, too: just before World War I, agricultural products no longer comprised 75–80 per cent of all exports as they had earlier (and continued to do in many neighbouring countries), but merely about a half.[26]

Wine. Wine is an instance of an export product with a low elasticity of demand, one with unfavourable price trends for much of the 19th century, one whose exchange value declined rather than improved as the years went on, and one which had no potential for becoming the basis of any kind of technological or industrial development. It is a product typical of the peripheral countries that remained agricultural throughout the period examined. Greece, for instance, 75 per cent of whose exports consisted of agricultural primary products in 1887, with little change by 1912, when agricultural products came to 78 per cent of all exports.

But just what agricultural products were these? In 1887, the three most important export products were raisins (comprising 56.5 per cent of all exports), wine (5.9 per cent), and olives and olive oil (4.5 per cent). By 1912, raisins had fallen to 28.8 per cent of the total export; tobacco comprised 14.1 per cent, olives and olive oil 14.9 per cent, and wine, 11.8 per cent. None of these products, however–though they needed some minimal processing before export (the tobacco had to be dried and graded, the oil pressed from the olives, the grapes dried for raisins, etc.)–necessitated the development of a genuine food industry. The technology needed for processing tobacco, for instance, was minimal, for the tobacco factories of the period were closer to the traditional workshops than to the industrial plants of today. Nor did the production of raisins, oil or wine set new industrial tasks.

[25] Berend and Ránki: *Economic Development in East-Central Europe in the 19th and 20th Centuries*, New York, 1974, pp. 150–151.

[26] L. Katus: *Economic Growth in Hungary during the Age of Dualism*, in: *Social-Economic Researches on the History of East-Central Europe, Studia Historica*, 62, Budapest, 1970, p. 52.

Here, therefore, the dominant export branches were by no means organically related to the first possible steps to industrialization.

However, this was not the only impediment to Greece's exports becoming the starting point of her economic prosperity and industrial transformation. No less important was the fact that the chief Greek exports tied in with no key branch of Western European economic development. Raisins, oil and tobacco all had a low elasticity of demand, and showed price trends that were, thus, unfavourable. The lack of economic impetus was reflected also in the import trends, aggravated by the fact that Greece needed to import foodstuffs as well. In 1887, grains comprised 38 per cent of her imports; in 1912, grains accounted for 19 per cent, and sugar comprised a further 5 per cent.

Coal, too, was a significant import product, accounting for 12 per cent of Greece's imports throughout the period. The relatively small volume of industrial imports, too, was in keeping with the conventional picture of a backward economy: the most important industrial import was the textiles brought in for mass consumption; machinery and investment goods came to a minimal 1.5 per cent of all imports. In the case of Greece, then, the annual export growth of 3 per cent and the Greek economy's heavy export orientation–foreign trade contributed 26 per cent of the national income–tended, rather, to conserve the given economic structure, rather than to renew or to transform it. In fact, there was only one industry which was directly related to foreign trade, the ship-building industry. A trading ship's capacity during these decades grew tenfold; however, for lack of capital, technology and skilled labour, the really big, modern ships were unlikely to be built in Greece.[27]

Portugal during these years presents an even sadder picture. For generations Portugal had been one of England's chief trading partners: by the Methuen Agreement of 1703 Portugal had become a free trade area for English textiles in return for Portuguese wines' receiving significant tariff concessions in English ports. This trade of English textiles for Portuguese wines has been the great example of free-trade and comparative costs theoreticians since Ricardo. This is not the place to give a general critique of the comparative costs theory; the European, and particularly the Portuguese experience, however, goes a long way toward refuting it. For the growth in the demand for wine was very far from keeping pace with the growth in the demand for the more important raw products or consumer products of the period.

Bairoch attributes the stagnation of the Portuguese export sector to three factors: 1. the country's loss of the Brazilian trade monopoly; 2. the stagnation of the wine export; 3. the extraordinary one-sidedness of Portugal's exports (to 1890, wines accounted for about 50 per cent of her export trade).[28]

The slow growth of Portugal's foreign trade indicates first of all that what she had to offer did not sufficiently attract the new, dynamic world market. (The sardine export did, however, grow by leaps and bounds after the turn of the century.)[29] This

[27] B. Szterjosz: *Az ipari forradalom Görögországban* (The Industrial Revolution in Greece), in: Berend and Ránki (eds.): *Gazdasági elmaradottság* (Economic Underdevelopment), Budapest, 1979.

[28] Bairoch: *Commerce extérieur et développement économique de l'Europe*, Paris, 1976, p. 267.

[29] A. Castro: *A revolução industrial em Portugal no seculo XIX*, Lisbon, 1972, p. 73.

being so, Portugal had a constant balance of payments deficit. Her export industries, though they could hardly be called colonial in character, were in branches that could but minimally stimulate her internal economic transformation. They failed as much as to contribute to the partial modernization of agriculture, or even temporarily to become the leading economic sector.

The three types of trade relations outlined above essentially give us the three patterns of development followed by the backward countries of the periphery. Some of these proved to be roads that led out of backwardness, some did not. The possibility of their doing so, however, was a function of all the factors shaping the country's economy, and no account in terms of any one single factor is likely to be adequate.

S. Kuznets and W. Rostow[30] are absolutely right in saying that a more than averagely rapid growth rate is by no means all that is needed for a sector to become a "leading sector".

We can speak of genuine economic transformation only when there emerges an economic sector or branch which is sufficiently widely and deeply embedded in the national economy as a whole to create a mass demand for labour, raw materials, and other industrial goods, and to stimulate the creation of further industries (either through creating bottlenecks, or through cutting investment costs). The criterion, in short, is the starting of a general chain-reaction. It is not enough for export industries to start developing, or export production to start growing and to stimulate the economy's capitalist transformation. What is needed is a whole series of dynamic changes, in which the setting up of new substitution and complementary industries leads to the transformation of the whole of the country's economic structure.[31]

In Portugal's case, the preconditions determining the direction and effectiveness of foreign investment and of international trade relations were, for the most part, unfavourable indeed. Neither the spheres invested in, nor their effect on the national income were conducive to the transformation of the economy; and the country's economic structure, which defined both the investment and the export possibilities, was even less so.

This was true in spite of the indubitable growth in the volume of Portugal's export, partly because the country's export sector was characterized by low productivity. Both export growth and foreign investments boosted trade rather than industry, and had but a minimal accelerator and multiplier effect on production. There was no significant growth in domestic demand, investment remained dispersed, and capital profits tended to trickle out of the country.

In Hungary, too, we find foreign capital investment to have tapped the national income, and to have led to one-sidedness, to distortions in the economic structure that developed. For all that, in Hungary, as in Italy, it was the impetus that foreign investment gave to economic development that must be considered the more significant: it got the economy over its period of stagnation, and helped start a period

[30] W. Rostow: *The Leading Sectors and the Take-off*, in: *The Economics of Take-off into Sustained Growth*, London, 1963.

[31] A. Hirschmann: *Strategy of Economic Development*, Yale, 1958.

of lasting economic growth.[32] After the turn of the century–one of the most significant phases of Hungary's economic development and industrialization–three-quarters of the nation's capital needs were satisfied from domestic sources, a telling indication of the fact that, by then, the autonomous economic forces at work in Hungary were such as excluded the possibility of her economy's being dependent on exogenous factors.

The processes of development examined so far, as much as they differ from country to country, nevertheless give us two characteristic and essentially dissimilar patterns.

In the Balkans and on the Iberian Peninsula–though there was a substantial increase of foreign trade, and foreign investments did introduce new elements into the economy–there was no real economic growth, nor the transformation of the economy. Contact with the countries of the developed core, thus, tended to reinforce the domestic socio-economic conditions to retard and distort these countries' development.

However, in the cases of Italy, Hungary, and Russia–for all the very real quantitative and qualitative differences in their development–we see not only foreign trade giving a boost to the economy, but a volume of foreign capital investment big enough to accelerate economic development to such a degree that the independent internal forces of change, too, became effective. In consequence, these economies began to be transformed through industrialization, though the rate at which this took place, the internal structure, and the level that was reached varied greatly from country to country. This pattern, too, shows elements of adaptation and subordination–the differences in development between these regions and the core, and the cycles of boom and recession made this inevitable–but there is no lack of internal development either, no exclusion from all the advantages of development, nor only the burden of its disadvantages.

The Scandinavian countries give us the third type of development pattern for the European periphery.

Scandinavia's economic development was initiated by these countries' accommodation to the needs of the export market. Here, too, it was complementary economies that first developed. In the case of the Scandinavian countries, however, the follower countries' dependence and subordination to the industrial core's economic needs did not become a fixed pattern; it was, rather, the forces making for an independent, rapid and many-sided development, and for the transformation of the economic structure that came to predominate. The influences coming from abroad worked, in the final analysis, not to keep these countries a part of the exploited periphery, but rather, to integrate them among the countries of the developed core.

What has been said so far will, hopefully, have shown that the relationships binding the European core of the 19th century to the countries of the European periphery contained elements–and left scope for forms of potential development–very contradictory in nature. It would be a great mistake to think of these relationships as

[32] L. Katus: *Economic Growth in Hungary during the Age of Dualism*, in: *Social-Economic Researches on the History of East-Central Europe*, *Studia Historica*, 62, Budapest, 1970, p. 52. Berend and Ránki: *Nationaleinkommen . . . loc. cit.*

Table 6

The Growth of Per Capita Gross National Product by Countries in 1860 (US Dollars)[33]

Country	1860	Europe = 100	1910	1860 = 100	Europe = 100
Denmark	294	95	739	251	148
Finland	241	78	451	187	90
Norway	401	129	673	168	135
Sweden	225	72	593	263	119
Hungary			372*		
Italy	301	97	365	122	73
Russia	178	57	287	161	57
Spain	346	112	370	107	74
Portugal	275	89	290	105	58
Greece	230	74	325	141	65
Romania	200	64	307	153	61
Bulgaria	210	68	270	131	55
Serbia	220	71	282	128	56
European average	310	100	499	165	100

*Data for 1913 (1919–1938 Hungarian territory)

comparable to that of the developed countries of the 20th century and the Third World. The industrial revolution and the world economic system it gave rise to had a major role in inducing development in all the backward regions of Europe (see Table 6). There can be no question, however, of the fact that the incentives to development were by no means of equal force; as for an area's responsiveness to the stimuli received, this differed yet more radically.

The first group of factors determining this responsiveness was the relative scarcity or abundance of a region's natural resources, and the relative facility with which its geographic position and topographic configuration permitted the building up of the transport system necessary for entering the world market. The ability to adopt foreign technology, the existence of export opportunities, the strength of the traditions of international trade, and the flexibility with which the economy could adapt to new demands were other factors determining a region's response to the pull of the industrial core.

Above and beyond this, and operating in the context of the factors already mentioned, we find the domestic factors determining the possibility, degree, and kind of the response to the external stimuli: the level of development or degree of backwardness of the economy; the country's social structure, educational system, ideology and value system; its international political status; and the government policy directing the independent state. The moment of impact of the external stimuli was by no means the harmonious meeting of exogenous and endogenous forces; what we see is much more like a struggle, but the struggle of essentially interdependent units.

[33] Bairoch: *Europe's gross national product 1800–1973, The Journal of European Economic History,* 1976, No. 2, p. 297 (1919–1938 territory).

The reaction of various regions of the European periphery to the challenge of the industrial revolution can be placed–to use H. Leibenstein's terminology–along a continuum ranging from "zero sum" (in the case of economies incapable of change, or capable only of becoming dependent colonial economies) to "positive sum" (in the case of economies where change resulted in the growth of the productive branches and in the growth of the national income).[34] For all that, the challenge of industrialization to the European periphery was not only earlier, but also quite different from its challenge to Africa and Asia. In Europe, development was not curbed and distorted through direct military and political power; there were chances for domestic decision-making, though only within the limits set by "structural force"[35] which was, of course, given further weight when necessary by appropriate political pressure from the developed core.

The conclusions we can draw from the history of the European periphery permit no facile generalizations. Even in the worst case, we cannot, as we have seen, conclude that foreign capital activity led to nothing but the stagnation of real wages, to the drawing off of a great deal of the national income, and to the conservation of domestic savings and of a backward domestic market. On the other hand, we do find in the case of both the Balkans and the Iberian peninsula a situation more typical of colonial nations,[36] namely, that foreign demand promoted investments primarily in the export sectors, the money for the investments coming–for lack of domestic accumulation–mostly from imported capital.

Nor can there be any doubt that export specialization–to the extent that it developed–had as its concomitant a strong dependence on foreign capital, a trend counterbalanced by no opposite trend to limit foreign economic domination.[37]

Even in cases where foreign influence had more positive results–for instance, in Italy, Hungary, or Russia–or where foreign influence was unambiguously positive in its effects, for instance, in Scandinavia, it was not simply a matter of the country's enjoying a comparative advantage in international trade. True, participating in international trade did promote specialization; it was an incentive to the more economical use of the factors of production, and tended to help maximize incomes. We cannot, however, ignore the consequences of such unequal partnerships. It was a matter of a dominant and of an accommodating economy even where, as in the case of England and Denmark, it was precisely the fact of her accommodating that permitted the latter's rapid development in that particular phase of her history. However, the deterioration of the terms of trade at this time was not, as we have seen, an inevitable circumstance of the countries of the periphery; in Scandinavia, there was a definite improvement, so that none of the area's income was drained off in this form either.

The stimulus the developed West gave to change certainly cannot be said to have led to balanced, overall economic development in a number of the peripheral countries. It

[34] H. Leibenstein: *Economic Backwardness and Economic Growth*, New York, 1957, pp. 188–189.

[35] See D. Senghans: *Kritische Friedenforschung*, Frankfurt, 1971.

[36] See T. Szentes: *Az elmaradottság és fejlettség dialektikája a tőkés világgazdaságban* (The Dialectics of Underdevelopment and Development in the Capitalist World Economy), Budapest, 1976, p. 145. The author summarizes the ideas of G. Meier and of R. Baldwin.

[37] *Idem.*, pp. 146–147.

is just as true, however, that in other countries, notably in Scandinavia, the pull of the West proved an impetus whose positive effects were felt throughout the economy. As G. Myrdal noted: "... The higher the level of economic development that a country has already attained, the stronger the spread effects will usually be. For a high average level of development is accompanied by improved transportation and communication, higher levels of education, and a more dynamic communion of ideas and values–all of which tend to strengthen the forces for the centrifugal spread of economic expansion or to remove the obstacles for its operation."[38] Myrdal thus sees the possiblity of a spin-off effect as a function of the level of economic development, but also as something that can be promoted through state intervention as well. There can be no doubt that–important as the nature and potentials of foreign trade, and the amount and use of foreign capital import were for the development of the European periphery–it is in government policy that we must seek the clue to a country's ability to react to the challenge of the industrialized West. Economic growth in the form of differentiation, substitution and absolute gain,[39] could become a cumulative process only where there existed the internal structure, the institutions, and the adaptability adequate to channel these in the direction that best served the country's interests. Thus it was that success as much as failure in any given country was the result of the meeting, struggle, and interaction of domestic forces with the forces of world capitalism.

И. Т. Беренд и Д. Ранки

НЕРАЗВИТОСТЬ В ЕВРОПЕ НА ФОНЕ ВЗАИМООТНОШЕНИЙ МЕЖДУ ВОСТОКОМ И ЗАПАДОМ В XIX СТОЛЕТИИ

Работа охватывает во времени «длинный XIX век», начавшийся в последние десятилетия XVIII века с промышленным переворотом в Англии и кончившийся первой мировой войной. Авторы работы ставили перед собой цель проследить волны английской и Французской революций, их влияние на «периферии» европейского континента и путем анализа вызова со стороны центра буржуазно-капиталистического экономического и общественного преобразования, ответов на него, а также внутренних условий и предпосылок периферийных регионов, ответить на вопрос, почему развитие различных регионов и национальных хозяйств, их включение в мировое хозяйство привело к таким чрезвычайно отличающимся друг от друга результатам, как, напр., в странах Скандинавии и Балканского полуострова. На основе анализа роли иностранных капиталовложений и внешней торговли в отдельных странах авторы создают типологию развития на перигерии Европы. Для хозяйств стран Балканского и Иберийского полуостровов влияние центра с

[38] G. Myrdal: *Economic Theory and Underdeveloped Regions*, London, 1956, p. 34.

[39] A. Gelei: *Növekedési trendek a gazdaságban* (Growth Trends in the Economy), Budapest, 1971, p. 24.

развитой промышленностью не оказалось стимулом систематического экономического роста, преобразования хозяйств. Наоборот, для этих стран характерны тенденции искаженного развития, консервирующего отсталость стран. В случае же Скандинавии рост экспортного сектора, приспособившегося к рынкам Запада с развитой промышленностью, превратился в основной источник стремительного роста и преобразования экономики стран в целом, не в последнюю очередь благодаря удельному весу в национальном хозяйстве заинтересованных в развитии отраслей промышленности, характеру их технологий, их перспективам развития. В результате многостороннего и общего развития этого региона он перестал быть периферией и в качестве равноправного партнера интегрировался с центром хозяйственного развития. Италия, Венгрия, Россия — несмотря на сильные расхождения между ними — представляли собой переходные типы. В результате подъема внешней торговли и ввоза иностранного капитала в этих странах ускорилось экономическое развитие, автономные силы экономики этих стран также мобилизовались, причем при наличии элементов приспособления и подчиненности к экономике развитого европейского центра, или даже вопреки этому. Хотя эти страны и не были способны вырваться из периферийного состояния, тем не менее, они также вступили на путь самостоятельного экономического развития.

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