

Purpose and Privation: Nation and Economy in Post-Habsburg Eastern Europe and Post-Soviet Eurasia

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The rise and fall of multinational empires have indelibly transformed the political-economic history of Eastern Europe — redrawing its borders, recasting its economic institutions, and redefining the identities of its nations. Just as the political economy of interwar Eastern Europe was shaped by the economic relations among the successor states of the Habsburg Empire, post-cold war Eastern Europe and Eurasia have been defined by relations among successor states of the Soviet Union. In the 1920s and 1990s, the new states that emerged from fallen empires were too interdependent to escape close economic ties with one another. But their economic ties were too politicized to remain as uncontested as when they composed one state. These two periods of change were historical moments when a regional economy was reconstituted and new national economies constructed and relationally defined.

Post-Habsburg Eastern Europe offers a highly informative comparison for understanding the dynamics of nationalism and regional economic disintegration in the former Soviet Union. This is not because the Habsburg case is necessarily a close analogy, or because what ultimately happened in interwar Europe will happen in post-cold war Eurasia.¹ But both were continuous, over-

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1. A number of economists have offered a Habsburg analogy for what has happened in the post-Soviet economy, emphasizing how nationalism leads to monetary separation and trade conflict. For elaborations of the Habsburg analogy, see Oleh Havrylyshyn and John Williamson, *From Soviet disUnion to Eastern Economic Community?* (Washington, D.C.: Institute of International Economics, 1991), 11–12, also 2, and 5–7; Peter M. Garber and Michael H. Spencer, *The Dissolution of the Austro-Hungarian Empire: Lessons for Currency Reform*, no. 191, Princeton Essays in International Finance (1994);

land empires; the economies of both had been autarkic and self-sufficient; and both went through similar phases of collapse and of proposals for reassembly. Nationalist mobilizations preceded both moments of imperial dissolution, and the governments of most successor states legitimated their authority with concomitant claims to specific interpretations of their nationhood. As a result, both sets of post-imperial politics presented issues of regional cooperation and discord, reintegration and disintegration.

National Identity and Economic Nationalism

National identities vary in two primary ways: in their content and contestation.² The content of a national identity includes definitions of membership in the nation, the fundamental purposes of statehood and economic activity, and the states that threaten those purposes. The content of a national identity is inherently directional, particularly because nations are imagined to have a most significant “other,” against which they are defined.

The other variable, contestation, is closely related, because societies collectively interpret their national identities. Every society has nationalists, who attempt to link the symbol of the nation to specific goals and, therefore, who seek to define the content of their society’s collective identity. However, not everyone in the society always agrees with how the nationalists seek to construct their identity. Sometimes the nationalists cannot even agree among themselves. Specific interpretations of the goals of the nation are sometimes widely shared in a society, and sometimes less so. The further apart the contending interpretations of national identity, the more that identity is fragmented into conflicting and potentially inconsistent understandings of what the goals of the nation should be. Thus, the variable of contestation describes whether the rest of a society agrees (and how it disagrees) with its nationalists.

A coherently shared national identity has four primary effects

and Rudiger Dornbusch, “Monetary Problems of Post-Communism: Lessons from the End of the Austro-Hungarian Empire,” *Weltwirtschaftliches Archiv* 128:3 (1992): 391–424.

2. See Rawi Abdelal, *National Purpose in the World Economy: Post-Soviet States in Comparative Perspective* (Ithaca, N.Y.: Cornell University Press, 2001), ch. 2.

on governments' foreign economic policies. It endows economic policy with fundamental social purpose, related to protecting and cultivating the nation. A shared national identity engenders the economic sacrifice necessary to achieve societal goals, to realize the nationalists' vision of the future. It lengthens the time horizons of society and government. And a shared national identity specifies a direction for foreign economic policy, away from the nation's "other" and, often, toward another, broader cultural space. In contrast, a contested or ambiguous national identity separates economic activity from national purpose and shortens a society's and government's time horizons. Economic nationalism, then, is a set of policies that results from a shared national identity and follows the national purpose and direction.

Post-Soviet Politics as Post-Imperial Politics

The distinction between an empire and other political forms depends on the goals of its political authorities and the identities of its subjects. Thus, as Mark Beissinger shows, empires are intersubjective constructs, not objectively defined political units.³ In a nation-state the government claims to govern on behalf of the nation. An empire is a state in which the government does not claim to govern for a nation. Instead, empires claim their ideological legitimacy from a source other than nationhood, and they tend not to seek to mold a single nation within their boundaries. So, empires are states, but they are not nation-states.⁴

The Soviet Union was an empire in several distinct senses. First, it did not claim to govern on behalf of a Soviet nation. Soviet authorities instead sought to manage the state's heterogeneous population. This is not to say that the Soviet Union lacked an identity project, or that it was not a single ideological space. Rather, the Soviet Union attempted to create a supra-national Soviet identity, which would transcend the merely *national* identities of

3. Mark Beissinger, "The Persisting Ambiguity of Empire," *Post-Soviet Affairs* 11:2 (1995): 149–84.

4. Ronald Grigor Suny, "Ambiguous Categories: States, Empires, and Nations," *Post-Soviet Affairs* 11:2 (1995): 185–96.

its citizens. These citizens were to become a Soviet people (*narod*) comprising its constituent nations. Second, the Soviet Union was an empire according to many of its subjects: some post-Soviet societies considered the union to have been an empire, and so, therefore, it was — at least for them. In fact, nationalists in every post-Soviet republic tried to rally their societies around the idea that they had just been liberated from Moscow's imperial grasp. The nationalists' assessment of the past as empire and the future as national liberation was very popular in some republics, less so in others.

The Soviet Union's collapse, like that of other empires, was coincident with the rise of nationalist movements.⁵ As John Hall suggests, "nationalism flourishes as the result of the collapse of empires." And the dissolution of the Soviet Union has brought about the "fourth great moment in the history of nationalism."⁶ Soviet authorities themselves were partially responsible for the dominant pattern of the union's disintegration. The Soviet Union had institutionalized the national identities of its constituent societies in the form of national-federalism, whereby the union consisted of 15 republics given administrative functions, demarcated territory, and a titular nationality. This ensured that the end of Soviet rule would create disintegrative pressures organized at the republic level.⁷

5. See especially Rogers Brubaker, "Nationalizing States in the Old 'New Europe' — and the New," *Ethnic and Racial Studies* 19:2 (1996): 411–37; Karen Barkey, "Thinking About Consequences of Empire," in *After Empire: Multiethnic Societies and Nation-Building*, ed. Karen Barkey and Mark von Hagen (Boulder, Colo.: Westview, 1997); and Bruce Parrott, "Analyzing the Transformation of the Soviet Union in Comparative Perspective," in *The End of Empire? The Transformation of the USSR in Comparative Perspective*, ed. Karen Dawisha and Bruce Parrott (Armonk, N.Y. and London: M. E. Sharpe, 1997). See also Alexander Motyl, "From Imperial Decay to Imperial Collapse: The Fall of the Soviet Empire in Comparative Perspective," in *Nationalism and Empire: The Habsburg Empire and the Soviet Union*, ed. Richard L. Rudolph and David F. Good (New York: St. Martin's, 1992); id., "Imperial Collapse and Revolutionary Change: Austria-Hungary, Tsarist Russia, and the Soviet Empire in Theoretical Perspective," in *Die Wiener Jahrhundertwende*, ed. Jürgen Nautz and Richard Vahrenkamp (Vienna: Böhlau Verlag, 1993); and id., *Revolutions, Nations, and Empires* (New York: Columbia University Press, 1999).
6. John A. Hall, "Nationalisms: Classified and Explained," *Daedalus* 122:3 (1993): 1–28, at 2–3. The first three "great moments" were the foundation of new states in Latin America early in the nineteenth century; interwar Europe; and postwar decolonization.
7. See especially Valerie Bunce, *Subversive Institutions* (Cambridge: Cambridge University Press, 1999). Also see Rogers Brubaker, "Nationhood and the National Question

Cooperation and Discord in the Post-Habsburg Regional Economy

The collapse of the Habsburg Empire also caused the dissolution of its economic union, which caused, in turn, the decline of intraregional trade, the central economic problem of interwar Eastern Europe.⁸ What resulted, according to E. H. Carr, was a “dislocation of economic life from which the Danubian countries never fully recovered.”⁹

Liberal economists in interwar Europe urged the Danubian states to cooperate. To many, cooperation among such interdependent states seemed so obvious a necessity, and the disintegrative economic policies that followed so irrational. Joseph Schumpeter, who was then Austria’s finance minister, analyzed the post-Habsburg economic situation at a press conference in 1919 with optimism: “Nationalizing an economy may be a very fine thing. The Czechs worked at it for years, but often enough to their own detriment and only for the sake of a national ideal. . . . Becoming independent is far easier politically than economically. In the end we shall have to find a *modus vivendi*. The frontiers of future development can be recognized even today with great clarity. In this new organism Vienna will have to continue as the financial center, and the political separation will affect only marginally the purely economic relations.”¹⁰ What became clear during the 1920s, however, was that there were no “purely economic” relations in interwar Eastern Europe. The societies and governments of the successor states viewed their foreign economic relations as inescapably political.

in the Soviet Union and Post-Soviet Eurasia: An Institutional Account,” *Theory and Society* 23:1 (1994): 47–78; and Yuri Slezkine, “The USSR as a Communal Apartment, or How a Socialist State Promoted Ethnic Particularism,” *Slavic Review* 53:2 (1994): 414–52.

8. See E. A. Radice, “General Characteristics of the Region Between the Wars,” in *Economic Structure and Performance Between the Two Wars*, ed. M. C. Kaser and E. A. Radice, vol. 1 of *The Economic History of Eastern Europe*, ed. M. C. Kaser (Oxford: Clarendon, 1985), 35.
9. E. H. Carr, *International Relations Between the Two World Wars, 1919–1939* (London: Macmillan, 1947), 61.
10. Schumpeter is quoted in Eduard März, *Austrian Banking and Financial Policy: Creditanstalt at a Turning Point, 1913–1923*, trans. Charles Kessler (New York: St. Martin’s 1984), 330.

The First World War peace treaties divided the imperial economy into five new economies divided by the state boundaries of Austria, Hungary, Czechoslovakia, Yugoslavia, and Romania. Austria and Hungary, the two institutional halves of the dual monarchy, were drastically reduced, while their territories and populations were divided among the other three states.¹¹ The empire's customs and currency union of 68 years was dissolved.¹² The Habsburg economy had been autarkic and geographically specialized; thus, the post-Habsburg economies were unavoidably linked throughout the interwar years.¹³

MONETARY DISSOLUTION

Even after the empire's dismemberment, the Austrian crown was the primary currency in use in the five states. The central bank, located in Vienna, continued to make monetary decisions for the region. However, the monetary union did not last long. Despite Austrian efforts to include Czech members on the board of the Austro-Hungarian bank, as a compromise to maintain a common

11. Only Austria, Hungary, and Czechoslovakia, having been carved solely out of the empire's territories, were truly post-Habsburg. Interwar Yugoslavia and Romania were dramatic expansions of the small, prewar Kingdoms of Serbia and Romania, primarily with former Habsburg territories. Serbia and Romania had been part of the Ottoman Empire until the Congress of Berlin in 1879. Nevertheless, their incorporation of large parts of the empire's territory and economy made Yugoslavia's and Romania's foreign economic policies crucial to the reorganization of the post-Habsburg economic area. For convenience, in this article I call all five states post-Habsburg. On the empire's collapse and the region's international relations afterwards, see Leo Valiani, *The End of Austria-Hungary* (New York: Knopf, 1973); Oscar Jaszi, *The Dissolution of the Habsburg Monarchy* (Chicago, Ill.: University of Chicago Press, 1961); and Alan Sked, *The Decline and Fall of the Habsburg Empire* (New York: Longman, 1989).
12. Currency and customs union dated to 1850–51, and the political union of the Austrian Habsburg empire with the Hungarian monarchy to the Compromise of 1867. The Austro-Hungarian Bank, under a charter from the governments of Austria and Hungary, was the central bank for the Dual Monarchy. See John Komlos, *The Habsburg Monarchy as a Customs Union* (Princeton, N.J.: Princeton University Press, 1983); and David F. Good, *Economic Rise of the Habsburg Empire, 1750–1914* (Berkeley: University of California Press, 1984).
13. See Jürgen Nautz, "Between Political Disintegration and Economic Reintegration: Austrian Trade Relations with the Successor States After World War I," in *Economic Transformations in East Central Europe: Legacies from the Past and Policies for the Future*, ed. David F. Good (London and New York: Routledge, 1994); and Georges de Menil and Mathilde Maurel, "Breaking Up a Customs Union: The Case of the Austro-Hungarian Empire in 1919," *Weltwirtschaftliches Archiv* 130:3 (1994): 553–75.

currency, Czechoslovakia effected its currency separation by calling in all Austrian crowns and stamping them with the new national emblem, something that Yugoslavia had done already. Hungary was the last to withdraw from the Austrian monetary union in March 1920.¹⁴ Monetary separation in each case was an assertion of sovereignty and state-building, and the five governments made no further attempts to organize their new currencies with regional cooperation, though Austria certainly would have been interested. Currency relations were wholly disorganized, even chaotic.

TRADE DISCORD

As a result of their interdependence, proposals for Danubian economic and political unity were abundant during the 1920s. Representatives of the states met in Portorose, Italy, to reorganize their political-economic relations and agreed in November 1921 to free trade.¹⁵ Regional cooperation promised economic renewal after the long war. The Portorose Conference was the promise of liberal multilateralism.

But the post-Habsburg governments refused to ratify the Portorose protocols. The reason, according to Frederick Hertz, was that the Danubian governments “regarded the formation of an economic union, or any other cooperation, far too much from the point of view of power politics and not from that of economic interests.”¹⁶ Instead of the free trade pledged at Portorose, they protected their agriculture and industry, primarily from each other. The new governments rejected multilateral economic cooperation and the reintegration of the Habsburg economic area. The Portorose protocols failed.

14. See the discussion in Garber and Spencer, *The Dissolution of the Austro-Hungarian Empire: Lessons for Currency Reform*; Dornbursch, “Monetary Problems of Post-Communism,” 396–400; and Brendan Brown, *Monetary Chaos in Europe* (London: Croom Helm, 1988), ch. 3.

15. “Protocols and Agreements Concluded at the Portorose Conference, November, 1921,” *International Conciliation* 176 (1922): 252–312.

16. Frederick Hertz, *The Economic Problem of the Danubian States: A Study in Economic Nationalism* (London: Victor Gollancz, 1947), 68. See also Ivan Berend and György Ránki, “Economic Problems of the Danube Region After the Breakup of the Austro-Hungarian Monarchy,” *Journal of Contemporary History* 4:3 (1969): 169–85.

Nationalism and the Foreign Economic Policies of the Habsburg Successor States

The disaster of international political economy in interwar Eastern Europe was caused by nationalism.¹⁷ That is, nationalism in Czechoslovakia, Romania, and Yugoslavia caused their governments to interpret economic dependence on Austria and Hungary as a security threat, and Hungarian nationalism led its government to seek autonomy from all other post-Habsburg states. Czechoslovakia, Romania, and Yugoslavia considered Hungarian irredentism a serious threat to the postwar settlement. And the still considerable financial power of Vienna was viewed as equally pernicious, even by the Hungarian government.¹⁸ Economic relations were politicized by concerns for power, security, and autonomy, and the nationalists in each state articulated those concerns.

This is the conventional explanation for the failure of post-Habsburg economic cooperation. However, the standard account of economic nationalism in 1920s Central and Eastern Europe should perhaps be revised somewhat.¹⁹ Most important is that the nationalism in several of the successor states was related to statehood in complex ways. Yugoslavia and Czechoslovakia were not wholly conceived, despite their official ideologies, purely as national states; they were, respectively, multinational and binational. Although the Czechoslovak and Yugoslav governments attempted to create Czechoslovak and Yugoslav national identities, in prac-

17. This is the scholarly consensus on the interwar political economy of the region. See, for example, Leo Pasvolsky, *Economic Nationalism of the Danubian States* (New York: Macmillan, 1928); Hertz, *Economic Problem of the Danubian States*; Berend and Ránki, "Economic Problems of the Danube Region After the Breakup of the Austro-Hungarian Monarchy"; Jan Kofman, "Economic Nationalism in East-Central Europe in the Interwar Period," in *Economic Nationalism in East-Central Europe and South America, 1918–1939*, ed. Henryk Szlajfer, trans. Maria Chmielewska-Szlajfer and Piotr Goc (Geneva: Librairie Droz, 1990); Kofman, *Economic Nationalism and Development: Central and Eastern Europe Between the Two World Wars* (Boulder, Colo.: Westview, 1997); and Ivan Berend, *Decades of Crisis: Central and Eastern Europe Before World War II* (Berkeley: University of California Press, 1998), ch. 9.

18. Pasvolsky, *Economic Nationalism of the Danubian States*, 562–64.

19. These revisions are partly terminological and partly analytical. In the discussion that follows I reinterpret accounts of economic nationalism in Eastern Europe in the 1920s in light of the theoretical arguments about nationalism and international political economy in chs. 1 and 2 of Abdelal, *National Purpose*. However, in most respects existing accounts of nationalism's influence on the regional economy are excellent.

tice everyone acknowledged that Czechs dominated a state composed also of Slovaks, and that Serbs dominated a state composed also of Croats and Slovenes.²⁰

Therefore, the economic policies that tore apart the Habsburg economic space did not result from Czechoslovak or Yugoslav nationalisms. Rather, *Czech* and *Serbian* nationalists were making foreign policy for the Czechoslovak and Yugoslav states. Slovak and Croatian nationalists contested the internal goals of Czech and Serbian nationalists, but they all agreed about the necessity of autonomy from Austria and Hungary. Czechs and Slovaks did not agree that they constituted a single nation, but they insisted that they did together belong in an autonomous state, apart from Germans and Magyars. In other words, Czechoslovaks and Yugoslavs were not sure who they were, but they were very sure who they were not.

In contrast, the societies of Romania and Hungary, both conceived as national states, produced their own coherent national identities and nationalisms, from which their largely uncooperative economic policies followed. And in the case of Hungary, the dramatic contraction of its territory, leaving millions of ethnic Magyars abroad, caused the national question to be its most important in the reconstruction of political and economic relations with neighboring states. Thus, it was Romanian, Hungarian, Czech, and Serbian nationalists who were primarily responsible for framing the economic policy debates of the interwar period.

The second, and even more interesting reason that the standard story about interwar economic nationalism needs to be qualified is the Austrian case. Austrians sought neither to dissolve the common economic space, nor to reconstruct it aggressively, as Hungarians did, and as one might expect from their previously hegemonic role in the empire. Also, there was very little specifically *Austrian* nationalism at all; much more powerful were *pan-Germanists* in interwar Austria. So, although Austrian identity also was politicized by the collapse of the empire, it was politicized differently than elsewhere in the region.

20. It is common practice to call the interwar South Slav state Yugoslavia, but in fact the name of the state itself reflected its multinational character. Until 1929 it was the Kingdom of Serbs, Croats, and Slovenes.

REINTEGRATION: AUSTRIA

Austria did not reassert its hegemony, financial or otherwise, in the region. Leaders of the new Austrian state were obsessed with the idea that it was too small to survive, and most Austrians did not want statehood as delineated in the peace treaties. Their most pressing concern was that Austria's economy was not viable.²¹ Austria's government therefore sought to integrate its economy into a larger one, either the German or the Danubian. As the Austrian Chamber for Workers and Employees explained, "reconstruction of the economic life of Austria can only be *effected in conjunction with some larger economic unit.*" Although economic unification with the Danubian states made more sense economically, the poor state of the region's politics, the chamber argued, led directly to "the necessity of union with the German economic system."²²

Austrian national identity was highly contested during the interwar years. Insisting on the primacy of their pan-German identity, many Austrians preferred economic integration with Germany, rather than with the Danubian states with which the Austrian economy was still much more tightly linked.²³ At the same time, because of those tight links, organized economic interests in Austria preferred the Danubian option.²⁴ The political

21. On the issue of viability, see Stefan Karner, "From Empire to Republic: Economic Problems in a Period of Collapse, Reorientation, and Reconstruction," in *Economic Development in the Habsburg Monarchy and the Successor States*, ed. John Komlos (New York: Columbia University Press, 1990); and Edward P. Keleher, "Austria's Lebensfähigkeit and the Anschluss Question, 1918–1922," *East European Quarterly* 23:1 (1989): 71–83. For an economic assessment, see Kurt W. Rothschild, "Size and Viability: The Lesson of Austria," in *Economic Consequences of the Size of Nations*, ed. E. A. G. Robinson (London: Macmillan, 1963).
22. Memorandum included in the report of W. T. Layton and Charles Rist, *The Economic Situation of Austria: A Report Presented to the Council of the League of Nations* (Geneva: League of Nations, 1925), 201–13, at 213, emphasis in original.
23. The Austrian government in 1918–19 had actually proclaimed its state a constituent part of Germany. France prevented the union of Austria and Germany, and Austria's commitment not to give up its own sovereignty was codified in the peace treaties.
24. Thus the impetus toward Berlin was not primarily material; it was cultural and political. See especially Peter J. Katzenstein, *Disjoined Partners: Austria and Germany Since 1815* (Berkeley: University of California Press, 1976), ch. 6. Also see Stanley Suval, *The Anschluss Question in the Weimar Era: A Study of Nationalism in Germany and Austria, 1918–1932* (Baltimore, Md.: Johns Hopkins University Press, 1974), 190–200. On the orientation of Austrian industry toward the Danube basin, see Jürgen Nautz, "Die österreichische Wirtschaft und der Anschluss," in *Tirol und der Anschluss*, ed. Thomas Albrich, Klaus Eisterer, and Rolf Steninger (Innsbruck: Haymon, 1988); and

contest in 1920s Austria between those who wanted *Anschluss* and those who did not was intense.

Austria's politics reflected that society's ambivalence about its identity. Three political and ideological groups dominated 1920s Austria: the socialists (represented by the Social Democratic party), the conservative Christian Social party, and the pan-Germanists (represented by several parties, including the Great-German party). The socialists, Christian Socials, and pan-Germanists competed to define the external economic and political orientation of the state, but none of them ever won a parliamentary majority during the decade and therefore could not decide alone. The socialists and pan-Germanists, political enemies in almost every respect, both sought *Anschluss*, though for very different reasons—the socialists believed unification with Germany would bring them to power, while the pan-Germanists obviously identified with a German nationality that spanned the Austrian-German border. Thus, essentially two-thirds of Austria's political power was geared toward unification with Germany. However, the Christian Socials, the only political party in interwar Austria to oppose *Anschluss*, maintained its control over the Austrian government and foreign policy-making during the 1920s. This was possible because of the financial diplomacy of Czechoslovakia and France in the early 1920s.²⁵

The ambiguity of and debate over Austrian national identity thus affected its domestic politics and economic relations with other states during the interwar years. Austria's interwar political struggles were

Karl H. Werner, "Österreichs Industrie-und Aussenhandelspolitik, 1848 bis 1948," in *Hundert Jahre Österreichischer Wirtschaftswicklung, 1848–1948*, ed. Hans Meyer (Vienna: Springer, 1949). And on Austrian finance's Danubian orientation during the interwar period, see F. L. Carsten, *The First Austrian Republic, 1918–1938* (Aldershot and Brookfield, Vt.: Gower, 1986), 160; and Hans Kernbauer and Fritz Weber, "Multinational Banking in the Danube Basin: The Business Strategy of Viennese Banks After the Collapse of the Habsburg Monarchy," in *Multinational Enterprise in Historical Perspective*, ed. Alice Teichova, Maurice Lévy-Leboyar, and Helga Nussbaum (Cambridge: Cambridge University Press; Paris: Éditions de la Maison des Sciences de l'Homme, 1986).

25. See Rawi Abdelal and Jonathan Kirshner, "Strategy, Economic Relations, and the Definition of National Interests," *Security Studies* 9:1/2 (1999–2000): 119–56. Also see Katzenstein, *Disjoined Partners*, 159–60; Zygmunt J. Gasiorowski, "Czechoslovakia and the Austrian Question, 1918–1928," *Südost-Forschungen* 16:1 (1957) 87–122; and F. Gregory Campbell, *Confrontation in Central Europe* (Chicago, Ill.: University of Chicago Press, 1975), 114–15.

over the direction of the state's political-economic integration. Most Austrians preferred free trade and economic integration with *someone* at least; the costs of going it alone seemed prohibitive.

ECONOMIC NATIONALISM: HUNGARY, CZECHOSLOVAKIA, ROMANIA AND YUGOSLAVIA

In contrast, nationalists in the four other post-Habsburg states framed their foreign economic policy debates.²⁶ Hungarian, Czech, Romanian, and Serb nationalists defined the economic goals for their states, and those goals invariably included economic autonomy from Austria. Hungarian, Czechoslovak, Romanian, and Yugoslav governments rejected free trade, multilateral economic cooperation, and Danubian economic union.

Hungary. Moreover, Hungarian nationalists completely rejected the peace settlements and insisted on their revision throughout the interwar period. Because of the territorial losses imposed by the victors of the war, the Treaty of Trianon became the “watershed moment in the history of Hungarian nationalism.”²⁷ Hungarian nationalism had traditionally been oriented against Austria. Interwar Hungarian nationalists politically linked issues of national pride and national unity (since millions of Magyars now lived in neighboring states) with the idea that Hungary had been treated unfairly by the great powers and the other post-Habsburg states, which had exploited Hungarian weakness and dismembered the state. Virtually all political parties agreed, and these ideals and goals became the central influence on the government's foreign policy decisions. These political concerns of successive Hungarian governments therefore led to several specific policies regarding the Danubian region. Most important, the government demanded that the peace settlement be revised and borders redrawn.²⁸ Second,

26. On nationalism in Hungary and Romania, see Karen Barkey, “Negotiated Paths to Nationhood: A Comparison of Hungary and Romania in the Early Twentieth Century,” *East European Politics and Societies* 14:3 (2000): 497–531.

27. Tibor Frank, “Nation, National Minorities, and Nationalism in Twentieth-Century Hungary,” in *Eastern European Nationalism in the Twentieth Century*, ed. Peter F. Sugar (Washington, D.C.: American University Press, 1995), 222, 227–29.

28. See especially C. A. Macartney, *Hungary and Her Successors: The Treaty of Trianon and Its Consequences, 1919–1937* (London: Oxford University Press, 1937). Accord-

Hungary consistently and emphatically rejected Danubian economic union.²⁹ Instead, Hungary's "intense economic nationalism" sought to create both autonomy from Austria and more rapid industrial development than the other post-Habsburg states.³⁰

Hungarian policy alarmed those states that benefited from the peace settlements—Czechoslovakia, Romania, and Yugoslavia. The Czechoslovak, Romanian, and Yugoslav governments had a direction for their concerns about economic dependence and state security—against both Austria and Hungary. Although each of the three governments rejected a Danubian federation that included Austria and Hungary, each saw the benefits of their own regional alliance, the Little Entente. However, the Little Entente led ultimately neither to intensive trade cooperation nor economic cohesion. These states' rejection of Danubian economic union coincided with an inward turn in their economic policies.³¹

Czechoslovakia. Nationalism in Czechoslovakia was the central influence on its foreign economic policy; it led the government to introduce its own currency, to seek economic autonomy, and ultimately also to pursue regional hegemony. But it was primarily Czech nationalism that articulated those goals. Czechoslovak identity was vaguely defined during the 1920s and, as the decade progressed, increasingly contested by Slovak nationalists.³² The

ing to Joseph Rothschild, "Passionate revisionism was the general—indeed, the virtually universal—response of Hungarian society to Trianon." (See his *East Central Europe Between the Two World Wars* [Seattle and London: University of Washington Press, 1974], 157).

29. Pasvolsky, *Economic Nationalism of the Danubian States*, 375–78; and Gyula Juhasz, *Hungarian Foreign Policy, 1919–1945* (Budapest: Akademiai Kiado, 1979). See also István Deák, "Historical Foundations: The Development of Hungary from 1918 and 1945," in *Ungarn*, ed. Klaus-Detlev Grothusen (Göttingen: Vandenhoeck and Ruprecht, 1987), 49–53; and George Barany, "Hungary: From Aristocratic to Proletarian Nationalism," in *Nationalism in Eastern Europe*, ed. Peter F. Sugar and Ivo J. Lederer (Seattle and London: University of Washington Press, 1969), 287–89.
30. Pasvolsky, *Economic Nationalism of the Danubian States*, 361. On the concern for economic autonomy from Austria, see C. A. Macartney, *Problems of the Danube Basin* (London: Cambridge University Press, 1942), 132–33.
31. See especially Magda Adam, *The Little Entente and Europe, 1920–1929* (Budapest: Akademiai Kiado, 1993), ch. 3, 183–92. See also Keith Hitchins, *Rumania, 1866–1947* (Oxford: Clarendon, 1994), 432–33; Robert Machray, *The Little Entente* (London: Allen and Unwin, 1929); and John O. Crane, *The Little Entente* (New York: Macmillan, 1931).
32. See Carol Skalnik Leff, *National Conflict in Czechoslovakia* (Princeton, N.J.: Princeton University Press, 1988), ch. 1; and Hugh Seton-Watson, *Eastern Europe Between the Wars, 1918–1941*, 3rd ed. (Hamden, Conn.: Archon, 1962), 175–77.

government, dominated by Czech nationalists, interpreted Czech national goals as largely synonymous with Czechoslovak state goals.³³ When it came to questions of foreign policy, Slovaks were completely in agreement.³⁴ In fact, the anti-Magyar basis of Slovak nationalism intensified Czechoslovakia's economic orientation away from Hungary. Because Czech nationalism had developed in opposition to German-Austrian identity, and Slovak nationalism had developed in opposition to Magyar identity, Czechoslovak citizens managed to share a political-economic orientation against both.³⁵

Czechoslovakia had the most powerful industrial economy in the region, because it inherited over two-thirds of the industrial potential of the Austro-Hungarian Empire and only one quarter of its population living in one-fifth of its area.³⁶ Still, Czechoslovak foreign minister Eduard Benes contended in 1920 that the "Czechs had fought not for political freedom—for this they had enjoyed to a certain extent before the war—but for their economic independence, and therefore the scheme for a confederation of the Danubian states, or even of a 'Customs Union,' is out of the question for the Czechoslovak Republic."³⁷ Czechoslovak economic policy was "directed toward the preservation of her economic, as well as political, identity."³⁸

33. See, for example, Carol Skalnik Leff, "Czech and Slovak Nationalism in the Twentieth Century," in *Eastern European Nationalism in the Twentieth Century*, ed. Sugar, 134–135; and Joseph F. Zacek, "Nationalism in Czechoslovakia," in *Nationalism in Eastern Europe*, ed. Sugar and Lederer, 193.
34. For further discussion of how the promotion of a unified Czechoslovak identity related to the state's international relations, see Leff, *National Conflict in Czechoslovakia*, 134–38.
35. See Felix John Vondracek, *The Foreign Policy of Czechoslovakia, 1918–1935* (New York: Columbia University Press, 1937), 60–62, 78–79; Leff, *National Conflict in Czechoslovakia*, 26–32; and Macartney, *Problems of the Danube Basin*, 132.
36. See, for example, Alice Teichova, *The Czechoslovak Economy, 1918–1980* (London and New York: Routledge, 1988), 3, 17–18; and Pasvolsky, *Economic Nationalism of the Danubian States*, 201–202.
37. Quoted in Hertz, *Economic Problem of the Danubian States*, 65. Benes also argued that Czechoslovakia was aware "of the fact that the present day economic policy of all [central European states] is characterized by an extreme nationalism—a protectionism, in fact, dictated by the nationalists," at 74.
38. Pasvolsky, *Economic Nationalism of the Danubian States*, 282. According to M. L. Flaningam, "One of the best examples of nationalism as a motivating factor in economic policy is to be found in the tariff and commercial treaty relations of Czechoslovakia and Austria" (See her "A Survey of Czechoslovak-Austrian Tariff and Commercial Treaty Relations, 1919–1937," *Journal of Central European Affairs* 6:1 [1946]: 30–42, at 30).

Romania. Similarly, nationalism determined the foreign economic policy of Romania, leading the government, according to Leo Pasvolsky, toward an “uncompromising assertion of economic sovereignty” and a fear of “economic colonization.”³⁹ These concerns about dependence led Romania to reject Danubian economic union. In the 1920s Romania was ruled by the Liberal party, composed primarily of Romanian nationalists, and the government consequently sought what it called “economic emancipation.”⁴⁰ Toward that end, they cultivated new industries, passed laws that severely limited foreign ownership, and adopted highly protective tariffs. The continuity of Romanian foreign economic policy during the 1920s also indicated consensus on the necessity of economic autonomy. In 1928, when the National-Peasant party supplanted the Liberals, the new government, motivated apparently by the same concerns, continued the same policies of economic autonomy.⁴¹ As was the case elsewhere in the region, political parties disagreed over domestic politics, but everyone agreed that the Romanian economy should be autonomous and shared the “commitment to economic nationalism.”⁴²

Yugoslavia. Finally, like Romanian and Czechoslovak economic policy, Yugoslav economic policy during the interwar years also sought to “reinforce the newly acquired political independence by strengthening the economy of the country.”⁴³ Thus, the government sought to reduce and control industrial imports and financial flows from Austria and Hungary, and it nationalized Austrian and Hungarian enterprises on Yugoslav territory. The 1925 tariff, for example, set dual rates whose maximum, faced by countries with which the government had not concluded a trade agreement, was so high that importing many products was simply impossible.⁴⁴ The Yugoslav government, like those of the

39. Pasvolsky, *Economic Nationalism of the Danubian States*, 439, 459–63.

40. Rothschild, *East Central Europe Between the Two World Wars*, 293.

41. Hitchens, *Rumania*, 364–66. For more on the continuity of Romania’s foreign economic policy during the interwar years, see David Turnock, *The Romanian Economy in the Twentieth Century* (New York: St. Martin’s 1986), 53–54.

42. Rothschild, *East Central Europe Between the Two World Wars*, 297

43. See Jozo Tomasevich, “Foreign Economic Relations, 1918–1941,” in *Yugoslavia*, ed. Robert J. Kerner (Berkeley: University of California Press, 1949), 185–86, 197–98.

44. Tomasevich, “Foreign Economic Relations,” 198–99. Also see John R. Lampe and Marvin R. Jackson, *Balkan Economic History, 1550–1950* (Bloomington: Indiana University

other Danubian states, rejected the Portorose Protocols for free trade.⁴⁵

As was the case with Czechoslovakia, the Yugoslav state was established in the absence of a widely shared Yugoslav national identity. Serbian and Croatian nationalists, in particular, had contrasting interpretations of Yugoslav societal unity both before and after the establishment of the state.⁴⁶ Like the Czechs, Serbs largely controlled their state and imposed their understanding of Yugoslav unity on the rest of society.⁴⁷ Their interpretation equated the identity of the Yugoslav state with the historical destiny of a Greater Serbia and the liberation of all the South Slavs from the foreign rule of Austria and Hungary.⁴⁸

In sum, the nationalisms within Czechoslovakia, Romania, Yugoslavia, and Hungary led their governments not to cooperate with each other in economic affairs. They sought either to reorient their economies to other states or to seek self-sufficiency, primarily for reasons of state security.⁴⁹ As Berend argues, the new governments of the region “sought to establish national identities in a form that included economic independence.”⁵⁰

Cooperation and Discord in the Post-Soviet Regional Economy

There was no region-wide cooperation among all post-Soviet states during the 1990s, even though, given these 15 states’ interdependence, collaboration seemed an obvious necessity. At least it

Press, 1982), 402–15; and John R. Lampe, *Yugoslavia as History: Twice There Was a Country* (Cambridge: Cambridge University Press, 1996), ch. 5.

45. Yugoslavia’s failure to ratify the Portorose agreement was indicative of its own “economic nationalism,” according to Fred Singleton and Bernard Carter’s *The Economy of Yugoslavia* (New York: St. Martin’s, 1982), 62, and chs. 3 and 4 more generally.
46. See Charles Jelavich, *South Slav Nationalism* (Columbus: Ohio States University Press, 1990), ch. 1, especially 30–31; and Ivo Banac, *The National Question in Yugoslavia: Origins, History, Politics* (Ithaca, N.Y.: Cornell University Press, 1984).
47. See, for example, Aleksa Djilas, *The Contested Country* (Cambridge, Mass.: Harvard University Press, 1991), 12–13; and Rothschild, *East Central Europe Between the Two Wars*, 206–207.
48. See Ivo J. Lederer, “Nationalism and the Yugoslavs,” in *Nationalism in Eastern Europe*, ed. Sugar and Lederer, 425.
49. Macartney, *Problems of the Danube Basin*, 133.
50. Berend, *Decades of Crisis*, 234.

seemed so to the International Monetary Fund (IMF) and World Bank. The IMF recommended that Soviet successor states maintain their monetary union, and in 1992 even insisted that governments would not be entitled to IMF financing if they introduced their own currencies.⁵¹ Nevertheless, some post-Soviet governments adopted new national currencies, the former currency union fell apart, and monetary relations became disorganized and chaotic. Following a similar logic, World Bank economists urged cooperation and preferential trading arrangements.⁵² But trade relations became discordant, and by the mid-1990s trade volume among post-Soviet states had declined to less than half its 1991 level. Of course, part of the collapse of regional trade resulted from the creation of borders between these pieces of the collapsed Soviet state, as well as the economic decline that accompanied the transition from state-socialist to capitalist economic institutions. But leaders, mass publics, and organized economic actors throughout the former Soviet Union blamed political dissolution more than any other cause. They put the region's failed cooperation at the center of foreign economic policy debates.

Overall, the most striking aspect of the political economy of post-Soviet international relations was its variety, which was particularly evident in governments' policies toward regional monetary and trade arrangements.⁵³ Some governments sought regional economic reintegration. Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Tajikistan, along with Russia, all promoted monetary and trade cooperation and the development of regional institutions, such as the Commonwealth of Independent States (CIS). These reintegrationists insisted on the rationality and reasonableness of their approach, which followed obvious material incentives—in

51. Pavel Vanichkin, "Direktorat MVF sovetuiut nam sokhranit' edinoe torgovoe-ekonomicheskoe prostranstvo" (Directorate of the IMF recommends that we preserve the single commercial-economic space), *Delovoi mir*, 30 September 1992. See also Brigitte Granville, "Farewell, Ruble Zone," in *Russian Economic Reform at Risk*, ed. Anders Åslund (London: Pinter, 1995).

52. Constantine Michalopoulos and David G. Tarr, "Policy Recommendations," in *Trade in the New Independent States*, ed. Michalopoulos and Tarr (Washington, D.C.: World Bank, 1994), esp. 261–62.

53. On the variety of strategies among post-Soviet states, see Martha Brill Olcott, Anders Åslund, and Sherman Garnett, *Getting it Wrong: Regional Cooperation and the Commonwealth of Independent States* (Washington, D.C.: Carnegie Endowment for International Peace, 1999).

contrast to what they called the “romanticism” and economic “naïveté” of nationalists throughout the region.

Another group of post-Soviet governments was ambivalent about economic reintegration. Azerbaijan, Georgia, Moldova, Turkmenistan, Ukraine, and Uzbekistan recognized the need for some cooperation with Russia and other CIS states. Their governments, however, rejected multilateral reintegration, primarily because they feared that the formal institutionalization of cooperation would strengthen Russia’s regional hegemony.

The three Baltic states, Lithuania, Latvia, and Estonia, composed a distinct third group of post-Soviet governments. They unambiguously rejected both economic reintegration and regional cooperation and remained outside the CIS. The Baltic governments also claimed that their policies, the opposite of the reintegrationists’, were more rational because they pursued such long-term goals as integration into the European Union (EU) and economic reform, even as they ignored short-term incentives to cooperate with Russia.

MONETARY DISSOLUTION

Russia itself finally destroyed the ruble zone in the summer of 1993, even though it had been trying to hold the currency union together since the autumn of 1991.⁵⁴ Before this change, however, five states (Estonia, Latvia, Lithuania, Ukraine, and Kyrgyzstan) had already exited. Estonia, Latvia, and Lithuania exited the ruble zone as quickly as they could during the summer and early autumn of 1992.⁵⁵ In all three Baltic republics, political elites nearly unanimously supported new currencies, whatever the economic cost.⁵⁶

Ukraine exited the ruble zone in November 1992, later and less decisively than the Baltic states. In March 1992, President Leonid Kravchuk outlined a plan to achieve economic autonomy from Russia, and a new currency was a central component of the strategy.⁵⁷

54. This section draws from Abdelal, *National Purpose*, ch. 3.

55. See Saulius Girnius, “Establishing Currencies in the Baltic States,” *RFE/RL Research Report* 2:22 (1993): 35–39.

56. See “Kroons, Lats, Lits,” *Economist*, 3 July 1993.

57. The plan was reprinted in “Kravchuk’s Report Had the Effect of an Exploding Bomb,” *Komsomlskaia pravda*, 26 March 1992, in *Current Digest of the Post-Soviet Press* 44:12

However, internal dissension about the necessity of economic autonomy and an independent currency, including the strenuous opposition of Ukrainian industrialists, delayed Ukraine's exit from the ruble zone. Kyrgyzstan's departure from the ruble zone, in contrast to these four, reflected the priorities of an economic reform package designed by the IMF, which had by then changed its view of the union.

By July 1993, nine post-Soviet states (Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Moldova, Tajikistan, Turkmenistan, and Uzbekistan) remained in the ruble zone with Russia. None could print rubles, but, for several years, all had been quite generous in issuing non-cash credit for firms within their borders. Beginning in the middle of 1992, Russia had attempted to lead the coordination of monetary policies within the ruble zone, in an effort to restrain the profligate credit emission of the other members. The failure of these attempts to organize the region's monetary authority was an increasing source of frustration for the Central Bank of Russia (CBR) and many government officials, a fact that created political tension between Russia and the other members.

During the first half of 1993, even as the CBR was wrangling with the other central banks about credit emission, it was issuing new ruble notes, without the traditional picture of Lenin and the 15 languages of the constituent republics. The new rubles were distinctly Russian, not Soviet, and the CBR refused to include the new notes in their ruble shipments to the other members of the currency area. Then, on 24 July, CBR chairman Viktor Gerashchenko announced that all pre-1993 rubles would no longer be legal tender in Russia as of 26 July, and that they could be exchanged at a set rate within Russia.⁵⁸ Azerbaijan, Georgia, Moldova, and Turkmenistan reacted to Russia's surprise currency reform by introducing independent currencies.

(1992):15–16. Also see Sergei Tsikora, "Iz SNG Ukraina ne vykhodit, no ekonomicheskii kurs — meniaet" (Ukraine is not leaving the CIS, but its economic course is changing), *Izvestiia*, 25 March 1992.

58. "Soobshchenie Tsentral'nogo banka Rossiiskoi Federatsii" (Announcement of the Central Bank of the Russian Federation), *Rossiiskaia gazeta*, 27 July 1993. See Mikhail Leontiev, "Rossiia vvela natsional'nyi valiutu, prikryv eie telom Gerashchenko" (Russia introduces a new currency, covering it with the body of Gerashchenko), *Segodnia*, 27 July 1993.

In contrast, Armenia, Belarus, Kazakhstan, Tajikistan, and Uzbekistan reacted to the July currency reform in Russia by insisting that they would continue to use the ruble, even though they had no way of receiving the new ruble notes.⁵⁹ In August and September 1993, these five states, along with Russia, agreed to create a *rublevaia zona novogo tipa* (ruble zone of a new type). So, in exchange for the material benefits of a currency union with Russia, these five states agreed to let the CBR make monetary policy for them all. In November 1993, Russia clarified the terms for membership: the cash rubles would be given to ruble-zone members as state credit. In other words, the central banks of the five other states would be obligated to pay interest to the CBR for the rubles as if the ruble notes were a loan. Furthermore, Russia insisted that the ruble-zone states deposit at the CBR hard currency or gold worth 50 percent of the value of the ruble “loan.” These conditions would hold for a trial period of six months, after which time, if Russia deemed the ruble-zone states acceptable partners in the monetary union, the hard-currency collateral and interest would be returned, and the ruble notes no longer treated as a loan. In addition, the member states could exchange their old ruble notes for the new, but at a confiscatory rate of approximately three for one. Finally, the members of the new-type ruble zone were required not to introduce an independent currency for a period of five years.⁶⁰ These Russian conditions obviously destroyed any chance of success and, within months, the ruble zone had collapsed for good.

TRADE DISCORD

The commercial relations among post-Soviet states, as well as the production networks they shared, were politicized. As with their currencies, post-Soviet governments had contrasting interpretations of their trade with Russia and each other. Several attempts to create region-wide trade cooperation among all 15 states and

59. See John Lloyd, “Some Rubles are More Equal than Others,” *Financial Times*, 28 July 1993.

60. See Viktor Kiiianitsa, “Proshchanie s rublem” (Bidding the ruble farewell), *Moskovskie novosti*, 21 November 1993. Also see Mikhail Alexandrov, *Uneasy Alliance: Relations Between Russia and Kazakhstan in the Post-Soviet Era, 1992–97* (Westport, Conn.: Greenwood, 1999), 172.

to construct a new institutional foundation for their commercial relations came to nothing. The post-Soviet regional economy, once divided into 15 independent economies, did not reintegrate.

In December 1991, 11 Soviet republics agreed to create the CIS, which was supposed to ensure close economic cooperation among members, among other goals.⁶¹ Between late December 1991 and January 2000, the leaders of CIS member states held 23 multilateral meetings and signed hundreds of agreements dealing with both security and economic issues. In May 1993, CIS states agreed to establish a new "Economic Union." By this point, post-Soviet leaders no longer spoke of "maintaining" the common economic space. Instead, many began to speak of "reintegrating" their economies. Regional reintegration became a dominant theme of post-Soviet political economy.

For a subset of CIS states, CIS institutions did foster cooperation. Belarus, Kazakhstan, and Russia consistently supported the CIS institutions that promoted trade cooperation. For these three states, which provided much of the impetus toward regional reintegration, trade cooperation was quite successful during the 1990s. In 1995 Belarus, Kazakhstan, and Russia, established a customs union within the context of CIS institutions, but without the agreement of other CIS states. Kyrgyzstan joined in 1996, and Tajikistan followed in 1999.

Meanwhile, the other CIS states consistently displayed ambivalence or outright hostility toward these institutions for economic reintegration. And the three Baltic states remained outside the CIS altogether.

Nationalism and the Foreign Economic Policies of Soviet Successor States

Nationalist movements rose as the Soviet Union began to come apart in the late 1980s and early 1990s.⁶² However, the levels of

61. For recent assessments of the CIS, see Paul Kubicek, "End of the Line for the Commonwealth of Independent States," *Problem of Post-Communism* 46:2 (1999): 15–24; and Richard Sakwa and Mark Webber, "The Commonwealth of Independent States, 1991–1998: Stagnation and Survival," *Europe-Asia Studies* 51:3 (1999): 379–415.

62. The literature on Soviet and post-Soviet nationalisms is quite rich. On postcommunist nationalisms in central and eastern Europe, see Vladimir Tismaneanu, *Fantasies*

nationalist mobilization among Soviet republics were uneven. After the Soviet collapse, the success of nationalist parties in winning popular support for and implementing their agendas varied as well.

Almost all nationalist movements and parties throughout the former Soviet Union advocated the creation of a national currency for their newly independent states. Frequently, post-Soviet nationalists proclaimed economic “reorientation” as their goal, defined as the reduction of dependence on Russia and economic reintegration with some other group of states, most commonly “the West” or “Europe.” Many nationalists had thought, prior to 1991, that economic autonomy would bring their nation greater prosperity. However, after the dissolution, most quickly realized that autonomy would, at least in the short run, cause economic distress. Revising their argument, the nationalists claimed that autonomy was worth the costs and that the rewards would accrue to future generations of the nation.

Not everyone agreed. The nationalists’ arguments did not consistently convince everyone in society. Naturally, there were those who demanded that the economic ties with the former Soviet Union be maintained and even strengthened, primarily to avoid economic disaster. Invariably, among the groups that insisted on regional economic cooperation and reintegration were the industrialists and other organized business interests in each state.

Clearly these two arguments were incompatible, as were the policies the opposing groups proposed. Post-Soviet societies and politicians were forced to choose; they could side either with the nationalists and pursue autonomy, or with the industrialists and

of Salvation: Democracy, Nationalism, and Myth in Post-Communist Europe (Princeton, Nov.: Princeton University Press, 1998). On post-Soviet nationalisms, see Ronald Grigor Suny, *Revenge of the Past: Nationalism, Revolution, and the Collapse of the Soviet Union* (Stanford, Cal.: Stanford University Press, 1993); id., *The Soviet Experiment: Russia, the USSR, and the Successor States* (New York: Oxford University Press, 1998); and id., “Provisional Stabilities: The Politics of Identities in Post-Soviet Eurasia,” *International Security* 24:3 (1999/2000): 139–78; Mark R. Beissinger, “How Nationalisms Spread: Eastern Europe Adrift the Tides and Cycles of Nationalist Contention,” *Social Research* 63:1 (1996): 97–146; and David D. Laitin, *Identity in Formation: The Russian-Speaking Populations in the Near Abroad* (Ithaca, N.Y.: Cornell University Press, 1998). See also Ian Bremmer and Ray Taras, eds., *New States, New Politics: Building the Post-Soviet Nations* (Cambridge: Cambridge University Press, 1997); and Roman Szporluk, ed., *National Identity and Ethnicity in Russia and the New States of Eurasia* (Armonk, N.Y. and London: M. E. Sharpe, 1994).

accept regional cooperation under Russian leadership. The political economy of post-Soviet international relations revolved around one basic question: Did post-Soviet societies and politicians agree with their nationalists, or not?

As post-Soviet political authority was reconstructed in the early 1990s, the former Communists' reactions to the nationalists were most consequential, and revealing, politically. During the first post-Soviet decade, the defining political difference among the 14 non-Russian states was the relationship between the former Communist elites and the nationalists in each—whether the former Communists marginalized the nationalists, arrested them, co-opted them, bargained with them, or even tried to become like them. These different relationships indicated the degree of societal consensus about the purposes of nation- and statehood after Soviet rule, and thus reflected these societies' various interpretations of the Soviet past: imperious, glorious, or some combination of both.

Post-Soviet societies can be divided into three groups based on how they resolved these internal debates, which indicates the content and contestation of their national identities. First, there are those societies with national identities whose content, proposed by nationalist movements and parties, was widely shared and, therefore, relatively uncontested. In Lithuania, Latvia, and Estonia, the nationalists came to power and influenced societal debates about economic strategy so that the entire political spectrum, including most former Communists, embraced the nationalist agenda of economic reorientation away from Russia. In Armenia, where the content of national identity was also coherently and widely shared, the nationalist agenda also became ascendant, but it was unique among post-Soviet nationalist movements in its generous interpretation of Russia as a historical ally against Muslim neighbors.⁶³

Then there were those societies where the nationalists' proposals for the content of their national identities was heavily contested, sometimes with significant regional variation in the publics' in-

63. A few nationalist parties were oriented against Russia and the CIS, among them the Free Armenia Mission. However, the most influential Armenian nationalists proposed traditional anti-Turkic content for their society's collective identity. Explicit anti-Russianism was rare. For a review, see Suny, "Provisional Stabilities," 156–59. Also see Nora Dudwick, "Armenia: Paradise Lost?" in *New States, New Politics*, ed. Bremmer and Taras.

terpretation of their collective identities. Azerbaijan, Georgia, Moldova, and Ukraine fall into this category, and they demonstrate how the preferences of the first post-Soviet governments after 1991 were insufficient to achieve their goals. This was true, first, because of a failure of societal resolve, since the goals of the governments were not as widely shared as in other societies, for example, in the Baltic. Also, especially in the cases of Azerbaijan, Georgia, and Moldova, internal state weakness and societal contestation of state purpose allowed Russia to influence their domestic politics and affect military and economic outcomes. It was not that the governments of these four states necessarily preferred their ambivalent economic strategies. Rather, these erratic strategies resulted from the interaction between government preferences, the ambivalence of their societies' collective identities, and the capabilities of their states to resist Russian influence.

Finally, there were those societies whose collective interpretation of their national identities was either ambiguous, incoherent, fragmented, or highly contested: Belarus, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. In these states, anti-Soviet, anti-Russian, and anti-CIS agendas proposed by nationalist groups were largely rejected by most other societal actors.

THE FOREIGN ECONOMIC POLICIES OF LITHUANIA, UKRAINE, AND BELARUS

In this article I focus on one country from each of these three patterns: Lithuania, Ukraine, and Belarus.⁶⁴ During the 1990s, the

64. I therefore do not deal with Russia's foreign economic policy. On the other Baltic states, see Graham Smith, "The Resurgence of Nationalism," in *The Baltic States: The National Self-Determination of Estonia, Latvia, and Lithuania*, ed. Smith (New York: St. Martin's, 1994); Rein Taagepera, *Estonia: Return to Independence* (Boulder, Colo.: Westview, 1993); Toivo U. Raun, *Estonia and the Estonians*, 2nd ed. (Stanford, Cal.: Hoover Institution Press, 1991), 222–42. On Azerbaijan, see Swietochowski, *Russia and Azerbaijan*, especially 221–28; and Shireen Hunter, "Azerbaijan: Searching for New Neighbors," in *New States, New Politics*, ed. Bremmer and Taras. On Moldova, see Charles King, *The Moldovans: Romania, Russia, and the Politics of Culture* (Stanford, Cal.: Hoover Institution Press, 2000); and William Crowther, "Moldova: Caught Between Nation and Empire," in *New States, New Politics*, ed. Bremmer and Taras; and on the goals of Moldovan political parties, see Vladimir Socor, "Moldova's Political Landscape: Profiles of the Parties," *RFE/RL Research Report* 3:10 (1994): 6–14. On Georgia, see Ronald Grigor Suny, *The Making of the Georgian Nation*, 2nd ed. (Bloomington: Indiana University Press, 1994), 317–36; and Stephen Jones, "Georgia: The

Lithuanian government consistently interpreted economic dependence on Russia as a threat to state security and, as a result, strategically reoriented its economy toward the West.⁶⁵ Lithuania sought to reduce its dependence on Russia by diversifying its trade links, integrating into the EU, and creating an independent currency tied closely to the West.⁶⁶ Meanwhile, the Lithuanian constitution expressly prohibits the government from joining any political or economic unions on the territory of the former Soviet Union; CIS membership was simply out of the question. The Lithuanian government negotiated a free-trade agreement with the EU in 1994, but rejected free trade with Russia or the CIS. Economic relations with Russia were severely strained by Lithuania's

Trauma of Statehood," in *New States, New Politics*, ed. Bremmer and Taras; and, for a comparison of the policy positions of the nationalists and Communists in early Georgian elections, see Lynn D. Nelson and Paata Amonashvili, "Voting and Political Attitudes in Soviet Georgia," *Soviet Studies* 44:4 (1992): 687-97. On Armenia, see Nora Dudwick, "Armenia: Paradise Lost?" in *New States, New Politics*, ed. Bremmer and Taras; and Ronald Grigor Suny, *Looking Toward Ararat: Armenia in Modern History* (Bloomington: Indiana University Press, 1993). On Kazakhstan, see Alexandrov, *Uneasy Alliance*, chs. 4-5; Martha Brill Olcott, *The Kazakhs*, 2nd ed. (Stanford, Cal.: Hoover Institution Press, 1995); and id., "Kazakhstan: Pushing for Eurasia," in *New States, New Politics*, ed. Bremmer and Taras. On Kyrgyzstan, see Eugene Huskey, "Kyrgyzstan: The Politics of Demographic and Economic Frustration," in *New States, New Politics*, ed. Bremmer and Taras. On Tajikistan, see Barnett R. Rubin, "Russian Hegemony and State Breakdown in the Periphery: Causes and Consequences of the Civil War in Tajikistan," in *Post-Soviet Political Order*, ed. Barnett R. Rubin and Jack Snyder (London and New York: Routledge, 1998); and Muriel Atkin, "Tajikistan: Reform, Reaction, and Civil War," in *New States, New Politics*, ed. Bremmer and Taras. On Uzbekistan, see Gregory Gleason, "Uzbekistan: The Politics of National Independence," in *New States, New Politics*, ed. Bremmer and Taras; William Fierman, "The Communist Party, 'Erk,' and the Changing Uzbek Political Environment," *Central Asian Survey* 10:3 (1991): 55-72; Shahram Akbarzadeh, "Nation-Building in Uzbekistan," *Central Asian Survey* 15:1 (1996): 23-32; and Edward A. Allworth, *The Modern Uzbeks* (Stanford, Cal.: Hoover Institution Press, 1990), 309-31. On Turkmenistan, see David Nissman, "Turkmenistan: Just Like Old Times," in *New States, New Politics*, ed. Bremmer and Taras; and Shahram Akbarzadeh, "National Identity and Political Legitimacy in Turkmenistan," *Nationalities Papers* 27:2 (1999): 271-90.

65. Author's interviews nos. 1, 2, 3, 4, and 5, Ministry of Foreign Affairs of Lithuania, Vilnius, July and August 1998; author's interview, Administration of the President of Lithuania, Vilnius, July 1998. Also see Evaldas Nekrasas, "Is Lithuania a Northern or Central European Country?" *Lithuanian Foreign Policy Review* 1 (1998): 19-45; and Romunas Vilpisauskas, "Trade Between Lithuania and the European Union," in *Lithuania's Integration into the European Union*, ed. Klaudijus Maniokas and Gediminas Vitkus (Vilnius: European Integration Studies Center, 1997).
66. See Government of Lithuania, *Action Program of the Government of the Republic of Lithuania for 1997-2000* (Vilnius, 1997); Ministry of Foreign Affairs of Lithuania, *Lithuania's Foreign Policy* (Vilnius, 1997).

Western foreign policy priorities. Until 1995 Lithuania was one of only four countries in the world, including the two other Baltic states, not to have received most-favored-nation trade status from Russia. In addition, Lithuania was, in October 1992, one of the first republics to leave the region's monetary union after the collapse of Soviet authority. The government pegged its new currency, the litas, to the dollar.

Belarus did essentially the opposite. The Belarusian government interpreted economic dependence on Russia as mutually beneficial exchange, a reason for closer cooperation with Russia and the multilateral reintegration of the post-Soviet economic area.⁶⁷ Belarus therefore did not reorient its economy away from Russia and toward the West. Belarus's orientation toward Russia was also strong enough to produce a string of agreements that symbolically united the Belarusian with the Russian state in 1997, 1998, and 1999. Free trade and customs union agreements continued to tighten the economic links between the two countries. Belarusian compliance paid handsome rewards, since Russia consistently subsidized Belarus's energy imports and forgave its enormous energy debts.

Ukraine's foreign policy orientation was a middle course between Russia and the West. Although the Ukrainian government sought close relationships with the North Atlantic Treaty Organization (NATO) and the EU, it did not apply for membership during the 1990s and is not likely to do so in the near future. However, the Ukrainian government did, like Lithuania's, interpret economic dependence on Russia as a security threat, even if it did much less to achieve economic autonomy and reorient its economy Westward.⁶⁸ The Ukrainian government decided that close cooperation with Russia was necessary, but, unlike the Belarusian authorities, ruled out the possibility of multilateral reintegration of the former Soviet economy. Ukrainian foreign economic policy during the 1990s was ambivalent.

67. See Karen Dawisha, "Constructing and Deconstructing Empire in the Post-Soviet Space," in *The End of Empire?* ed. Dawisha and Parrott, 352-353.

68. Author's interview, Ministry of Foreign Affairs of Ukraine, Kyiv, June 1998; author's interview, Administration of the President of Ukraine, Kyiv, June 1998. For the best overview, see Paul D'Anieri, *Economic Interdependence in Ukrainian-Russian Relations* (Albany: SUNY Press, 1999).

NATIONALISM AND NATIONAL IDENTITY IN LITHUANIA, UKRAINE, AND BELARUS

During the first post-Soviet decade, the mainstream nationalists in Lithuania, Ukraine, and Belarus had remarkably similar ideologies and foreign policy goals.⁶⁹ That is, their nationalists strove to define the content of their societies' identities in very similar ways. Lithuanian, Ukrainian, and Belarusian nationalist ideologies shared three fundamental ideas.

The first was their interpretation of the history and purpose of their statehood. Lithuanian, Ukrainian, and Belarusian nationalists all argued that their statehood, having been lost to Russian influence at various moments in history, has now been restored. Thus, for all three groups of nationalists, Russia is the most significant "other," the state from whom statehood must be defended most of all. And a strong, unified state is necessary to protect and cultivate the nation.⁷⁰ Lithuanian, Ukrainian, and Belarusian nationalisms, which began as anti-Soviet, became anti-Russian.⁷¹

Second, Lithuanian, Ukrainian, and Belarusian nationalists all argued that economic dependence on Russia is a security threat.⁷² Indeed, the Belarusian Popular Front (BPF) calls economic dependence on Russia "the main problem of the security of the Be-

69. Leaders of the most important Lithuanian, Ukrainian, and Belarusian nationalist parties (respectively, Homeland Union, Rukh, and the Belarusian Popular Front [BPF]) agreed with this observation. Author's interviews nos. 1 and 2, Homeland Union, Vilnius, July 1998; author's interview, Rukh, Kyiv, July 1998; and author's interviews nos. 1 and 2, Belarusian Popular Front, Minsk, July 1998. Also see Svetlana Chervonnaia, *Grazhdanskiye dvizheniia v Litve* (Civic movements in Lithuania) (Moscow: TsIMO, 1993); Ivan Lozowy, *The Popular Movement of Ukraine Rukh 1994: Statehood, Democracy, Reforms* (Kyiv: International Relations Secretariat, Popular Movement of Ukraine Rukh, 1994); Rukh, *The Popular Movement for Restructuring Rukh: Program and Charter* (Baltimore: Smoloskyp Publishers, for the Ukrainian National Association, [1989] 1990); *Sajudis, Obschchaia programma Litovskogo dvizheniia za perestroiku* (Overall program of the Lithuanian movement for perestroika) (Vilnius: Mintis, 1989); and TsIMO, *Grazhdanskiye dvizheniia v Belorussii: dokumenty i materialy, 1986–1991* (Civic movements in Belorussia: documents and materials, 1986–1991) (Moscow: TsIMO, 1991).

70. Author's interview no. 1, Homeland Union, Vilnius, July 1998; author's interview, Rukh, Kyiv, July 1998; author's interview no. 2, Belarusian Popular Front, Minsk, July 1998.

71. See Beissinger, "How Nationalisms Spread."

72. Author's interviews nos. 1 and 2, Homeland Union, Vilnius, July 1998; author's interview, Rukh, Kyiv, July 1998; author's interview no. 1, Belarusian Popular Front, Minsk, July 1998.

larusian state.”⁷³ Nationalists in these states do not believe that Russian troops are likely to cross their borders to take over the country. But they do fear that economic dependence will drastically limit their governments’ autonomy or even their perception of the country’s true national interests. Therefore, they rejected close economic cooperation or reintegration with Russia, whatever the costs of autonomy. The nationalists argue that economic sacrifice will not be permanent, since they will reorient their countries’ commerce. In the long run, they, and future generations of the nation, will be European and rich.

Finally, their states’ “return to Europe” is the third fundamental idea that these national ideologies shared. These three nationalisms were not just anti-Russian; they were also powerfully pro-European and pro-NATO. Their definition of Europe reflects this stance, moreover, since they do not consider Russia a part of Europe. A Lithuanian member of parliament, for example, when asked to define Europe responded, “Europe is . . . not-Russia!”⁷⁴ Lithuania’s nationalists, Joan Lofgren concludes, “are now among the prime advocates of EU membership.”⁷⁵ As Andrew Wilson shows, Ukrainian nationalists’ external agenda “is clear and can be neatly summarized as anti-Russian and pro-European.”⁷⁶ For Belarusian nationalists, too, the directions of their proposed policy—anti-Russian, anti-CIS, and pro-European—were equivalent.⁷⁷

In sum, Lithuanian, Ukrainian, and Belarusian nationalists had remarkably similar ideologies. They wanted the purposive content of their societies’ identities to be essentially the same. And they wanted similar foreign policies: economic reorientation away

73. Author’s interview no. 1, Belarusian Popular Front, Minsk, July 1998. See Jan Zaprudnik and Michael Urban “Belarus: From Statehood to Empire?” in *New States, New Politics*, ed. Bremmer and Taras, 286–88 and 297–98.

74. See Timothy Garton Ash, “Journey to the Post-Communist East,” *New York Review of Books*, 23 June 1994.

75. Joan Lofgren, “A Different Kind of Union,” *Transitions* 4:6 (1997): 47–52, at 47.

76. Andrew Wilson, *Ukrainian Nationalism in the 1990s* (Cambridge: Cambridge University Press, 1997), 113, and 179–80. Also see Ilya Prizel, *National Identity and Foreign Policy: Nationalism and Leadership in Poland, Russia, and Ukraine* (Cambridge: Cambridge University Press, 1998), 367.

77. Interview no. 1, Belarusian Popular Front, Minsk, July 1998. See also Belarusian Popular Front, “Belarus—To Europe! A Strategy of Defense of Independence,” in *Documents of the Fifth Congress of the Belarusian Popular Front* (Minsk, 20–21 June 1997).

from Russia and toward Europe, despite the costs. If Lithuanian, Ukrainian, and Belarusian nationalists had been in charge of their respective governments for the past decade, their states' foreign economic policies would have been virtually identical. However, none of them was in charge, not for the entire decade.

Instead of making policy themselves, Lithuanian, Ukrainian, and Belarusian nationalists had to try to convince the former Communists who were running the government to accept their arguments and goals. Therefore, the central political question was whether the former Communists accepted or contested the nationalists' goals.

Lithuania. The arguments of nationalists matter most when the rest of society agrees with them. In Lithuania the rest of society agreed. The vast majority of Lithuanians, and of Lithuanian political parties, accepted the nationalists' arguments for reorientation. There were no influential political parties that contested them. Thus, the content of Lithuanian national identity was widely shared.⁷⁸ In the late 1980s and early 1990s, the coherence of national identity was reflected in the popularity of the nationalists themselves. In the 1990 elections to the Lithuanian Supreme Soviet, nationalist candidates won nearly 80 percent of the seats.

The coherence and consensus of national identity was even more powerfully illustrated when the nationalists lost parliamentary and presidential elections to former Communists. The victorious Lithuanian Democratic Labor Party (LDDP), the successor to the Communist party, did not dispute the fundamental purposes of Lithuanian statehood or the foreign policy objectives of the nationalists. In fact, the foreign policy goals of the LDDP in 1992 resembled those of Sajudis, Lithuania's nationalist movement.⁷⁹ The former Communists and nationalists both sought to reorient Lithuania's politics and trade toward the West and to integrate into Western institutions.

78. See Alfred Erich Senn, "Post-Soviet Political Leadership in Lithuania," in *Patterns of Post-Soviet Leadership*, ed. Timothy J. Colton and Robert C. Tucker (Boulder, Colo.: Westview, 1995); Kornelija Jurgaitiene and Ole Wæver, "Lithuania," in *European Integration and National Adaptations*, ed. Hans Mouritzen, Ole Wæver, and Hakan Wiberg (Commack, N.Y.: Nova Science, 1996).

79. See, for example, LDDP, "The Platform of the Lithuanian Democratic Labor Party for the Parliamentary Elections," reprinted in *Tiesa*, 7 October 1992, in FBIS-USR-92-149, 20 November 1992, 96-103.

Moreover, the LDDP, like the nationalist Homeland Union, connected the symbol of the Lithuanian nation to the goal of reorientation. They, too, proclaimed the goals of the nationalists as their own. The subtle differences in their policy programs reflected the LDDP's greater willingness to maintain normal, less hostile relations with Russia, so as not to alienate Russian leaders while Lithuania integrated into multilateral institutions in Europe and rejected them in Eurasia. LDDP leaders insisted that was a wiser policy that achieved the same goal of reorientation. Their goal, the former Communists asserted, was identical to Homeland Union's, but the LDDP was, and will be, better at achieving it. As an LDDP leader insisted, "the Communists are more nationalist than the nationalists."⁸⁰ Furthermore, all five of Lithuania's major political parties shared the same foreign policy objectives and legitimated reorientation with the symbol of the nation.⁸¹

In sum, Lithuanians agreed on the fundamental purposes of their statehood, purposes derived from their shared historical memory. This clarity caused Lithuania's post-Soviet foreign economic policy to be coherent, purposive, and single-minded. Lithuanian national identity framed the society's political and economic debates. Economic reintegration with the East was an illegitimate option. Lithuanians believed that reorienting their economy toward Europe was the best path to wealth. The widely shared content of national identity gave both government and society the political will to endure the economic sacrifice of reorienting toward Europe. The central theme of Lithuania's economic policies was the victory of the long view over the short.⁸²

Ukraine. Those same nationalist ideas were not widely accepted among Ukrainians, even if they were strongly held by the nationalists themselves. It was not the "weakness" of Ukrainian na-

80. Author's interview, LDDP, Vilnius, August 1998.

81. See, for example, their party platforms for the 1996 parliamentary elections: Homeland Union, *Lithuania's Success* (Vilnius, 1996); Lithuanian Democratic Labor Party, *With Work, Concord, and Morality into the Twenty-first Century* (Vilnius, 1996); Lithuanian Christian Democratic Party, *To Serve for Lithuania* (Vilnius, 1996); Lithuanian Center Union, *The New Lithuania* (Vilnius, 1996); and Lithuanian Social Democratic Party, *Labor, Truth, and Justice* (Vilnius, 1996).

82. For more on the association of economic hardship with political independence and European reorientation, see Saulius Girnius, "Back in Europe, to Stay," *Transitions* 3:6 (1997):7-10.

tional identity that prevented the country from having a foreign policy of reorientation. Rather, the way that east and south Ukrainians *contested* the content of Ukrainian national identity tempered Ukraine's pursuit of autonomy. Ukrainian national identity was contested regionally, Ilya Prizel argues, "leading to different 'national' agendas advocated by different regions."⁸³ Nationalist political parties enjoyed electoral success in the western and urban, central regions of Ukraine, but generally received a minority of Ukraine's parliamentary votes. Few other parties agreed with their program. The Communist, Socialist, and Peasant parties, all anti-reform, anti-Western, and pro-CIS, were highly popular in eastern and southern Ukraine, but deeply unpopular in western Ukraine.⁸⁴

Rather than a distinctively and exclusively Ukrainian national identity, east and south Ukrainians tended to have multiple and overlapping identities, which included pan-Slavic, residual Soviet, and regional identities. This caused east and south Ukrainians to question the anti-Russian content of nationalist ideologies formulated in western Ukraine.⁸⁵ Any characterization of east Ukrainians as pro-Russian is therefore misleading. More accurately, most Ukrainians from these areas were not anti-Russian, rather, they simply did not interpret Ukrainian and Russian identities to be mutually exclusive.⁸⁶

These contrasting and ambivalent interpretations of the nation had consequences for foreign economic policy. Ukrainians' views on economic union with Russia were indicators of their interpretation of Ukrainian national identity, rather than of their analyses of the state of the economy. East and south Ukrainians were "less likely to worry about what a close integration with Russia would do to their identity, since they already identify at least as much with Russian culture as with Ukrainian culture."⁸⁷ Just as

83. Prizel, *National Identity and Foreign Policy*, 371.

84. Prizel, *National Identity and Foreign Policy*, 367–68.

85. Taras Kuzio, *Ukraine: State and Nation Building* (London and New York: Routledge, 1998), ch. 7.

86. Taras Kuzio, "National Identity in Independent Ukraine: An Identity in Transition," *Nationalism and Ethnic Politics* 2:4 (1996): 582–609, at 599.

87. Dominique Arel, "Ukraine: The Temptation of the Nationalizing State," in *Political Culture and Civil Society in Russia and the New States of Eurasia*, ed. Vladimir Tismaneanu (Armonk, N.Y. and London: M. E. Sharpe, 1995), 179.

in Belarus, pro-Eurasianism was an economic argument, for living better and cooperating more with the East.⁸⁸

Ukraine could not, therefore, choose a singular path. Ukraine's national identity was too contested regionally for the government to make a decisive break from the CIS and toward Europe, as did the Baltics. At the same time, Ukraine's nationalism was too well-developed to be marginalized. Neither a purely pro-Western nor a purely pro-Eastern foreign policy was possible, because either would have divided the country.

Belarus. Belarusian nationalists failed in their attempt to define the content of Belarusian collective identity. Most of Belarusian society rejected their anti-Russian, pro-European program. Belarusian national identity was contested and ambiguous; it was an identity that did not specify clearly the fundamental purposes of the state and foreign policy.⁸⁹ Virtually none of Belarus's former Communists embraced the nationalists' agenda. Indeed, nowhere in the former Soviet Union was there a larger gap between the beliefs of the nationalists and the beliefs of the former Communists about the political meaning of national identity: the nationalists supported reorientation away from Russia, while the former Communists supported ever-closer ties.

In contrast to the BPF's pro-European and anti-Russian foreign-policy stance, no major Belarusian political party opposed close economic integration and political cooperation with Russia.⁹⁰ In the repertoire of Belarusian identities, pan-Slavic and residual Soviet identities were more widely shared than was a distinctively Belarusian identity defined in opposition to Russia. Belarus—as an entire country or society—did not “lack” a national identity. More accurately, most Belarusians, like east Ukrainians, have

88. Orest Subtelny, “Russocentrism, Regionalism, and the Political Culture of Ukraine,” in *Political Culture and Civil Society*, ed. Tismaneanu, 194. See also Stephen R. Buzant, “Foreign Policy and National Identity: A Comparison of Ukraine and Belarus,” *Europe-Asia Studies* 47:7 (1995):1125–44.

89. Dmitri Furman and Oleg Bukhovets, “Belorusskoe samosoznanie i belorusskaia politika” (Belorussian self-awareness and Belorussian politics), *Svobodnaiamysl'* 1 (1996): 57–75; and David R. Marples, *Belarus: A Denationalized Nation* (Amsterdam: Harwood, 1999).

90. V. A. Bobkov, N. V. Kuznetsov, and V. P. Osmolovsky, *Politicheskie Partii Belarusi* (Political parties of Belarus) (Minsk: BGEU, 1997), 3–98; and Irina Bugrova and Svetlana Naumova, “Parliamentary Elections and Foreign Policy Orientation of Belarus,” *Vestor* 1:1 (1996): 4–9.

mixed identities, combinations of multiethnic and multilingual identities that did not preclude a significant overlap between Belarusian and Russian identities. The meaning and content of Belarusian national identity was therefore ambiguous. Belarusian national identity was fragmented into conflicting interpretations of the nation.

Because Belarusian political elites and most of Belarusian society did not share the nationalists' interpretation of the content of Belarusian national identity, they did not see the point of allowing the post-Soviet regional economy to continue to disintegrate. Belarusians were not willing to bear the costs of economic autonomy from Russia because the goal was not widely shared. Therefore, without a coherent sense of national purpose or direction, the government attempted only to reap short-term economic benefits from the state's relationship with Russia. By the time of the controversial 1994 presidential election, which Aleksandr Lukashenko won, Belarus had already institutionalized its choice to reintegrate with Russia economically under the leadership of Prime Minister Kebich.⁹¹

Comparisons and Conclusions

The national identities of post-Habsburg and post-Soviet societies profoundly influenced economic relations among their states. Variations in the content and contestation of those national identities determined patterns of regional economic reintegration and disintegration. When societies agreed on the social purposes of their new states, purposes that motivated economic sacrifice, the outcome was economic nationalism — a rejection of regional reintegration. By contrast, when societies disagreed, when their national identities were contested, their governments chose reintegration as a way to avoid economic collapse. The influence of nationalisms and national identities is the central conceptual link between economic cooperation and discord in Eastern Europe and in the 1920s Eurasia in the 1990s.

There are also a number of remarkable empirical similarities and

91. Ustina Markus, "Imperial Understretch: Belarus's Union with Russia," *Current History* 603 (1996): 335–39.

differences between these two post-imperial moments in the 1920s and 1990s. Three types of foreign economic policies existed in the former Soviet Union. First were those states, like Lithuania, that sought autonomy from Russia. Second were those, like Ukraine, that were ambivalent. And third were those, like Belarus that, acquiescent, sought regional reintegration. These patterns reflected the success of nationalists in getting their preferred economic policies—in Lithuania the nationalists got what they wanted, in Ukraine less so, and in Belarus not at all.

In post-Habsburg Eastern Europe only two of these patterns existed. Significantly, there was no ambivalence and, therefore, no middle pattern similar to Ukraine's. Four post-Habsburg states—Czechoslovakia, Romania, Yugoslavia, and Hungary—sought autonomy and rejected regional economic reintegration. In all four the nationalists dominated policy making and achieved their economic goals. Thus, compared to the experience of the 1920s, the nationalisms that emerged in 1990s Eurasia were less universally influential; they were, in some societies, more contested. These Eurasian nationalisms framed post-Soviet societies' most important political debates, and even remained the axis of those debates. But some post-Soviet governments attempted to legitimate their rule by different means.

In only one post-Habsburg state, Austria, did the government prefer economic reintegration with the rest of the regional economy. Many Austrians also sought political-economic integration with Germany, particularly when the other successor states rejected the possibility of reintegration. As was the case in Belarus, Austria's interest in economic integration into some larger political-economic area resulted directly from the incoherence and ambiguity of its national identity.

Indeed, the similarities in the policies and motivations of the Austrian and Belarusian governments were surprising. Both sought economic cooperation and integration with some other state or set of states, and the reason was simple: there were powerful material incentives for them to do so and no political commitment to inhibit them. In addition, with the exception of Austria's political-economic turn toward Germany, the institutionalization of economic relations influenced their preferences for coop-

eration. As shown above, however, it was the ambiguity of Austrian national identity that allowed the Austrian economic problem to be framed in terms of forsaking independent statehood. Interwar Austrians lacked consensus on the meaning of their identity, and their state, as a result, lacked an agreed-upon purpose. The causes of the Belarusian political and economic *Anschluss* with Russia during the 1990s were remarkably similar. Belarusian national identity was ambiguous and contested. As a result, the Belarusian government sought an external solution to the state's economic crisis. The Belarusian and Austrian governments considered their states too small and too interdependent to exist on their own.

Austria's political-economic weakness, both objective and perceived, contrasted sharply with Russia's predominance in the post-Soviet regional economy. Unlike 1990s Eurasia, 1920s Eastern Europe lacked an economic center of power in the former metropole. Both Austria and Russia preferred regional cooperation, but for Austria it represented an admission of weakness, while Russia sought to renew and reinforce its economic influence among less powerful states.

Societal and governmental preferences for economic reintegration, of the Belarusian variety, were relatively rare in the two contexts. More common were societies in which nationalists wielded great influence. In both periods, a coherent economic nationalism resulted from societal consensus on the foreign economic policy goals embedded in nationalist ideology. Nationalists always had at least one external direction for their concerns about autonomy, an "other" against which identity is defined. Such a societal consensus gave foreign economic policy the same direction — at least one state against which concerns for economic security were defined.

At the same time, the context of nationalist mobilization can also orient foreign economic policy toward some other cultural or political space. The Lithuanian case illustrates this, since economic nationalism oriented the country both away from Russia and toward the European Union. In 1920s Eastern and Central Europe, economic nationalisms in Czechoslovakia, Romania, and Yugoslavia were oriented against Austria and Hungary, but not coherently toward any other states. Thus, in 1920s Eastern Europe, the directionality of nationalism was one-way.

This variation reflects an important difference between the international political and economic contexts of the 1920s and 1990s. There was a wide range of legitimate and plausible theories of economic development earlier in the century, and interwar world politics were extraordinarily fragmented. Strategies of autarky were common during the interwar years, and protectionism was the rule in Europe. But inward-oriented economic strategies were profoundly delegitimized after the cold war, indeed by the end of the cold war itself. In the post-cold war world, the relatively liberal, open economic development model is widely considered to have beaten alternate protectionist, closed models in theory and in practice. In other words, the days of self-reliant and autarkic economic development seem, for now, to have passed, even for the nationalists.