

Review of Peter Hanns Reill and Balázs A. Szelényi's (eds.) *Cores, Peripheries, and Globalization: Essays in Honor of Ivan T. Berend*, Central European University Press, Budapest-New York, 2011.

Ivan Berend is a famous economic historian. His following works have been translated into Japanese: *Economic development in East-Central Europe in the 19th and 20th centuries* (with G. Ránki, 1974; in Japanese, *Touou-keizai-shi*, 1978); *Capital intensity and development policy* (1985; in Japanese, *Shihon-shuuyaku-do to hatten-seisaku*, 1989); *The European periphery and industrialization, 1780-1914* (with G. Ránki, 1982; in Japanese, *Youroppa-shuuhén no kindai 1780-1914*, 1989); and *The crisis zone of Europe: an interpretation of East-central European history in the first half of the twentieth century* (1986; in Japanese, *Youroppa no kiken-chitai*, 1990).

A conference, 'Theorizing the Dynamics of Core-Periphery Relations', was held in January 2004 at the University of California, Los Angeles (UCLA), organized by the Center for Seventeenth- and Eighteenth-Century Studies of UCLA to celebrate Ivan Berend's 75th birthday¹. The book, *Cores, Peripheries, and Globalization*, had its origins in the conference, and the editors invited other contributors in addition to the participants of the conference (p. vii), and added new essays (chapters one, two, four, seven, and eight). The central theme of this book is the core-periphery problem, a research area in which Berend is one of the most important scholars. The core-periphery problem refers to 'the nature of relations between developed areas and nations, underdeveloped ones, and others that sometimes are called emerging' (p. 1).

This book has the following characteristics: although the essays cannot directly answer questions related to globalization, they place the debate in the context of the core-periphery relationship. There are two master narratives of development: neoliberalism and dependency theory. Neoliberalism interprets that core expansion leads to benefits for peripheries, thereby supporting globalization. On the contrary, according to dependency theory, exchange between the centre and periphery increases the disparity between them. This book mitigates these two extremes. Influenced by Berend's works, the essays analyse the relationship between cores and peripheries from various cultural, political, social, and economic perspectives on the basis of comparative histories, and treat this relationship and its dynamics as the effects of it being bidirectional. Next, I will summarize each essay.

Section I focuses on the introduction and critics of Latin American structuralism, dependency theory, and the theory of modern world system, which are the theoretical origins of the core-periphery debate. Chapter 1 explains how R. Prebisch and his followers (Latin American

structuralism, dependency theory, I. Wallerstein, etc.) contribute to the center-periphery analysis and insists that the center-periphery perspective was reincorporated into neo-classical economics by P. Romer, who added technological progress to Solow's growth model. Chapter 2 reviews the debate about the importance of slave trade for capital accumulation in the British Industrial Revolution and concludes that slave trade and transatlantic trade played a decisive part in the commencement of the Industrial Revolution, considering the complex modalities of the primitive accumulation of capital by traders and financiers. Chapter 3 offers the criticisms of dependency theory, the debate about the link between slavery and Industrial Revolution, etc. Chapter 4 states the comparison between 'the polarization model' and 'the linear model' and offers a possible research agenda that analyses the world-system as a whole over five hundred years, to obtain a portrayal of the historical realities of the system.

Section II primarily focuses upon Central and Eastern Europe in the nineteenth and twentieth century and analyses the interaction between economy and society. Chapter 5 describes that the function of small country ('provincial') towns in the process of civilization or urbanization in France, and insists that small towns were an indispensable part of this process. Chapter 6 compares the Balkans and Poland to study the formation of civil society in the European periphery in the 'long nineteenth century.' The chapter offers a working definition of the concept 'civil society' and insists that application of this concept to Eastern Europe may shed new light on the history of civil society in the West. Chapter 7 examines the construction of the image of East Central Europe. There are three blueprints: 'otherness' (not the European core), 'similarity' (the border region of the Occident), and a 'mental map' (a negative reflection of the Western self-image). Moreover, this chapter assesses the image of East Central Europe as not merely less developed but as the 'other Europe' and a *sui-generis* Europe. Chapter 8 proposes an analytical framework in the development policies of *liberal economic nationalism* in Central and Eastern Europe in the nineteenth century. The importance of *liberal economic nationalism* is varied in Poland, Hungary, and Romania because of geopolitical factors, the role of societal actors, and the intellectual climate (especially influence of F. List's writings). Chapter 9 explains the political situation in the Central Eastern Europe from a 'cultural bourgeoisie' perspective. In the late 1970s, when the 'second *Bildungsbürgertum* (cultural bourgeoisie) project' began, the educated middle class acted as a substitute bourgeoisie and promoted modernization of the periphery to build a capitalist civil society.

Section III focuses on the debate regarding globalization and the core-periphery problem. Chapter 10 considers globalization and the core-periphery relationships in Europe in the eighteenth and nineteenth centuries as a historical and dynamic process. The concepts of core and periphery need to be used while analysing economic dynamics because in historical reality, cores have become peripheries and vice versa regularly. The expansion of trade, creation of new industries, and development of towns were all connected in a complex cause-effect relationship.

The chapter concludes that both the development of maritime trade and transcontinental trade need to be considered in order to understand the problem related to globalization and core-periphery relationships during the medieval and early modern eras. Chapter 11 considers the prehistory of core-periphery relationships and the sources of development and non-development before the Industrial Revolution in England. It insists that self-sustaining economic development was extremely rare before 1750; only England and the Northern Netherlands underwent such a development. Furthermore, it argues the sources of development and non-development to be from pre-capitalist *social-property relations* to pre-capitalist *rules for reproductions*, to pre-capitalist *development patterns*, and so on. Moreover, it insists that as long as pre-capitalist *social-property relations* persisted, self-sustaining growth could never be achieved. Chapter 12 indicates that today's globalization has led to innovations such as multinational companies and new types of labour division. Moreover, these innovations have radically altered the structure and functioning of the world economic system. This chapter considers the consequences of globalization for the peripheries and does not accept the one-sided view of globalization. Globalization may have a positive impact in some conditions; for instance, in the 1990s, in Hungary, multinationals played the decisive role of introducing modern technology to newly established export sectors. Chapter 13 deals with nature and the problem of the geographical and social expansion of modern 'academic research science' from the core region to the rest of Europe and other continents. Modern science developed in the European core, after which it was introduced to all other parts of the world between the sixteenth and twentieth centuries.

All the chapters include interesting and instructive views. They cover the very wide angles on the core-periphery problem. In addition, most of them focus on the historical aspects in eighteenth- and nineteenth-century Europe (especially the Central Eastern part). Since I specialize in contemporary globalization, I will mainly focus on the paper of Ivan Berend (chapter 12).

Berend indicates that contemporary globalization is a novel phenomenon and has led to innovations (such as multinational companies) that have changed the world economic system radically. Van der Wee (chapter 10) locates globalization in the eighteenth and nineteenth centuries in core-periphery relationships, as a historical and dynamic process. Shifts have occurred such that cores have become peripheries and vice versa, on the grounds of the expansion of trade, with the creation of new industries and development of towns. How can we locate 'today's globalization' in core-periphery relationships?

Berend introduces the views of the enthusiasts and of the critics of globalization. Some enthusiasts argue that after the free movement of capital and goods, capital will be invested in the most profitable, low-wage countries, following which categories such as 'core and periphery' will become meaningless. One historian of the critics believes that market forces widen initial

inequalities between countries and capital, and labour movement deepens the polarization created by trade.

Berend insists that globalization in peripheries could affect core-periphery relationships both positively and negatively. Globalization may have a positive impact in conditions such as political stability, well-developed infrastructure, availability of skilled labour, geopolitical advantage. I think these conditions are similar to those through which multinationals enter a developing country. Further, Berend writes, in the case of Ireland and Hungary, ‘globalization, especially the activities of the multinationals, played the decisive role in introducing modern technology to newly established modern export sectors’ (p. 250). I think Berend considers that in a globalized world, the peripheries fulfilling such conditions will gather many multinationals, establish modern export sectors, and catch up with the cores, on the other hand, the peripheries that do not fulfil these conditions will widen their disparity with the cores. In short, multinationals play an important role in the dynamic process of core-periphery relationships. Moreover, in order to recognize today’s globalization in core-periphery relationships, more discussion is required regarding the multinational movement, not only from a simple economic perspective but also from the theory of multinational company² and cultural, political, and social perspectives such as Berend’s works.

In addition to multinationals, Berend indicates one factor—the role of the European Union (EU). The EU plays ‘an important role in homogenizing economic level by assisting backward regions within EU’ (p. 250). Moreover, he writes, ‘huge areas of former peripheries joined the European core’, and additional peripheries may be incorporated into the core, ‘driving Europe towards a yet distant future as a “peripheryless” continent’ (p. 251). As Berend writes, EU aid is important for new EU member countries to catch up with the EU core countries. Further, he writes that peripheries may be ‘incorporated into the core’; however, new studies are required to assess the relations between new EU members and the core members as a process, and examine the dynamics of core and periphery. Today’s financial and sovereign debt crisis reveals that there is still a huge difference and macroeconomic imbalance between the EU core countries and the old peripheral countries of the EU (Greece, Portugal, Ireland, and Spain) after more than twenty years of the latter’s membership. This core-periphery relationship within the EU is already well known; however, it has been newly re-discovered as a big problem after the recent crisis. This core-periphery relationship differs from the one faced by the newer member countries, but in future, they may also need to overcome the same problem. I hope that Europe becomes a true ‘peripheryless’ continent, which Berend also probably hopes for, but this may take a long time to materialize.

Notes

- ¹ See UCLA's homepage: <http://www.international.ucla.edu/euro/article.asp?parentid=6126> (accessed 10 December 2011).
- ² For example, see Porter, M. (ed.) (1986) *Competition in Global Industries*, Boston, Massachusetts: Harvard Business School Press; Bartlett, C. A. and Ghoshal, S. (1989) *Managing Across Borders*, Boston, Massachusetts: Harvard Business School Press; and Dunning, J. H. (1993) *The Globalization of Business*, London: Routledge.

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