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Peripheral integration and disintegration in Europe: the ‘European dependency school’ revisited

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ABSTRACT

In this contribution to the history of theory, the author reconsiders the impact of the Latin American dependency paradigm on Europe. The analysis does not deal with the reception of the Latin American dependency school itself, the focus lies on elements of this school as they were used to explain the European situation in the 1970s and 1980s. For that purpose, it delineates research networks and their analyses of core-periphery relations in Europe. All these networks had a critical attitude towards the old development paradigm. Some called it development ‘from above’ or ‘to the outside’. A new paradigm was to include strategic elements of a ‘selective spatial closure’ and ‘self-reliance’. For many, the European integration process played an important role in their estimates of future developments. Much of this analysis still seems relevant and topical today. The author considers it fruitful to take up the research agenda of the ‘European dependency school’, to re-define it and adapt it to altered contemporary circumstances.

[Despite the relevance of dependency theories to European problems, they have made little headway in our universities. There are other reasons, apart from our parochialism and [...] linguistic weaknesses [...]. First, an explicitly interdisciplinary school does not fit readily into the typical unidisciplinary syllabi and research programmes. Perhaps more important, its style runs counter to prevailing academic fashions. An economist, in particular, who picks up a book by a dependency theorist is likely to notice the lack of algebra. [...] The fashionable models are mathematical, and to the greatest extent possible, quantifiable. This is understandable. It would be very convenient if only social problems could be reduced to algebraic functions: the solutions would then be straightforward. [...] Many of the propositions of dependency theory cannot easily be cast in mathematical terms, still less are they readily quantifiable. The theory is in large part about hierarchies, institutions and attitudes. (Seers 1981, 15)

Introduction

Dudley Seers, the eminent representative of a group of researchers I subsume as ‘European Dependency School’, emphasized the importance of core-periphery relations in European integration in as early as the 1970s. At the beginning of the inquiry into this group of scholars,
the core-periphery struggles within the Economic and Monetary Union (EMU) – and not the refugee situation or a possible exit of Great Britain from the European Union (EU) – seemed to be the most severe cracks in the EU that might lead to disintegration. What they indicated was that social and politico-economic conflicts were again expressed along territorial/spatial lines. While, the term “periphery” has found its way into everyday language, however, the role of the “core” or the causal relationship between core and periphery are most often neglected.

Whether one uses the terms “centre” or “core” depends pretty much on the linguistic frame of reference. Based on the literature in English that I am referring to, I will use the term “core” (cf. Weissenbacher 2016 for definitions). In social sciences, early distinctions between core and periphery in capitalism by Werner Sombart (German historical school) had not provided a theory of such relations. It was theory making from the periphery, namely Latin American structuralism (above all Raúl Prebisch) beginning in the 1940s, which started constructing such a theoretical framework (Love 1996, 134, 2011, 26). About the same time in the “global north”, “polarization theory” began deliberating on core-periphery relations, François Perroux in the 1940s and Gunnar Myrdal and Albert Hirschman in the 1950s (cf. Becker, Lengauer, and Weissenbacher 2008). In Latin America, the dependency paradigm gained momentum in the 1960s, when optimistic expectations on peripheral capitalism by structuralists (e.g. that import substitution would counter polarizing effects of international trade) were disappointed (Palma 1981, 50f.).

I am using the term dependency paradigm, because some of the major authors explicitly denied the sense of working on a dependency theory (cf. Cardoso 1977, 15). In the past, discussions of this heterogeneous group of authors used terms like school, conceptual framework, analysis, or perspective. Referring to Thomas Kuhn, Ronald Chilcote (1978, 56) suggested the use of dependency model, in the sense of the paradigm of a scientific community: A hegemonic “normal science” generally shows resistance against change, even more so in social science where scientific revolutions seem to correspond (more) to changes in the social and political sphere (cf. Hurtienne 1984, 8f.). Different theoretical approaches of the “dependency paradigm” tried to tie together social and spatial hierarchies in the framework of one global capitalism with different regional situations. They explored origins of dependence and delineated exits from constraints. They were pessimistic about peripheral development inherent to capitalism and saw socialism as alternative. Authors from the Latin American dependency school were soon translated and discussed but the hegemonic mainstream in economics remained pretty much unimpressed by the dependency paradigm. To be sure, economic geography (Krugman 1991) did introduce, spatial economics using core-periphery terminology but the underlying basic models do not seem to recognize politico-economic hierarchies. Dependency works helped to fill a theoretical void elsewhere. They were very quickly received – as sheet anchor in a political and theoretical emergency – by the liberal left wing of the international development theory community, and formed the base for a new understanding of causes of underdevelopment and possible solutions to overcome it. (Thomas Hurtienne 1981, 106, cf. endnotes for literature overview)

In Latin America, the structuralist attempts to explain dependence (“Cepalismo”) were based on a mixture of critical approaches analysing asymmetrical integration into the capitalist world market, and included elements of Keynesian analysis (CEPAL n.d.). They showed clear weaknesses in the 1960s, and were challenged by the dependency school (Palma 1981,
In Europe (and worldwide), the critical juncture for the Keynesian paradigm came in the 1970s. That was a decade of caesura in the restructuring process of capitalism in the twentieth century. Crisis of global capitalism had reached the core countries in Europe. Similar to the dependency school in Latin America, the prevailing paradigm was challenged from the left also in Europe. From the end of the 1970s to the mid-1980s, a couple of research networks inquired into uneven development in Europe. Similar to the dependency school in Latin America, they observed (and challenged) uneven patterns of integration into the capitalist system. With this inquiry into the history of theory, I pool a very heterogeneous group of authors into a “school” because they used – some more, some less explicitly – aspects of the dependency paradigm that still appear fruitful for present day discussions.

Research networks of the ‘European dependency school’

Some researchers in these networks looked back at personal experiences in Santiago de Chile, which had been an important center of the Latin American dependency school before the coup d’état against the government of Salvador Allende in 1973. The Viennese regional development scientist Walter Stöhr and the US-American regional planner John Friedmann had been advisors to the newly founded Chilean planning bureau in the 1960s (Soms García 2010, 45). Interestingly, Stöhr had been ‘senior regional planning advisor for the US-American Ford Foundation in Santiago’ (Stöhr 2001, 269), and the political scientist Nohlen (n.d.) had become representative of the German Christian-Democrat Konrad Adenauer Stiftung in Chile.

The British development economist, development advisor, and later researcher in development studies, Dudley Seers (1983a, xi) had worked for the United Nations Economic Commission of Latin America and the Caribbean (ECLA/CEPAL) ‘in 1957–61 under Raúl Prebisch […]’, and alongside Osvaldo Sunkel, as well as many other Latin American economists, who were evolving the “structuralist” and “dependency” approaches.

In the 1970s, social scientists from the Institute of Development Studies (IDS) at the University of Sussex started dealing with questions of the European periphery using methods from development studies on the European situation (Seers 1977). Members of the European Association of Development Institutes (EADI) joined in and formed a ‘European Periphery Group’ (Seers 1983b, ixff). ‘Periphery’ was soon dropped from the name because core countries also had peripheral regions, which were to be analysed as well (Seers 1983c, 519f.). The group was very heterogeneous. Moreover, this paper considers a group of researchers from the German Development Institute (GDI), within EADI above all Stefan Musto (1982, 1985a), a sideline of EADI. GDI researchers did a number of important studies on the peripheral enlargement of the (back then) European Community. Another network was strongly influenced by the dependency paradigm: The school of world system analysis of the Fernand Braudel Center in Binghampton organized discussions on European core-periphery relations in the early 1980s (Arrighi 1985). A third group met for a symposium on ‘Regional policies and political decentralization in Southern Europe’ in Heidelberg in 1984. Its geographical focus was on Italy, Portugal and Spain, its research questions dealt with uneven development, political decentralization and regional policies. The network used theoretical approaches from development studies, especially the ‘dependency paradigm’, for the analysis of European regions (Nohlen and Schultze 1985a, 7).

I distinguish between these networks in their temporary organizational form, and not in a strict sense. Stöhr (1983a, 1985a) participated in the EADI- and Heidelberg networks, but
in his work he also referred to Immanuel Wallerstein from the Binghamton network (Stöhr 1983b, 117). Friedmann (1983) took part in the EADI-network but was also reference for a number of other authors (e.g. Nohlen 1985, 12). He was editor and author of a collection on ‘Self-Reliant Development in Europe’ (Bassand et al. 1986), based on a conference of the Swiss research programme on regional problems, held in cooperation with the Swiss National Commission for UNESCO: ‘[T]he strategy of self-reliance was accepted from the outset as a legitimate theoretical and political alternative to the long dominant export-oriented nature of regional studies and regional policies’ (Brugger and Stuckey 1986, 2). Having its concepts applied to capitalist core countries, the dependency paradigm had become close to the threshold of being accepted in the mainstream of social science. In the paper at hand, I cannot offer a comprehensive overview of all networks and authors that used aspects of the dependency paradigm on Europe, not even in English or German. I will focus on networks and authors closer to international or regional development studies. There were a couple of other important contributions influenced by the Latin American Dependency School. The renowned Hungarian economic historians Berend and Ránki (e.g. 1982) ‘started out as dependency theorists critical of nationalist interpretations of Hungarian economic history’ (Reill 2011, 5), ‘having borrowed the terms [core and periphery] from [Immanuel] Wallerstein’ (Love 2011, 33). Here, however, Ránki (1985) is included in the ‘European Dependency school’, because he participated in the Binghamton network. Lipietz (1987, 13), an early author of the (French) Regulation Theory, also followed dependency authors. The state and class theorist Nicos Poulantzas engaged with Latin American scholars of dependency (e.g. Fernando Cardoso and others at a seminar in Mexico in 1971, cf. Benítez 1998, 353–398). Holman (2002, 409) called the analyses of Lipietz and Poulantzas versions ‘of dependency theory for Southern Europe’.

Furthermore, there were other research networks engaging with questions of uneven development and the European periphery at that time. A conference at the University of Durham in 1982 (‘National and Regional Development in the Mediterranean Basin’) led to a collection selecting 13 contributions (Hudson and Lewis 1985a). In context of the ‘Durham-network’, Southern Europe included six countries (France, Greece, Italy, Portugal, Spain and Turkey) ‘that are most closely associated with Northern Europe’ (Hudson and Lewis 1985b, 2). Empirical case studies should close a research gap in order to refine the theoretical framework for systematic comparative analysis. It was hoped

that we will be able to build up comparative studies during the 1980s which will give generalizations about Southern European ‘Models of Development’ a closer relationship to contemporary reality than they now enjoy. (Hudson and Lewis 1985b, 1)

Hudson and Lewis (1984), again, were among the twelve contributors of a volume that was the outcome of a colloquium at the University of Exeter (Williams 1984a), where considerations from the dependency school and world system analysis were included (Williams 1984b).

Old paradigms and new crises (since the 1970s)

The Fordist model of post-World War II capitalism, in its ‘complete’ variant in the capitalist core and its ‘incomplete’ version of the global and European South, faded in the 1970s. Discussions on an ideal type of capitalist development, as put forward by modernization theory or similar survivals in some of Latin American dependency authors’ writings (that
meant to explain how such an alleged ideal type had been blocked, cf. Palma 1981; Altvater 1988, 156) were of no importance for the European dependency school. For them, the old development paradigm ‘from above’ (cf. Stöhr and Taylor 1981a) had been entirely discredited. Industrialization and class relations in the European South differed markedly from alleged role models in modernization theory (cf. Giner 1985; Hadjimichalis 1983; Woodward 1985). Transnational companies (TNC) had begun to integrate Southern European countries into their realm already in the 1960s, well before the Southern enlargement of the EC brought political integration (Hadjimichalis and Varou-Hadjimichalis 1980; Vaitsos 1982a, 143). (Similar things were said about Eastern Europe from the 1970s onwards, Hager 1985, 67, cf. Komlosy 2006, 85–91.) Early accounts pointed out that transnational capital had strong influence on regional development, leading to monopolistic structures without modernization in industry (Holland 1979, 142f.), industrial and technological dependency in the wake of a weak national bourgeoisie (Muñoz, Roldán, and Serrano 1979, 166f; Nikolinakos 1985, 203), dependent integration into European division of labour (Nikolinakos 1985, 205; Vaitsos 1982a, 146) and (following Osvaldo Sunkel) to national disintegration (Evangelinides 1979, 185). The penetrative dynamics of transnational capitalism were highlighted. The functional integration of regions into TNC networks was described as a power struggle that had (temporarily) been decided against regional societies (‘function over territory’) although it was pointed out that TNC needed regions (‘territory’) in order to shift the burden of production on to society (Friedmann and Weaver 1979, 171).

For those few who had theoretical perceptions of the state, Nicos Poulantzas seems to have played an important role in their analyses: For Logan (1985, 150ff.), integration into transnational capitalism had aggravated contradictions between traditional and ‘modern’ capitalist elites, which had finally led to the end of dictatorships in Southern Europe. He pointed out ‘that “modern” elites […] are intimately interlocked with international capital. Their future is not a development pattern leading to a more independent national economy, but indeed in some ways to a more dependent role in the world-system’ (Logan 1985, 150). Keyder (1985, 147) emphasized ‘the conflict between pro-European and pro-American fractions during the late 1960s and the early 1970s’. Costis Hadjimichalis (1983, 136) highlighted Poulantzas’ concept of authoritarian statism that ‘corresponds to the current phase of advanced monopoly capitalism, in the way that the liberal state referred to the competitive stage of capitalism’. Most Western European countries had seen ‘intensified State control over every sphere of socio-economic life, combined with extensive spatial policies’ since the 1960s. In Southern Europe (Greece, Italy, Portugal and Spain) this new form of state acquired distinctive features since 1975. They seemed ‘to be more “open” and “democratic” compared to the recent experience of fascism and military dictatorship’ (ibid). New democratic liberties developed but integration into (new) international division of transnational capitalism brought a new authoritarian statism as well.

Crisis and integration into TNC capitalism had consequences. Worded in conventional economic language, (too) late comers in capitalist industrialization ran into ‘pre-mature de-industrialization’ (cf. Palma 2008). ‘European dependency scholars’ engaged with different aspects of conventional economic theory. Hierarchical TNC structures appeared in conflict with traditional perceptions in economic science. TNC ‘have developed’, as Vaitsos (1980, 34) observed, ‘into the most centrally planned, monitored, controlled and managed economic entities in the world economy. The Soviet or Chinese economies fall short of them in the extent of non-participation by constituent parts in central planning and overall
decision-making’. The ‘European dependency school’ criticized, however, also mainstream liberal economic theory, which was perceived in two variants, neo-classical and Keynesian. They were seen Eurocentric but still influential for and in the periphery, because in the periphery, too, social scientists were educated in patterns similar to core doctrines. ‘[T]heir theoretical equipment was twice removed from reality – it reflected the doctrines developed for other countries in response to earlier events’ (Seers 1980a, 6). Authors dealing with regional development seem to have been particularly detailed in their criticism. As convergence between poor and rich regions did not materialize as hypothesized by neo-classical economics, Keynesian regional policies were adopted, as Stöhr and Tödtling (1979, 138) wrote, ‘as crutches to try to make the neo-classical model work’ (e.g. manipulation of factor prices: incentives for capital investments or employment, or regional distribution of external resources: public investments into infrastructure). Nohlen and Schultze (1985b, 27ff.), too, emphasized that Keynesian and neo-classical concepts of regional development would not differ in their strategies but only in their instruments. Both concepts supposed endogenous causes for ‘modernization deficits’; both considered external impulses necessary in order to overcome market imbalances. Functional integration and specialization by division of labour would be necessary to reach equilibrium, which was facilitated through ‘trickle-down’ effects. The logic of modelling treated regions as functional regions without history and geography, and market equilibrium was to be reached in long term. The overall economy had to grow before additional wealth could be distributed regionally. Regional policy was subordinated to the national economy, whereby infrastructure investments furthered functional integration.

Stöhr (1983b, 120) described the old development paradigm as one ‘from above’ and ‘from outside’. He characterized it by dependency on global demand and global innovation centres, whose effects were supposed to spread in a hierarchical process via private capital transfer and public funds (Stöhr 1981, 61, 1983c, 284ff). The expectation that development processes would be triggered by market mechanisms (‘spill-over’, ‘trickle-down’) did not materialize. Instead, the institutional, cultural, legal and often military penetration of peripheral regions eroded the development potentials and increased dependencies (Stöhr 1985a, 229f.). Moreover, the crisis of the 1970s made clear that also capitalist core countries had entered a phase of structural adjustment. This dashed remaining hopes on trickle-down and spill-over effects. Peripheral regions ‘increasingly needed to consider making regional development more endogenous’ (Stöhr 1983a, 7). As a solution to crisis, however, more spatial specialization prevailed, establishing a new international division of labour and further spatial hierarchization (Stöhr 1983b, 121, 1985b, 7&12). Regional policies of nation states led to deeper integration into the world market, and motivating export orientation further increased the functional disintegration of regions: ‘The increased opening up of regional structures to external influence, particularly in peripheral areas, led to an increased exposure to external shocks and a reduced resilience’ (Stöhr 1983a, 11).

**Impossible but inevitable? Peripheral Integration into the EC**

Authors of the ‘European dependency school’ wrote before and during the second enlargement of the European Community (EC). The history of European integration was perceived to have been confrontational. It is doubtful whether the metaphor of a ‘peace union’ would have made sense for any of the authors. Confrontations in the cold war were too present,
when the US motivated Western European integration against the USSR. The institutional arrangement of the European integration might be best called economically ordo-liberal and politically conservative and anti-communist. Above all it was Christian democratic politicians who furthered the integration process. Regulation and the laissez-faire principle coexisted in the founding years of European integration. The founders of the EC, as Seers (1982, 4) put it, intended an ‘institutional laissez-faire system’, which ‘would make it difficult for any really left-wing government of the future to exercise controls and carry out far-reaching social changes’. Similar things were observed for the economic framework. Laissez-faire was seen as the ‘appropriate doctrine’ (Seers 1982, 1) for technological leaders. This ‘would ensure that its industrial structures were made more efficient by exposure to competition, and contribute to the re-establishment of international free trade, which was an essential element in this neo-colonial scenario’ (Seers 1982, 4). The policy of competition was written as fundamental ideology into the Treaty of Rome in 1958. It could always be used as an argument against regional and industrial policies that would ‘distort’ competition (Kiljunen 1980, 212f.; Musto 1985b, 87f.), as soon as such policies would be communitarized (which only started in 1973 when core countries were hit by crisis). On the other hand, common agricultural policy (CAP) was characterized by high regulatory policies and subsidies, which made the Community increasingly autarchic (Seers 1982, 4). The distributive system of EC social and regional funds was judged insufficient; the rich club EC6 unwilling and unable to eliminate regional disparities. The idea that a ‘trickle-down’ principle would be able to solve regional problems was related to a possible disintegration, because within the EC ‘[t]he concentration of economic power now seems in some ways comparable to that in the Hapsburg Empire, where it was one of the causes of the latter’s downfall’ (Seers 1982, 10).

Anti-communist sentiments in West German society that had been ingrained during fascism and the cold war influenced the southern enlargement of the EC. They were used to marginalize parties sceptical of EC membership:

All parties in West Germany, and the government itself, have demonstrated an almost hysterical opposition to leftist alliances, including communists or other left-socialist forces, coming to power in the applicant countries. This attitude is the other side of the coin of close and cordial relations with the governments and Socialist Parties of the applicants. This close relationship is used to impress on Socialist Parties and governments West German anti-communism and anti-leftism. […] [I]t blinds the German government and parties to the very important points made by these parties, especially the Portuguese Communists and the Greek PASOK (which have both opposed their countries applications for Community membership), against excessive optimism about the benefits of eventual membership, and of the exclusive orientation of their countries’ economies towards the highly industrialised states of Western Europe which it probably implies (Deubner 1982, 47).

There is considerable literature on the second enlargement of the EC that deals critically with the enlargement scenario and an integration of ‘unequal partners’ (cf. Weissenbacher 2016). In a nutshell, the structural imbalances increased to the extent to which peripheral countries/regions entered the EC. The Italian Mezzogiorno was joined by Ireland in 1973, Greece in 1981 and Portugal and Spain in 1986. Originally the EC was a club of six wealthy countries that had established its regulations during an economic boom phase. The first enlargement coincided with the crisis of 1973–5, the second started with the global recession of 1980–2. The EC was not institutionally prepared for such a situation, peripheral countries accessing the EU experienced crisis instead of convergence. Consequently, a common (balancing) EC industrial policy ranked top on the agenda of dependency authors dealing with
integration. It is generally known that a common industrial policy has remained a desideratum, indicating that ‘community’ ends where competition begins (cf. Deubner 1982, 52f.; Vaitos 1980, 33).

A balancing EC industrial production system would have been implemented at the expense of core countries, but maintaining the EC asymmetric industrial system would impair development prospects of peripheral countries (cf. Musto 1982, 76). Alternatively, a substantial system of subsidies could have brought about some balance but this remained a desideratum as well. Core countries profited from the status quo, a lack of (common) industrial policy turned out to be a policy that privileged stronger competitors. Above all FRG was in the comfortable position to agree to changes only if it perceived them adequate (or as a means of exchange for other concessions). The ‘model Germany’ proceeded on the assumption that all countries could gain characteristics similar to those of the FRG (international competitiveness, technological capacity, political stability and ideological cohesion). In reality, the FRG boasted a permanent and destabilizing trade surplus vis-à-vis its European neighbours, and used an uneven European division of labour (Schlupp 1980, 178). From the crisis in the 1970s onwards, peripheral countries in Europe saw their labour-intensive industries (e.g. textiles) impaired by the new low wage competition from Asia amidst a situation when EC core countries tried to find a way to defend their industries themselves, e.g. with the Multifibre Arrangements since 1974 (Musto 1985b, 93ff.; Ashoff 1983). Furthermore, their developing industries were categorized sensitive by EC because they were perceived as over-producing in EC context (e.g. ship building). Stefan Musto (1982, 70) summarized as follows:

Enlargement will not in itself cause these problems, but it will aggravate and accentuate them. In the present circumstances, it would seem difficult to lessen their effect, since the Community, being geared in every way to the needs of highly developed industrial countries, does not have sufficient structural policy instruments. […] The strategic question is not how the negative consequences of enlargement should be offset with the present division of labour […] but what new forms of the division of labour are needed to eliminate the disintegrating effects of the structural imbalances in the Community.

In the 1970s, a Pax Germanica began replacing the Pax Americana in Europe. The Deutsche Mark as anchor currency replaced the US-dollar as key currency. Early decisions on a currency union (1969) as a step towards a political union were, however, postponed, and replaced by a European Monetary System (EMS) in 1979. EMS was seen as a replacement for the Bretton Woods System (Tsoukalis 1982, 164). In this paper, the comprehensive and complex story (cf. Danescu 2013; Marsh 2011; Tsoukalis 1997) is confined to a few aspects concerning the European periphery. Caught in trade deficit and liquidity constraints, the name of the game was soon to be austerity: The EMS ‘could, like the gold standard, easily increase rather than reduce inequality, in the absence of policies to stop this happening’ (Seers 1982, 10). Seers’ analysis (from 1980b, 19) still sounds familiar regarding today’s currency union:

Those [countries] in deficit […] have to adopt deflationary policies. The more complete the degree of integration, the more serious this asymmetry is likely to be. If governments in an economic community have given up trade restrictions, foreign exchange control and even freedom to vary the exchange rate, then the only short-term weapons left to deal with a recession in exports (or rise in import prices) are fiscal and monetary policies that lower the level of employment – and wage controls to reduce costs and purchasing power. The effect is that the governments of peripheral economies in an integrated system become highly dependent on those of its core; if the latter give greater priority to curbing price inflation than to reducing unemployment, there is little the former can do but resign themselves to accepting this priority and shaping their own policies accordingly.
FRG representatives did not strive for a common currency, as strong preference for the status quo […] has enormously strengthened the negotiation power of Germany, thus enabling it in most cases to impose its own terms with respect to the transition and the contents of the final stage of the EMU. (Tsoukalis 1997, 171)

The German position envisaged coordinating economic policies and stabilizing economies first. Having said that, coordination did not mean, as we have seen, finding a balance in the productive sector, but assuming that all countries could be similarly competitive as the FRG. Adjustment pressure lay upon the peripheral countries.

All in all, authors of the ‘European dependency school’ were very sceptical regarding the integration process. Dudley Seers (1979, 29) sardonically remarked: ‘Enlargement seems impossible: yet it simultaneously appears inevitable’. The alternative would be a ‘true’ integration which would require much more capital in order to re-construct the agrarian and industrial sectors. A ‘Community self-reliance’ was envisaged, similar to a ‘collective self-reliance’ among countries of the global South.

Yet if there are no major reforms in the Community, there will be, after the enlargement, serious dualism, indeed a sort of colonial system. In the poorer group which already suffers whenever a government of the core adopts financially restrictive policies, the effects could be more severe if they gave up the possibility of adopting measures to protect their national economy. (Seers 1982, 11)

Other authors, too, argued in favour of a progressive integration policy but considered it similarly unlikely. The EC would not be able to externalize costs of a development model, the way the FRG does, argued Manfred Bienefeld (1980, 303ff.). Constantine Vaitos (1982b, 244f.) considered – if a balancing policy failed to materialize – Portugal and Greece as future variants of Puerto Rico in Europe. What would make the situation more difficult was that, with the integration of Comecon countries, one periphery could be played off against the other. As Hadjimichalis (1994, 27) pointed out, the ‘southern fringes have lost one important political parameter in their negotiations to avoid disintegrative effects’:

[W]e must notice that German capitalists now have plenty of cheap and well-educated labour from ex-socialist countries in situ, and new immigrants are filling blue-collar jobs held by southern Europeans during the 1960s and 1970s. […] This means that Germans and other central Europeans are no longer willing to pay for the reproduction of cheap labour in the south. (via structural funds etc.)

A new paradigm and a political plan B

The old paradigm had at best (during the boom phase) brought ‘growth without development’ and enforced existing structural imbalances. Other than modernization theory and liberal economic theories, authors of the ‘European dependency school’ recognized development gaps in interregional and international structures caused by capitalist industrial production and division of labour. A complete new start, a new paradigm and a process of change were considered inevitable. Categorizing the different approaches of the ‘European dependency school’ could be carried out only very cautiously. These authors were no revolutionaries, even if their arguments may sound revolutionary today. Palma (1981, 59) classifies authors from the EADI network (Seers et al.) among the developers of the structuralist ECLA/CEPAL-tradition, which does not share optimism regarding catching-up capitalist development. If one considers the CEPAL-tradition more reformist and pragmatic, most scholars of
the ‘regional development group’ (e.g. Stöhr, Nohlen, Friedmann) of the ‘European dependency school’ fit that classification even more. (Hadjimichalis, due to his Marxist approach, would be an exception.) Clearly, all of them perceived the need to change the framework, the capitalist world economy (e.g. Nohlen and Schultze 1985b, 52). Without a practical and promising course of action, the existing room to manoeuvre was to be departed from. Manfred Bienefeld (IDS) pleaded not to be overly puristic in the use of concepts, and not to use them as ends in themselves:

[The defensible version of dependency is based on the more plausible and less restrictive assumption that socialism could be regarded as a potentially desirable object of immediate political struggle in the context of many developing countries, not because it held out the promise of an immediate transformation to an ideal type of socialism, but because it raised the possibility that in spite of political weaknesses and obstacles a substantial increase in the social control exercised over the economic process could prove to be progressive [...]. In an international context this control would, of course, initially be exercised through the agency of the state, and its orientation would necessarily be based on some definition of a national interest. [...].] [In the debate about ‘the transition to socialism’ the question should be asked] whether or not a greater degree of social control can be imposed on the development process through the mechanism of the state, and whether this control can be (or is being) exercised in the interests (short- or long-term) of the great majority of the members of that society. (Bienefeld 1981, 86)

But how was that going to be achieved in political terms? Traditional Marxists often eyed the dependency paradigm critically: Szentes (1983, 108), also a member of EADI, argued:

[It may even turn into an apologetics, namely in defence of the domestic ruling leadership, the local ruling and exploiting classes, exempted from any responsibility. A progressive policy needs not only a progressive theory but also some guiding principles for practical implementation, an advice on the priorities and the feasible alternatives, and an expertise of how to assess the latter.

The political geographer Edward Soja (1985, 176) criticized what he labelled ‘new territorialism’ (regionalists from the ‘European dependency school’: Friedmann and Weaver 1979; Stöhr and Taylor 1981a), ‘for its overly romantic and utopian presentation of regionalism, regional planning and the territorality of social life; and for its obfuscating interpretation of the history of capitalist development, the role of the state, and the nature of territorial politics’. Soja (1980, 209&222, cf. also Hadjimichalis (Soja and Hadjimichalis 1979), who contributed to the EADI network) offered an important contribution to reconcile the opposing poles in the discussion, namely ‘spatial determinism’ and ‘socially constructed space’, respectively. He suggests the concept of ‘socio-spatial dialectic’. Space was socially produced and organized. Two axes of conflict arise from the capitalist mode of production, a vertical (class conflicts) and a horizontal (core-periphery) one. Both are seen as inseparable, both can be explained in their interrelation only. He mentions two forms of class struggle: ‘Thus the transformation of capitalism can occur only through the combination and articulation of a horizontal (periphery vs. centre) and vertical (working class vs. bourgeoisie) class struggle, by transformation on both the social and spatial planes’ (Soja 1980, 224). In the process, spatial resistance must not be monopolized by anti-egalitarian policies:

The two forms of class struggle can be made to appear in conflict, especially with the manipulation of territorial identities under bourgeois nationalism, regionalism, and localism. But when territorial consciousness is based on the exploitative nature of capitalist relations of production and reproduction, and not on parochialism and emotional attachment to place, it is class consciousness. The production of space has indeed been socially obfuscated and mystified in the development of capitalism, and this has allowed it to be used against class struggle. (ibid, 224)
In his last book, *The Political Economy of Nationalism*, Dudley Seers (1983a) seems to have drawn on such considerations. He discussed progressive national governments’ room to manoeuvre. Selective decoupling (self-reliance) plays an important role in these deliberations. Single governments were seen unable to change the course of international political economy. A progressive but pragmatic policy of a government, however, should try and go as far left and South (N-E square in Seers’ Figure 1) without risking a *coup d'état*.

The ideological map shall contribute to tell friend from foe (Seers 1983a, 47f.). TNC interests are found in the AN-AE square but also some local capitalists, and a small group of workers’ aristocracy. Coalitions can be formed across squares, e.g. the coalition against the Allende government in Chile included the right top and bottom squares (Seers 1983a, 187, Endnote 2).

With the collapse of the traditional development paradigm, authors more oriented to regional development searched for alternatives as well. This was not called ‘socialist’ but clearly included anti-capitalist or post-capitalist approaches regarding property, participation, distribution, allocation, competition, democracy, free trade, control of resources, planning and the treatment of the natural environment. ‘Selective self-reliance’ was the term for a self-reliant development model that was to counter penetration from the outside, and to be based primarily on its own resources. Even if, in a globalized world, such a model could not aim at autarchy it was seen to need forms of selective decoupling called ‘selective spatial closure’. Stöhr called the alternative development ‘from below’. It was meant to be implemented on a local, regional, or national level (Stöhr 1985a, 232, cf. Stöhr 1981, 45; more detailed: Stöhr and Tödtling 1979, 152ff.). Dieter Nohlen (1985, 12) called his concept ‘region-centred development’ or ‘periphery up and inward development strategy’. Emancipation was central to these considerations, just as a very broad development concept that, rather than being restricted to economic growth included employment, social equality, participation, legal rights, political, economic and cultural autonomy, and a careful treatment of nature (Nohlen and Schultze 1985b, 48; Stöhr 1983b, 124; 1981, 39f.). Functional integration of regions in transnational capitalism was to be countered; John Friedmann (1983, 156) called this ‘territory over function’ and ‘life space over economic space’. Both developments, “from above” and “from below”, are closely related to the two principles of societal integration […], *Territory and Function*, as Stöhr and Taylor (1981b, 2) pointed out.

The subordination of peripheral regions was to be ended (Nohlen and Schultze 1985b, 20ff&42f.). However, it was also made clear by Nohlen and Schultze (1985b, 50ff) that there was not much political room to manoeuvre if the regional political structures were seen as determined from the outside. Stöhr (1981, 63) perceived his alternative paradigm for regions

![Figure 1. Ideological map. Source: (Seers 1983a, 48).](image)
that had no perspective within the old paradigm. Friedmann (1983, 156) focused on utilizing existing structures of the state. Emphasis was put on decentralized and participatory decision-making processes. Gradual transformation and decoupling was suggested (‘selective territorial closure’, Friedmann and Weaver 1979). Friedmann (1986, 205) distinguished, however, between ‘endogenous or self-directed development’ and ‘self-reliant development’, which presupposed a radical political practice. The former was applicable only in regions ‘at the crossroads of the global economy […] based on large cities that function as world centers of control, production, and capital accumulation’. Peripheral regions only had the latter alternative: ‘self-reliance does not appear as a question concerning the use of policy instruments by the state but as a form of radical social practice originating within civil society’.

**Concluding remarks**

All of the authors labelled as European dependency school in this paper appeared critical of the contemporary mode of production, and of the prevailing economic and developmental doctrines. Some of the authors rather concentrated on the structural analysis, like the GDI scholars, others focused on national (Seers) or regional (Stöhr, Nohlen, Friedmann, Hadjimichalis) alternative policies. Critical European integration studies were to be found in the EADI network. European integration without a considerable change in Community attitudes and policies was viewed very sceptically, and considered to increase divergence and be advantageous to core countries, above all Germany. The Heidelberg network was interested in regional development, whereas the EADI network most often focused on the nation-state level. I am aware of the fact that the endeavour of characterization results in such a ‘school’ is accompanied by a certain level of abstraction. For this short overview, this paper had to omit, for example, all dependency authors that had pursued country-related, regional, or sectoral studies. Then again, others might object to being included in such a ‘European dependency school’ or would argue that they had left such a paradigm a long time ago. Obviously such characterizations do in fact include a temporal aspect. Only biographical research might be able to shed light on such a debate. The work on the history of such a theoretical ‘school’ is certainly still underway. Moreover, these attempts regarding an alternative development paradigm had still been a work in progress (cf. Musto 1985a) when they started fading away. Consequently, instead of an alternative development paradigm, an even more radical liberal doctrine was established.

The transformation from an era when the Keynesian doctrine was powerful to the ‘neo-liberal’ era might be called paradigmatic change. This paradigmatic shift occurred, however, within the paradigm of the hegemonic ‘normal science’ and did not constitute a scientific revolution. The European dependency school can be seen as one attempt of formulating a progressive alternative. But political practice pointed towards a different direction, captivating also leftist parties. I will deal with the impression the ‘neoliberal’ globalization decade made on authors of the European dependency school in a separate article. With the benefit of hindsight, much of the structural analyses conducted by the ‘European dependency school’ appear pretty accurate and timely. Facets of dependence have been grasped in liberal (Friedmann’s function over territory) or Marxist (Hadjimichalis 1984: geographical transfer of value) terms. If the research agenda is taken up again, it will surely have to be updated to the current situation. Further research could refresh Dudley Seers’ deliberations on Eastern Europe. Much has changed since the 1980s, the Comecon has disappeared, and there has
been further enlargement of the Western European integration model. De-industrialization processes in the European periphery have accentuated the situation in the productive sector. Financialization of social reproduction has reached a high degree, the Economic and Monetary Union has enabled capital flows that stimulated pseudo booms in the periphery which have not positively affected the ‘tradable sector’ but rather construction, real estate and the financial sector (Becker, Jäger, and Weissenbacher 2015; Becker and Weissenbacher 2014).

In a world of finite resources, such fundamental considerations regarding production and consumption seem highly compatible with contemporary notions of food sovereignty or critique of the ‘imperial way of life’ (Brand and Wissen 2011). Relevance of the ‘European dependency school’ can also lie in the suggestions of a political plan B. Plan A can be seen in relation to the transformation of the global or at least European mode of production. If there is no immediate prospect for such a change, one’s perspective must be set lower. A plan B suggests using the regional and national institutional framework to strive for an alternative development ‘from below’. With today’s deeper EU integration, leverage within Community structures must be used as well. One must bear in mind, however, that in today’s power hierarchy one dependent country can hardly move independently, therefore ‘selective self-reliance’ can presumably be envisaged as ‘collective self-reliance’ only. Furthermore, there is a gap that needs to be filled between visions and political reality. John Friedmann (1986, 205) presented an egalitarian (anti-racist) vision: ‘A self-reliant society is an inclusive, non-hierarchical society that stresses cooperation over competition, harmony with nature over exploitation, and social needs over unlimited personal desire. It represents the one best chance for the survival of the human race’. But how can such a self-reliant society be established? Seers surely hoped for an electoral success of progressive parties who then should apply pragmatic policies. But he did not go into detail how such a success could be accomplished. Nohlen and Schultze (1985b, 63cc.) perceived the discrepancy between structuralist analysis of the causes of uneven development and the capability to counter dependencies politically as an overall weakness of the dependency approach.

The chance to implement region-centred policies depends on concept, form, and degree of participation. In order to realize them, traditional forms of political participation (representative democracy) do not suffice and neither does direct-democratic actionism [‘direktdemokratischer Aktionismus’]. A double strategy in patterns of participation is required […], with conventional and unconventional forms, within and outside the institutional structure of politics. (Nohlen and Schultze 1985b, 51)

Authors following the state theory of Nicos Poulantzas seem to have raised similar issues: [H]ow is it possible radically to transform the State in such a manner that the extension and deepening of political freedoms and the institutions of representative democracy (which were also a conquest of the popular masses) are combined with the unfurling of forms of direct democracy and the mushrooming of self-management bodies? (Poulantzas 2014, 256)

Lack of democratic participation and decision-making in the realms of politics and economics still seems to be in the way of alternative development models challenging core-periphery hierarchies. Rather, democratic decisions in the periphery are being overruled by economic imperatives formulated in core countries. Revisiting the ‘European dependency school’ underlines the importance of dealing with the productive system tackling structural imbalances in Europe.
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