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Project description

“Laboratories of Marketization: A Historical Reassessment of Economic Reforms at the Soviet Union’s Western Fringes, 1987-1991” (funded by the Swedish Research Council)

“After the appointment of Mikhail Gorbachev as General Secretary of the CPSU, the Soviet leadership launched an agenda of radical market reform aimed at getting the ailing national economy back on track. Given the fact that the economic performance continuously declined up to the collapse of the Soviet Union, most scholars agree that the perestroika reforms ultimately failed. Yet, while this verdict seems to be quite accurate seen from the perspective of the Kremlin, the trajectory of early marketization was different in the peripheries, especially along the western fringes of the USSR. In the Baltics and Ukraine, the debates about the transformation of the Soviet planned economy system coincided with a rise of anti-Soviet, nationalist sentiments. Reform-minded circles within the system saw economic decentralization and autonomous republican agendas of marketization as a less radical path towards national emancipation within a federalized Union. Hence, economic issues gained top priority in republican policy-making from Tallinn to Kiev.

The gradual liberalization of the Soviet border regime triggered the development of semi-official and informal networks in international trade and business between individual Soviet republics and the capitalist West, from which especially the non-Russian republics in the western borderlands could profit. Examining the dynamics of cooperation and exchange between perestroika-minded state officials, economists and first private entrepreneurs on the one hand and Western economic advisors and investors on the other, the project focuses on the ‘embryonic capitalisms’ that developed in the western Soviet republics between 1987 and 1991. According to the major hypothesis of the research project, the very different paths towards marketization chosen by the Baltic and Ukrainian republics depended to a large degree on the intensity of economic networking processes with the West, which eventually set the ground for the economic performance of the post-Soviet successor states.”