RUSSIA AND EAST-CENTRAL EUROPE IN THE MODERN WORLD-SYSTEM: A STRUCTURALIST PERSPECTIVE

Salvatore Babones and Philipp Babcicky
Department of Sociology & Social Policy
The University of Sydney

ABSTRACT: World-systems analysts have always classified modern Russia as falling in the semiperiphery of the world-economy, along with east-central Europe (today's Czech Republic, Hungary, Poland, and Slovakia). Wallerstein (1974) classically argued that this was true even under Communism, but that under Communism the Soviet Union raised its output above historical trend levels using a policy of "mercantilist semi-withdrawal" from the world-economy. We use data from Maddison (2010) to show that while the Soviet Union increased its economic productivity beyond what it otherwise might have been, output in post-Communist Russia has since returned to its long-term trend. Wallerstein's mercantilism thesis is supported by the fact that economic output in east-central Europe was depressed below trend during the Soviet period. Today, east-central Europe might or might not be invited into the core of the world-economy through EU convergence, but Russia is almost certain to remain in the semiperiphery. If the thesis of this paper is correct, the popular BRICs notion of linking the development trajectories of Brazil, Russia, India, and China is more than just an investment gimmick: Russia will see long-term convergence with these countries rather than with the core of the world-economy.

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INTRODUCTION

In a now-classic 1974 article, Immanuel Wallerstein surveyed the contemporary Marxist debates on the role of the then-Communist countries in the larger capitalist world-economy. Wallerstein began by delineating three kinds of social systems, which he called (collectively) "world-systems" because they represent the (all-encompassing) worlds in which people live out their social lives: mini-systems characterized by reciprocal exchange, world-empires characterized by administered exchange, and world-economies characterized by market exchange. The analysis of whole social systems of these kinds is thus "world-systems analysis." Today, a single world-system (which happens to be a world-economy) encompasses the entire world, but in the past many world-systems coexisted simultaneously in different geographical areas of the world.

Wallerstein categorized the polities (in today's world, countries) that participate in a world-economy into three strata. He adopted the dependencia terminology of core and periphery to describe the leading, surplus-extracting and lagging, surplus-contributing zones of a world economy, but recognized the existence of a third stratum: the semiperiphery. Wallerstein argued that the semiperiphery is a necessary category of a world-economy viewed as a social and political system. The existence of semiperipheral countries disrupts the absolute polarization of a world-economy into exploiting and exploited polities, thus preventing the unification of the exploited to resist and overthrow the exploiters. In his view, "[i]n part they act as a peripheral zone for core countries and in part they act as a core country for some peripheral area." (Wallerstein 1976, 463)

While we view Wallerstein's explanation of the origins of the semiperiphery as a bit teleological (it exists because if it did not exist the system would not be stable) and a bit improbable (we don't see much evidence of systematic semiperipheral exploitation of the periphery), we nonetheless affirm his observation of its existence. In our view, semiperipheral countries are countries that are outside the core of the world-economy but that are governed by strong, well-organized states. Whereas peripheral countries are mainly exploited by core firms, semiperipheral countries are able to exploit themselves (so to speak). That is to say, though the main exploiting class in peripheral countries is foreign, the main exploiting class in semiperipheral countries may be domestic. While core country elites utilize the administrative machinery of core country states to exploit people in peripheral countries, semiperipheral country elites utilize the administrative machinery of their own states to exploit mainly people in their own countries.

Leaving aside the question of the true origins of the semiperiphery, we follow Wallerstein in seeing the three-tiered structure of the world-economy as the key to understanding the role of the Communist countries in the capitalist world-economy. Wallerstein argued that though the (then) contemporary Communist countries might internally redistribute resources and rewards in accord with Communist ideologies, they nonetheless operated as actors within a larger capitalist world-economy. In his view, the Communist countries were not pursuing an autarchic disassociation from the world-economy -- as would be argued by Szymanski (1982) -- but were instead pursuing a more favorable distribution of the rewards of participation in the world-economy than they would otherwise be able to achieve. He asked rhetorically:

> If tomorrow U.S. Steel became a worker's collective in which all employees without exception received an identical share of the profits and all stockholders were expropriated without compensation, would U.S. Steel thereby cease to be a capitalist enterprise operating in a capitalist world-economy? What then have been the consequences for the world-system of the emergence of many states in which there is no private ownership of the basic means of production? (Wallerstein 1974, 413)

Chase-Dunn (1982, 29-30) later picked up this analogy, using General Motors as his stand-in for the Soviet Union, but (perhaps inadvertently) predicting the demise of both, since in Chase-Dunn's view Communist countries could not permanently persist as actors in a larger capitalist world-economy. Chase-Dunn reasoned that worker-managed companies could not in the long run successfully compete against owner-managed companies, since worker-managed companies would face constantly escalating demands for higher wages. In Chase-Dunn's view, worker-managed companies -- and by analogy Communist countries -- would ultimately be priced out of the market and fail.

Wallerstein, however, had no such reservations about the viability of Communist countries as economic actors. In fact, he considered Communism a potentially effective development strategy for many countries, particularly semiperipheral countries. Implicit in Wallerstein's position is the assumption that a well-managed Communist country could thrive in the capitalist world-economy in the same sense that a well-managed firm could. Wallerstein's

U.S. Steel and Chase-Dunn's General Motors may ultimately have underperformed, but other large industrial firms have overperformed for a century or more: General Electric (founded 1892), Exxon (Standard Oil, 1870), Mitsubishi (1870), DuPont (1802), MAN (1758), Mitsui (1673), Sumitomo (1615), etc. In Wallerstein's approach, there was no reason to assume that national Communism was an economic dead-end in the capitalist world-economy. Quite the contrary.

In Wallerstein's view, a Communist country might not only be well-managed, but might also be well-positioned to use its state administrative machinery to exploit other peripheral countries. At a minimum, Communist countries could prevent the exploitation of their own populations by foreign elites. He saw in this objective the primary motive force of the Russian Revolution itself:

> The Russian Revolution was essentially that of a semi-peripheral country whose internal balance of forces had been such that as of the late nineteenth century it began on a decline towards a peripheral status. This was the result of the marked penetration of foreign capital into the industrial sector which was on its way to eliminating all indigenous capitalist forces, the resistance to the mechanization of the agricultural sector, the decline of relative military power (as evidenced by the defeat by the Japanese in 1905). The Revolution brought to power a group of state-managers who reversed each one of these trends by using the classic technique of mercantilist semi-withdrawal from the world-economy. (Wallerstein 1974, 411)

By "mercantilist semi-withdrawal" Wallerstein meant that a country to some extent shields its economy from the larger world market (for example, through quotas, tariffs, foreign investment restrictions, or currency inconvertibility) while at the same time attempting to capture economic surpluses from other areas over which it has political influence, what Wallerstein called "empires within the world-economy" (407). For the Soviet Union, the COMECON was such an empire; one might go further to argue that for Russia, the Soviet Union itself was such an empire. Debates over whether or not the USSR was good for the peripheral republics are like debates over whether or not the British Empire was good for India: the Empire might or might not have been good for India, but it was beyond a doubt much better for England.

What is not in doubt is that under COMECON the USSR succeeded in reorienting east-central European trade away from German-speaking west-central Europe and towards itself. Hirschman (1945) long ago exposed Germany's interwar mercantilist strategy of fostering east-central European dependency on Germany through the monopolization of the region's trade. By 1938 the top export destination for all three of Czechoslovakia, Hungary, and Poland was the combined Germany/Austria. According to data from the League of Nations (1939), the percentages of exports going to Germany/Austria were 20% for Czechoslovakia, 46% for Hungary, and 24% for Poland. Under COMECON, or course, all this changed. The IMF (2010a) reports that in 1988, on the eve of the fall of Communism, the Soviet Union was the top export market for all three, taking 34% of Czechoslovakia's exports, 29% of Hungary's, and 25% of Poland's.

After the fall of Communism in 1989, the 1938 pattern reappeared, and the countries of east-central Europe today once again look to Germany as their main export market. The economic patterns that prevailed in Europe at the beginning of the twentieth century have returned at the beginning of the twenty-first. We see this as evidence in support of a structuralist perspective on the world-economy. In the structuralist perspective, highly stable social-structural relationships are seen as having more influence over long-term economic trajectories than year-to-year (or even decade-to-decade) economic policies. Wallerstein's world-systems perspective is one kind of structuralist approach, and our own approach differs from his only slightly. Wallerstein argued that while the world-system had a very stable structure overall, individual countries might relatively easily move up or down within the larger context of this system. We argue instead that individual countries are strongly bound to particular positions by long-lasting social, cultural, and geographical ties.

MEASURING LONG-TERM MACROECONOMIC PERFORMANCE: DATA SOURCES

Our main empirical analyses are based on trends in national income per capita in Russia, the Soviet Union, and east-central Europe over the period 1900-2010. The standard source for data over such a long time period, and the only source to standardize estimates to account for the many border changes affecting our study countries, is Maddison (2010). These data are the culmination of Maddison's life's work. Over the course of three influential reports -- *Monitoring The World Economy* (1995), *The World Economy: A Millennial Perspective*

(2001), and *The World Economy: Historical Statistics* (2003) -- Maddison documented the rise of populations and living standards over the centuries. While his methods are not beyond question, Maddison's data have become an essential and widely accepted tool for the analysis of long-term economic performance (Federico, 2000).

Our national income per capita data for the Soviet Union, Czechoslovakia, Hungary, Poland, and France (used to benchmark broader European growth rates) are lifted directly from Maddison 2010. The data are standardized to each country's 1989 borders. Thus, data for the Soviet Union are a mix of those for Russia and all of the countries that were included in the Soviet Union of 1989. Similarly, Czech and Slovak data are aggregated into figures for an area that corresponds to that of the 1989 borders of Czechoslovakia. Pre-WWI borders have also, in principle, been adjusted to those of 1989, even for the east-central European countries, which did not exist as sovereign entities at the beginning of the study period in 1900.

Our main interest is in trends in economic performance since the beginning of the twentieth century. We focus on national income per capita because it is the most widely used and widely available indicator of overall economic performance. Though national income is socially-defined and socially-constructed (Korzeniewicz et al 2004), it is, pragmatically speaking, the only measure we have. It has also been widely used in the world-systems literature as an important indicator of world-system status (Babones 2005), seminally by Arrighi and Drangel (1986), who argued that intermediate national income levels were definitive of (not just indicative of) the semiperiphery of the world-economy.

We thus use real GDP per capita evaluated at purchasing power parity estimates from Maddison (2010) over the period from 1900 to 2008 (at which point Maddison's series end). Maddison's data are expressed in 1990 dollars. We have inflated these to 2010 dollars using the United States Consumer Price Index (CPI) deflator. The conversion from 1990 to 2010 dollars is analytically irrelevant to the analyses conducted in this paper; it is merely done to make the units more meaningful. We have for convenience extended Massison's figures to 2010 using GDP growth rates from the OECD (2010) for France, Czechoslovakia (calculated as the population-weighted average of growth rates in the Czech Republic and Slovak Republic), Hungary, and Poland. The Russian GDP growth rates reported by the IMF (2010) have been used as a proxy for the former Soviet Union. The extension of the data from 2008 to 2010 is largely immaterial to our analyses.

GROWTH TRAJECTORIES IN COMPARATIVE PERSPECTIVE

In Figure 1, we display national income per capita trends for those areas that were included in the Soviet Union of 1989. The vertical axis is reported in 2010 US dollars, but on a log scale. That is to say, a value of "3" represents 10^3 or 10x10x10 = $1000. Similarly, a value of 4 represents $10,000. On a log scale, 3.5 would represent about $3162. A log scale is used because compound (exponential) economic growth becomes linear on a log scale. Thus, the national income of a country that grows at a constant rate would appear to rise in a straight line on a log scale.

[Figure 1 about here]

Maddison reports national income estimates for the "Soviet Union" (those areas that were included in the Soviet Union in 1989) for 1900, 1913, 1928-1940, and 1946-2008 (updated by us to 2010). It is no surprise that growth was (as a whole) relatively slow over the period that included the Russo-Japanese War, World War I, the Russian Revolution and Civil War, collectivization, and World War II. Growth was then much faster and more consistent in the three decades from 1950-1980, after which is slowed to a trickle in the 1980s. The 1990s were marked by the savage dislocations of privatization and the transition to a market economy, while the 2000s saw the rapid growth of Russia's new petro-economy.

For comparison, we have also plotted French economic performance over the same period. France was by 1900 firmly in the core of the world-economy, producing high value-added goods and ruling a large colonial empire. France is used as a benchmark because it is a large, diverse European core country that was not hegemonic (like the UK), experienced minimal border changes over the study period (Alsace and Lorraine never made up more than 5% of the population of France), and suffered relatively little war damage (compared to the rest of Europe). In very broad terms, French growth rates mirror those of the "Soviet Union" for the entire period before 1990, though of course the correspondence is not exact. After 1990, the two paths diverge dramatically as the French economy continued its slow, consistent growth while the "Soviet Union" economy first declined then rebounded in dramatic fashion.

We have fit a series of linear regression lines to the French growth trajectories over three very different historical periods: 1900-1946, 1946-1973, and 1973-2010. The first period was marked by war and depression, the second by the post-war boom, and the third by slow but consistent growth. The two years 1946 and 1973 are natural inflection points, both conceptually and empirically. Conceptually, 1946-1973 represents the period of unquestioned American hegemony, European rebuilding, decolonization, and the development of welfare states throughout the core of the world-system. Empirically, growth was slow before 1946, fast from 1946-1973, and slow again after 1973. Our regression fit lines indicate geometric mean growth rates in France of 0.6% per year before 1946, 4.2% per year from 1946-1973, and 1.6% per year after 1973.

Applying French growth rates for these three periods to Maddison's "Soviet Union" national income figure for 1900 gives the imputed Russia/USSR growth trajectory graphed as the dashed line in Figure 1. In our view, this line represents a baseline counterfactual assumption for how Russian/Soviet economic output would have been expected to have evolved had Russia/USSR retained a market economy throughout the study period. It is not a firm prediction -- there are far too many unknowns and unknowables for that -- but it is a kind of default best guess. With lucky policies and macroeconomic events Russia/USSR might have grown more quickly, and with unlucky policies and macroeconomic events Russia/USSR might have grown more slowly. Assuming that Russian/Soviet luck would have been about average for a European country, its growth trajectory might have looked something like that depicted by the dashed line.

What's remarkable about the dashed line is how closely it predicts national income per capita in the "USSR" today. It is difficult to read this from the log scale, but the imputed dashed line overstates today's "USSR" national income per capita by just 18.3%. Restricting today's figures to those reported by Maddison for the Russian Federation (updated to 2010), the overstatement is a mere 2.6%. The implication is that Russia has simply returned to where it might have been had the whole twentieth century never happened. It's either there already (using the current Russian national income figure) or nearly there (using the "USSR" national income figure). Given the heroic counterfactual assumptions involved -- compounded by the uncertainty associated with the estimation 100 years later of what national income might have been in 1900 -- this correspondence is, in our view, highly provocative.

Whatever the validity of the counterfactually imputed 2010 national income for the "USSR," the trajectory of the dashed imputation line tends to confirm the standard view (Ofer 1987) that the Soviet Union's planned economy of the 1930s through the 1970s dramatically outperformed the major western economies of the time. The fact that the Soviet economy overperformed in these years is well-established; Allen (2001, 861) claims that "[f]rom 1928 to 1970 the USSR did not grow as fast as Japan, but was arguably the second most successful economy in the world." Like other contemporary commentators, Allen is careful to emphasize (and we echo this) that the strong Soviet macroeconomic performance came at enormous -- and wholly unacceptable -- human and political costs. Nonetheless, the performance itself was, quantitatively, impressive. On the other hand, the most recent twenty years of Russian collapse and renewal have done little more than bring the Russian economy back to its long-term trend.

The equivalent plots for east-central European countries tell a similar story to that for the "USSR," but with a difference. The period of central planning was less productive for these countries than it was for the USSR. Of the three countries/regions, Czechoslovakia fared best, but still not as well as the USSR. It grew throughout the Communist period, but at a slower rate then either France or the USSR itself. This growth trajectory would be consistent with a pattern of Soviet mercantilist exploitation, but of course other explanations are also possible. As in the rest of east-central Europe, the post-Communist adjustment was less severe in "Czechoslovakia" than in the "USSR," and the rebound was relatively strong.

[Figure 2 about here]

The region of "Czechoslovakia" (the Czech Republic and the Slovak Republic) today has a level of national income per capita almost exactly equal to its imputed value based on Maddison's 1900 estimate and the 110-year trajectory of French growth. The imputed value is just 1.8% below the actual value, or off by about one year's growth. This is all the more remarkable considering that "Czechoslovakia" did not even come into existence, as such, until 1918. The very close correspondence between the actual and imputed figures is surely a coincidence, but their general accordance is further evidence of the validity of the imputation.

The equivalent analyses for Hungary are plotted in Figure 3. Compared to the benchmark imputed trend, Hungary fared the worst of the east-central European countries. This may be due in part to the fact that Hungary was the only one of the three countries to have fought on the losing side in World War II, or it may be due to error in Maddison's starting point for Hungary or due to a more general failure of the approach taken in this paper. The fact that Hungary's general underperformance relative to the other east-central European cases can be traced entirely to its low (re-)starting point in 1946 points in the direction of war damage and harsh occupation, but this is a highly circumstantial argument.

[Figure 3 about here]

It is also possible that the Maddison figures for Hungary are simply wrong. Maddison makes Hungary out to have been poorer than Poland in 2008, while the CIA, IMF, OECD, and World Bank all make it out to have been richer. Were the 2008 Hungarian economy ranked more in line with the estimates of these other data sources, it would fall very close to its imputed value based on Maddison's 1900 starting point. As it stands, however, Hungary's recorded (Maddison) 2010 national income per capita is 35.9% below that predicted by the imputation. Like in "Czechoslovakia," Hungary's economic output remained below the imputed trend throughout the Communist period. This is consistent with -- though not direct evidence of -- the theory of mercantilist exploitation by the USSR.

The statistics for Poland, reported in Figure 4, tell a similar story to those for "Czechoslovakia." The imputed Polish figure for 2010 is just 4% above the actual figure, again equivalent to 1-2 years' growth for a country that did not even exist in 1900, to which year the original estimates apply. Given Poland's very substantial border changes between 1900 and 1950, it is a bit unnerving that the imputed value for Poland in 1950 is a mere $40 (less than 1%) below Maddison's actual estimate for that year. As for the other countries, the trajectory of Polish growth is consistent with the theory of Soviet mercantilism. The Polish economy seems to have underperformed under Communism, particularly in the 1980s, only to rebound with privatization and the transition to a market economy.

[Figure 4 about here]

IMPLICATIONS FOR THE FUTURE OF RUSSIA AND EAST-CENTRAL EUROPE

As Figures 1-4 illustrate, Russia and east-central Europe are almost exactly in the same economic positions relative to western Europe as they were over a century ago, despite the intervention of two world wars, the Great Depression, Communism, marketization, and globalization.

Russia is still a large, powerful country on the borders of Europe, integrated into the European political system but not into European economy and society. Russia has (according to Wallerstein) been a semiperipheral country every since its incorporation into the modern world-system in the nineteenth century. Now as then the Russian state is relatively strong. Russia's trade is spread among many partner countries. The Russian economy is still focused on natural resource extraction, reliant on foreign technical advice, and plagued by low productivity in domestic sector. A small number of large, politically-connected companies occupy dominant positions in economic life. Russia is also once again a highly unequal society; as in the early 1900s, extravagantly rich Russians are buying townhouses in London and sailing their yachts off the Cote d'Azur. Molchanov (2005, 425) describes Putin's Russia as "an oligarchic dependency characterized by stark inequality, marked injustice, the loss of social capital, widespread poverty and a stunning demographic catastrophe." Plus ça change.

The Czech Republic, the Slovak Republic, Hungary, and Poland are all roughly as rich as Russia, just as they were in 1900. In 1900, most of this area was incorporated into the semiperipheral Austro-Hungarian empire; Poland was divided. As independent countries in the interwar period, all three of Czechoslovakia, Hungary, and Poland exhibited semiperipheral characteristics: strong states capable of independent action, economies that included a mix of modern industrial production and semi-feudal agriculture, and high levels of income inequality (though evidence on this is only circumstantial). Today, their situation is less clear. It depends on whether east-central Europe is viewed as the internal periphery of a united Europe (much like Appalachia is one of several internal peripheries of the United States) or viewed as a distinct semiperiphery of four independent, sovereign countries.

What of the future? Obviously, the reassertion of century-old patterns does not guarantee their continuation into the next century. For east-central Europe, the future of its place in the larger world-system almost certainly depends on the future of European integration. East-central European elites, having pushed for membership in the European Union, NATO, and the OECD, seem very aware of the options facing their countries: better to be a poor area of rich Europe than an independent actor on the world stage. The question is whether or not the western European net contributors to the EU budget will agree to further European integration. Berend (2005) was confident of EU convergence; writing in 2011, we are less sanguine. When the answer does come, it will probably be tied up with the question of Russia's place in the world-system. The existence of an aggressively expanding Russia is perhaps east-central Europe's best chance of a full admission to the European core.

For Russia, the future options are much more open. This reflects Russia's status as a true semiperipheral state, not merely a middle-income country. Russia's apparent strategy of renewed mercantilism in Belarus, Ukraine, the Caucasus, and central Asia seems to us unlikely to result in Russia's ultimate rise into core status. These areas together add up to a population barely equal to Russia's itself, and unlike east-central Europe in the post-war period they are also for the most part substantially poorer than Russia. The two largest post-Soviet republics -- Ukraine and Uzbekistan -- have levels of national income per capita that are less than one-third that of Russia when evaluated at F/X rates. In short, Russia's scope for economic growth through external exploitation is limited.

If the Russian government is serious about joining the core of the world-economy, we would suggest it look to the example of Japan. Japan initially grew through ruthless mercantilist exploitation of its (demographically much larger) neighbors. By the 1930s, Japan had grown into solid semiperipheral status (economically and politically), but its national income levels were still far short of those in the core of the world-economy. Post-war Japan rose from the semiperiphery into the core through intensive internal development, not external exploitation. It invested in its technology, its infrastructure, and most of all, its people. Japan is a rich country today because of its healthy, educated, productive workforce and its world-class material infrastructure, not because of its tragic imperial heritage.

Russia could theoretically do the same, but it is not clear that Russian elites (as a class) have an incentive to do the same. As Galtung (1971) outlined in his theory of imperialism, the interests of the ruling class of a society do not necessarily coincide with the interests of society as a whole. If the Russian state wants to see Russia rise into the core of the world-economy, it should focus on reducing income inequality and redirecting income to socially productive purposes. Oligarchs should be taxed and the proceeds used to build internal human and physical infrastructure. While some economists might argue (without evidence) that income taxes harm growth, only the most ideologically-blinded fundamentalist would argue that the maintenance of extravagant luxury lifestyles among the elite is a socially productive use of Russian income. The problem is that while fiscal redirection in favor of domestic investment may benefit the vast majority of Russians, it may not benefit the small number of Russians who control the country's political system.

CONCLUSION

In conclusion, we find that Russia and east-central Europe in 2010 have largely returned to the structural positions and relative output levels that they held at the beginning of the twentieth century. While levels of economic productivity today are broadly similar across Russia, the Czech Republic, the Slovak Republic, Hungary, and Poland, common sense suggests different future trajectories. The four east-central European countries will either converge with west-central Europe or stagnate on its periphery, while Russia will likely remain a powerful semiperipheral country. The key difference between the strategic positions of Russia and the countries of east-central Europe is that while Russia's future lies in its own hands, that of east-central Europe largely depends on the decisions of others. East-central European elites could sabotage their countries' ascents, but it is unlikely that their politically-engaged populations will let this happen.

In our view it is unlikely that Russian elites will drive the country in the direction of intensive internal development. Like other large semiperipheral countries, Russia has what Wallerstein (1974) called "strong state-machinery," and has had it for the majority of its modern history. Its large semiperipheral peers -- Brazil, China, and India -- have similarly strong states; China and India, which have similar geopolitical positions to Russia's, also share its policy of nuclear armament. Of the four so-called BRICs, three are governed by political parties that transparently represent the interests of local economic elites. Brazil alone is governed by a political party that seems to represent the interests of the whole country, which engenders some hope, but Brazil has experienced many false dawns before, and Brazilian government below the federal level is characterized by state capture by local elites. The simple, unfortunate fact is that the rational course of action for a member of a semiperipheral elite is not to develop the country as a whole but to take the money and run.

This incentive is not manufactured within the country itself but is instead imported from the structure of the larger world-system of which the country is a part. It is much more difficult for core elites to "take the money and run" because it raises the question: run where? Russian oligarchs may buy English football clubs as Veblenian conspicuous consumption goods, but whose football clubs would English oligarchs buy? The emergence of the transnational capitalist class (Robinson and Harris 2000; Sklair 2001) as a floating interstitial elite may throw this all into question, but for now the core retains the structural advantage that you can't rise above the top. An elite-captured strong state can help a peripheral country rise into the semiperiphery -- local elites have an incentive to act together to make this happen -- but that same elite-captured strong state prevents the country from rising further into the core.

We do not go so far as to argue that "structure is destiny," but we do argue that world-system structure plays a large role in determining a country's destiny. Russia may not always be in the semiperiphery of the world-economy, but the world-economy will always have a semiperiphery because there are powerful systemic buffers that prevent strong semiperipheral states from rising into the core. In the years after World War II, Japan rose from the semiperiphery to the core of the world-economy, but the path for Japan's rise was cleared by the complete physical and institutional obliteration of old imperial Japan after 1945. Russia's history and current politics give no indication that a Japan-like root-and-branch societal transformation is forthcoming. Russia has had its moments -- 1919, 1945, 1990 -- and for all we know another such moment is just over the horizon. Putin's Russia, however, seems likely to remain just where it is: firmly at the top of the semiperiphery of the modern world-economy.

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Figure 1. Benchmarking of USSR / former USSR growth rates to French growth rates, 1900-2010

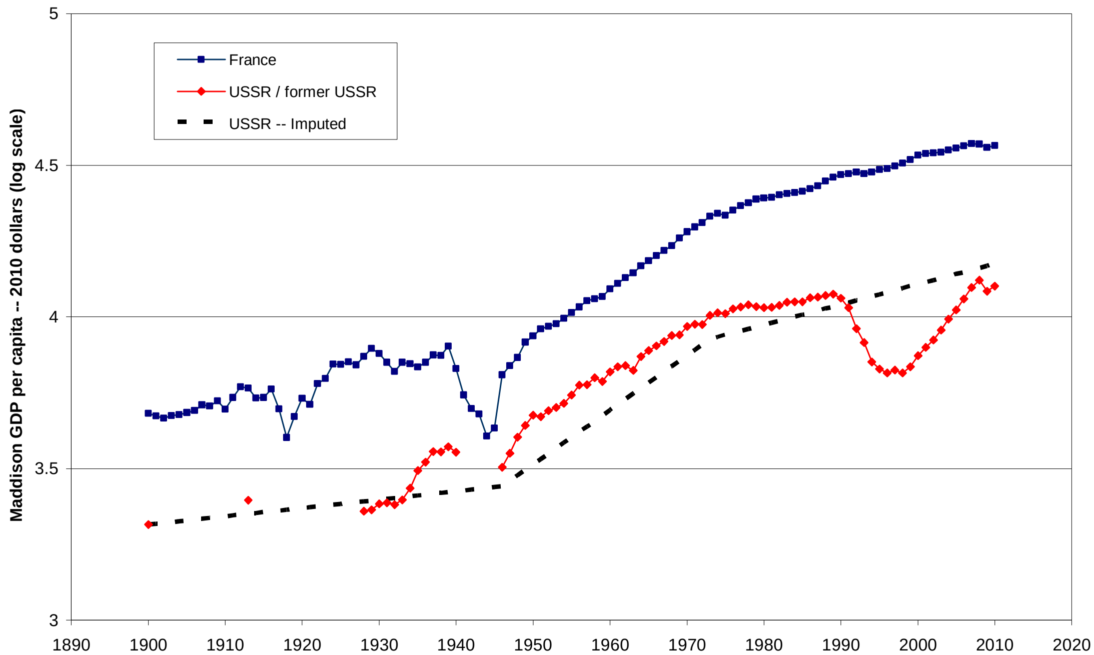

Figure 2. Benchmarking of Czechoslovakian / former Czechoslovakian growth rates to French growth rates, 1900-2010

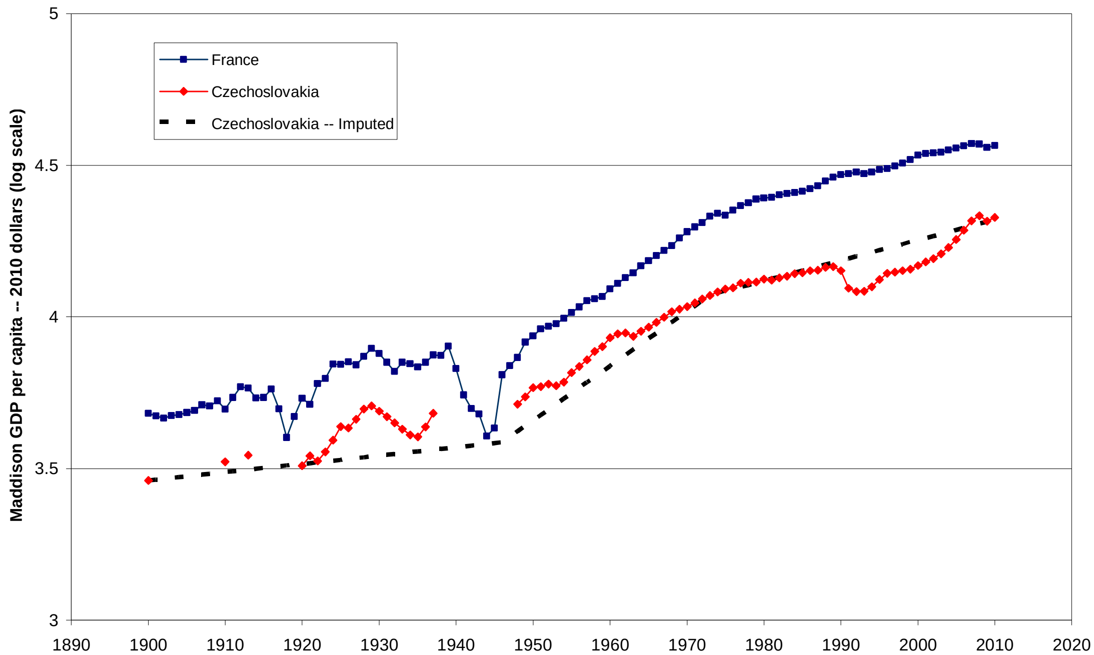

Figure 3. Benchmarking of Hungarian growth rates to French growth rates, 1900-2010

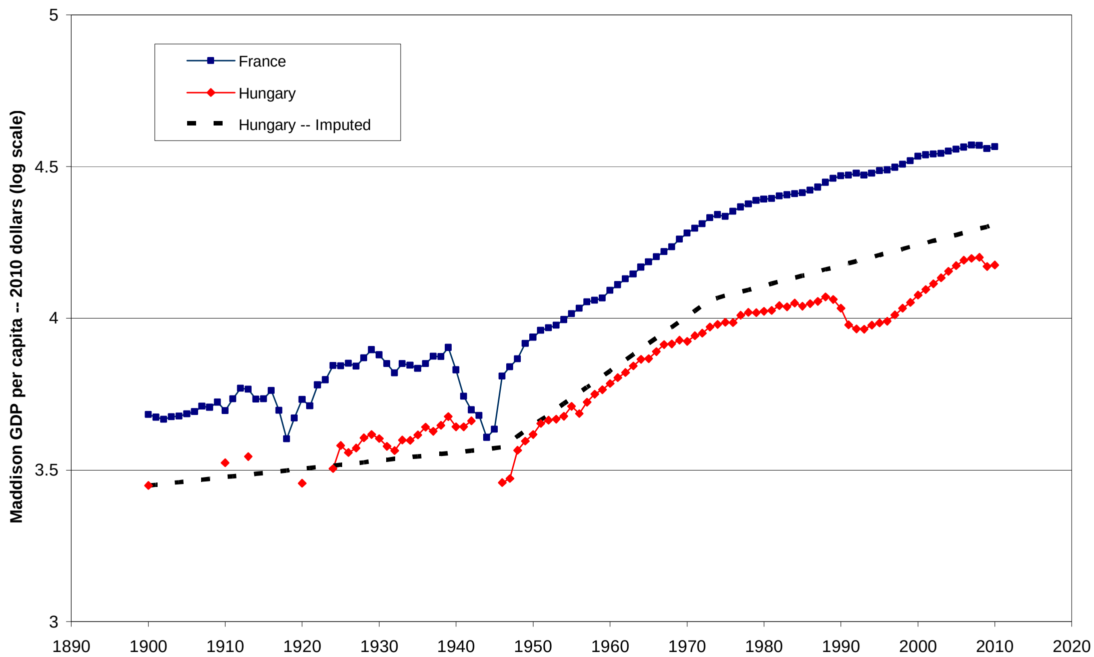

Figure 4. Benchmarking of Polish growth rates to French growth rates, 1900-2010