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Catching up and falling behind: Bulgaria and Greece at the Turn of the Twentieth Century

There are many keys to the understanding of the present Balkans. The Yugoslav wars re-directed scholarly interest mainly to the questions of nationalism, national identities, ethnicity, and minorities. The decade of the 1990s produced thousands of books, all with colourful and shocking covers, which treated the entire region through the prism of its troubled past and the notorious "ancient ethnic hatreds". As a result, recent scholarship has grossly neglected the study of "the basics" —the pending economic, social, and political problems of the Balkan states and their persistent backwardness.

This article suggests to look at the contemporary Balkans from the angle of view of modernization. As a typical "umbrella" notion, modernization is broad enough to encompass all the aspects of the life of the nations, as well as the direction of their developments. In the case of the Balkans most of the theoretical controversies and debates surrounding the concept of modernization have been somewhat simplified. Typical late comers, living on the fringes of Europe, both part of Europe and "not quite", for the Balkan people modernization has always been equivalent to Europeanization and Westernization. To be part of Europe, to bridge the gap dividing the Peninsula from the developed part of the continent, to catch-up with the Western Europe, has always been one of the national aims of modern Balkan development, an aim equal in importance (and connected) to the national ideal. Even for those mistrustful of the West, progress, the long historical process of economic, social, political, institutional, and cultural transformation has been measured in terms of catching up or falling behind the coveted Europe.

Bulgaria and Greece are a prime example of the possibilities and limits of the process of modernization in the Balkans. Similar by size, population, and initial conditions, they represent almost the ideal couple for the comparing their roads to and through modernity.

Ever since the foundation of the modern Greek state (1833) and the Bulgarian state (1878), the two countries have been striving to become modern, Western, and European. Catching up with Europe can be traced as the red thread through their histories, competing on their national agendas only with the national question. Both modernizations were driven by the same goals and followed similar paths[1]. Being part of the Eastern half of the continent, they missed the "dual revolution", which made Europe modem, and they started their modem period with a considerable lag. In both cases modernity was imported and imitated. The level of backwardness was not the only common feature. In both cases modernity was being imposed on strong traditional cultures, shaped by the same Ottoman-Byzantine-Orthodox legacy. These similar cultures predetermined to a great extent mentalities, political culture, the role of the individual and the collective, the overwhelming importance of the state, the specific labour ethics, the high value placed on education, etc.

The modernization process can be divided into three stages:

1) the early 19th century to the beginning of the Balkan wars and World War I;

2) the interwar period;

1. On Bulgarian and Greek modernization see: Nikos Mouzelis, "The Concept of Modernization: Its Relevance for Greece", *Journal of Modern Greek Studies* 14.2 (1996) 215-227; Nicos P. Mouzelis, *Politics in the Semi-Periphery. Early Parliamentarism and Late Industrialization in the Balkans and Latin America*, St. Martin Press, New York 1986; Nicos Mouzelis, *Modern Greece: Facets of Underdevelopment*, MacMillan, London 1978; Andreas Moschonas, "European Integration and Prospects of Modernization in Greece", *Journal of Modern Greek Studies* 15.2 (1997) 325-348; Georgi Dimitrov, *Bulgaria v orbitite na modernizatziiata.* (Bulgaria in the Orbits of Modernization), Publishing House of the University of Sofia "St. Climent Ohridski", Sofia 1995; Michael Palairet, *The Balkan Economies 1800-1914. Evolution Without Development*, Cambridge University Press, Cambridge UK 1997; John R. Lampe and Marvin R. Jackson, *Balkan Economic History, 1550-1950. From Imperial Borderlands to Developing Nations*, Bloomington: Indianna University Press 1982; Cyril E. Black, "The Process of Modernization: the Bulgarian Case", in *Bulgaria Past and Present. Studies in History, Folklore and Linguistics*, Proceedings of the First International Conference on Bulgarian Studies, University of Wisconsin, Madison, May 3-5, 1973, pp. 111-131; Rossen Vassilev, "Modernization Theory Revisited: The Case of Bulgaria", *East European Politics and Societies*, 1999, Vol. 13, no. 3 (Fall) 566-599; John Bell, "Modernization Through Secularization in Bulgaria" and Gerasimos Augustinos, "Development Through the Market in Greece: The State, Entrepreneurs, and Society", in Gerasimos Augustinos (ed.), *Diverse Paths to Modernity in Southeastern Europe. Essays in National Development*, Greenwood Press, New York, Westport, Connecticut, London 1991, pp. 15-50, 89-113.

3) the second half of the 20th century, which can be subdivided into the periods of 1950-1973, 1973-1990 and 1990-2000.

The first period of Balkan modernization was long and relatively peaceful. The newly independent states introduced enthusiastically and copied diligently Western technologies, political institutions, finance systems, urban plans, fashions and habits. In a short time, the appearance of the two former Ottoman provinces was changed thoroughly. Like elsewhere, in the words of L. S. Stavrianos, Westernization was a bittersweet and disruptive process. "It did bring electricity, improved implements, security from epidemics, and even radio sets and movies. But it also brought constant change in values, institutions and practices and adjustment to this change was unsettling and uncomfortable"[2]. Nonetheless, the high rates of development were not enough to close the gap. In 1913 the per capita GDP of Greece represented 46% of West European standards and the GDP of Bulgaria - 43%. (See Table 2.2.)[3].

The interwar period was particularly difficult. Each of the two countries had suffered a national disaster. Each of them had to cope not only with new territories and population, but also with the war damage, postwar inflation and economic chaos within the unfavourable external environment, including the Depression. Recovery was limited to the reconstruction of the prewar levels of output of outdated sectors; progress in industrialization was achieved only in import-substitution in light industries, no modern industrial branches were developed. Agriculture remained the leading sector, its structure changed very little since the 19th c.; industrial growth was not enough to absorb population increase. As a whole countries failed to adjust to the long-term transformation of the world economy. The distance between them and the West continued to grow and in 1938 reached one third of the average European. The persistent economic backwardness and the archaic structure of societies predetermined the political trends of the 1920s and 1930s. The Western type democracies proved to be incapable of ruling the two Balkan

2. L. S. Starvianos, "The Influence of the West on the Balkans", in Charles and Barbara Jelavich (eds.), *The Balkans in Transition*, University of California Press, Berkeley and Los Angeles 1963, p. 213.

3. Paul Bairoch's estimates are higher —49% for Bulgaria and 60% for Greece. Paul Bairoch, "Europe's Gross National Product, 1800-1975", *Journal of European Economic History*, 1976, Vol. 5, no. 2, pp. 273-339.

countries, their parliamentary system collapsed and royal dictatorships were established in 1934 in Bulgaria and in 1936 in Greece[4].

The years of the Second World War brought another round of destruction, damages and losses, particularly in the case of Greece, whose wartime damage was much greater higher and recovery occurred only in 1955.

For most of the late 19th and early 20th centuries the two countries have been in the state of stagnation. Deficits, high agrarian overpopulation, low productivity, chronic under-investment and lack of dynamism characterized their economies[5]. At the end of the Second World War both Greece and Bulgaria faced the challenge of a rapid transformation. The agony of the interwar years and the failure (or semi-failure) of modernization had given rise to revolutionary expectations. At this crossroad of history their paths to modernity separated. Due to the different political systems, each undertook a different strategy to overcome their historical backwardness[6].

The postwar experience of the socialist East and the capitalist South constituted two distinct attempts to catch-up. As it is well known, the East European/Soviet model was based upon state property, strict allocation from the center and autarkical development within the CMEA. The South European pattern was based upon private property, an active role of the state, plus a considerable dose of protectionism in favour of import-substitution.

Yet beyond the socialist/capitalist division, the postwar modernization of Bulgaria and Greece reveals striking similarities as well as striking contrasts.

Bulgaria followed diligently the socialist strategy of strict plannification, crash industrialization, collectivization of land, virtual liquidation of the small artisans and trade, as well as of massive exports to and

4. See Ivan Berend, *Decades of Crisis. Central and Eastern Europe before World War II*, University of California Press: Berkeley and Los Angeles 1998.

5. See Rumen Avramov, *Stopanskiiat XX vek na Bulgaria (Bulgaria's Economic 20th century)*, Center for Liberal Strategies, Sofia 2000; Maria Negreponti-Delivanis, *Analysis of the Greek Economy. Problems-Alternatives*, Athens 1985.

6. See Ekaterina Nikova, "Bulgaria and Greece in the postwar European Economy", in Relations et influences réciproques entre grecs et bulgares XVIIIe-XXe siècles. Art et littérature, linguistique, idées politiques et structures sociales. Institute for Balkan Studies, Thessaloniki 1991.

imports from the markets of the CMEA. By the 1980s it was an over-industrialized country, with industry giving more than 60% of its GDP.

Greece's trajectory had been much more unique. After "a false dawn" in the late 1950s-1960s —a short-lived attempt at industrialization— the Greek economy continued to grow through on tourism and housing. It managed to ensure growth without substantial structural change and development either in agriculture or in manufacturing.

Typically for latecomers both accomplished their exceptional high rates of growth not through improvement in efficiency, but through increased use of factor inputs: labour force from the overpopulated villages, massive imports and capital investments. This was a classical extensive development —for both Greece and Bulgaria total factor input accounted for 60% of the growth in 1950-1980[7].

Table 1

The two countries were considered the economic miracles of their own economic blocks. They boasted to have one of the most dynamic economies, comparable to absolute champions like Japan. Table 1, based upon the newest methodology of comparative analysis of countries belonging to different socio-economic systems[8], illustrates several facts. Both Bulgaria and Greece were part of the so-called Golden Age —the exceptional period in European economic history. Their rates of development were higher than the average West European. There were two reasons: the low starting point, but also the reallocations of resources to sectors of higher productivity. The periods of the most accelerated growth were 1950-1960 for Bulgaria and 1960-1973 for Greece. Calculations by the new methodology decrease the overrated growth rates of socialist Bulgaria and prove that in the longer run its performance was

7. Robert T. Jerome, "Estimates of Growth in Bulgaria, Greece and Yugoslavia, 1950-1980", in *Comparative Economic Studies*, Vol. XXVII, No. 3, Fall 1985, pp. 393-455.

8. Despite serious work undertaken by international organizations and individual scholars, there is still a lack of reliable long-term series of comparable economic data on the former Centrally Planned Economies.

This study is based upon the estimates of the UN Economic Commission for Europe, the alternative internationally comparable GDP figures of purchasing power parity and Angus Maddison's calculations of GDP in 1990 international dollars. (Angus Maddison, *Monitoring the World Economy, 1820-1992*, Development Center of the Organization for Economic Cooperation and Development, Paris 1995.)

worse than that of Greece. In 1985 —the peak of the socialist modernization, Bulgaria's GDP per capita was 2/3 of the per capita GDP of Greece. By the end of the 1980s, already before the collapse of the state socialism, there had emerged very large income disparities between the centrally planned economies of Eastern Europe and the developed market economies of EC/EU. The difficulties reached Bulgarian economy with a certain lag, due to the buffer effect of the CMEA price system and long-term trade agreements.

Table 1
CHANGES IN REAL GDP PER CAPITA 1950-2000
AVERAGE ANNUAL GROWTH RATES

	1950-1960	*1960-1970*	*1973-1990*	*1990-1998*		*1950-1998*
GREECE	5,1	7,1	1,5	1,5		3,7
Western Europe Average	4,0	3,8	1,9	1,1		2,7
	1951-1960	*1961-1970*	*1971-1980*	*1981-1990*	*1991-2000*	*1950-1991*
BULGARIA*	6,2	5,4	2,0	-1,1	2,1	3,1

* Simple average of various estimates in 1990 dollar prices.

Source: UN/ECE Secretariat, *Economic Survey of Europe*, 2000, No.1, pp.160, 179.

Table 2

As seen in Tables 1 and 2, by the end of the 1970s in the case of Greece and the mid-1980s in the case of Bulgaria, the rates of growth were progressively slowing down; in relative terms the two Balkan economies actually stagnated or fell behind; convergence of the 1950s-1960s turned into divergence. Despite the categorical advancement of Greece vis-à-vis Bulgaria, the two countries' relative position in Europe barely changed. According to Economic Commission for Europe, in 1950 Greece ranked 19th among countries-members of the OECD. In 1998 it had slipped to 21st —behind Portugal (19th) and Spain (20th), ahead of only Turkey (22nd). Greek real GDP per capita fell down from 63% of the EU average in 1973, to 57% in 1990 and 59 in 1998[9]. The crises of the 1973 and the early 1980s and particularly the decade of the

9. UN/ECE Secretariat, *Economic Survey of Europe*, 2000, No. 1, p. 166.

1990s revealed the dark side of the two countries' economic dynamism. The high rates of growth and the sectoral restructuring were not enough to raise them to another orbit of development. Unlike the developed world, they could not readjust to the changing condition of the world economy and to switch to the next stage of the industrial revolution. The gap reopened and started to grow.

For both countries the years 1960-1970s were a period of unprecedented social change. This change was so profound and far-reaching that could be called without hesitation revolutionary. Because, as Zsuza Ferge reminds, the economic gap between the developed and the underdeveloped Europe was large, but the social and political were even larger. In a short interval the two Balkan countries were transformed from underdeveloped, sleepy periphery into rapidly developing and promising newly industrialized states. Millions of people left the villages; a real rural transformation took place. The new times brought new infrastructure, urbanization, better housing, literacy, education, and medical care. The values of modernity were gradually being accepted.

This social transformation caused the second postwar miracle —the gradual democratization of the political systems of the two countries. The social change of the previous years meant that large strata of society did not accept non-democratic, authoritarian politics. In Greece the normalization started in 1974 after the fall of the colonels' junta (1967-1974); the sharp polarization between a militant Right and militant Left was overcome, new political centrist and center/left forces came to the fore.

In the 1990s Bulgaria became part of the third global wave of democratization. After the collapse of the communist regime, during which there was hardly any political modernization, the country managed to "negotiate" its revolution of 1989, to demolish the communist system in a peaceful way, within the constitutional order and establish a modern working democracy. In contrast to its Balkan neighbours, the young Bulgarian democracy succeeded to solve in a bloodless way a sharp ethnic crisis.

Thus the Bulgarian and the Greek case prove the basic assumption of the Modernization theory —economic development and social transformation did bring them political democracy.

In the last decade of the 20th century the fortunes of the two Balkan nations were marked by two polarly different developments —the fall of the communist regime of Bulgaria and Greece's accession to the European Community/Union.

With the collapse of the political system, the Bulgarian economy suffered a spectacular drop in all indicators —industrial and agricultural production, trade, and living standards. The Bulgarian case was a clear illustration of the contradictions and weaknesses of the socialist type of modernization: forty five years of accelerated expensive growth, in virtual isolation from the international markets, had created an unviable economy and static, ahistorical society and state. Like the rest of Eastern Europe Bulgaria had achieved the physical structure of modernity, but it was a one-sided modernity, defined mainly in economic terms and combined with atomized society and totalitarian politics. At the end of the century Bulgaria and its former partners had to accomplish another revolution —a "rectifying revolution" (J. Habermas)— a long and painful transition to market economy and liberal democracy. Any attempt at evaluation of the decade of Bulgarian reforms is difficult and premature. There has been a considerable progress in the introduction of the institutions of market economy, in achieving positive growth rates and macro-economic stabilization, in shifting exports for East to the West, or developing the previously neglected service sector. Restructuring is occurring mainly spontaneously, as a result of privatization and the loss of the Soviet markets and the lack of foreign investment. It is not clear however whether these changes are leading to the creation of new competitive sectors or the revitalization of the old ones, whether this is the appropriate structural adjustment to the new international economy. De-industrialization is accompanied by re-agrarianization and even primitivization of certain sectors. Social changes have been equally spectacular and controversial. The 1990s saw the emergence of new élites and a new entrepreneurial class, the decline of the socialist type middle class and the impoverishment of vast layers of Bulgarian society and broadening income differentiation between the winners and losers of the transition.

Greece's accession to the EC/EU was the single most powerful stimulus for the overall modernization of Greek economy, society and politics. The accession process coincided with dramatic political developments. New political forces tried to overcome the legacies of the time of the Civil War and the Cold War and to find a new place of the country in the world. Greek economy has been an economy of protectionism, political favouritism, clientilist business relations, and strong interventionism. Its two basic sectors —the state sector and the self-employed sector— turned out to be the two main obstacles to the further modernization. During the 1980s and the earlly 1990s the ruling party PASOK went a long way from an openly anti-Western rhetoric to active pro-European policies. These oscillations, as explicable as they were within the specific context of the country, postponed the institutional adaptation, liberalization and structural reforms, required by the accession. As a whole, the political leadership proved unable to create the appropriate climate for the attraction of foreign direct investment and to lead the country into a more effective relationship with the Community. Thus Greece lost the entire decade of the 1980s depriving itself from the impulse of the EU integration in the way that Finland or Portugal managed to do. In a sharp contrast to the foot-dragging during the "populist decade", at the very end of the 1990s Costas Simitis's pragmatic government managed to leverage the economy through bold and painful measures and to made it possible for Greece to join the European Monetary Union.

Table 2

BULGARIAN AND GREEK GDP PER CAPITA

2.1. GDP per capita in 1990 international dollars

	1913	*1950*	*1973*	*1992*
BULGARIA	1.498	1.651	5.284	4.054
GREECE	1.621	1.951	7.779	10.314
Western European average	3.482	5.513	11.694	17.412
Finland	2.050	4.131	10.768	14.646
Czech Republic	2.096	3.501	7.036	6.845

Source: Angus Maddison, *Monitoring the World Economy, 1820-1992.* Development Center of the Organization for Economic Cooperation and Development, Paris 1995, p. 23.

2.2. Indices of GDP per capita

	1913	*1950*	*1973*	*1992*
a. 1913 = 100				
BULGARIA	100	110	353	271
GREECE	100	120	480	636
Western European Average	100	158	336	500
Finland	100	202	525	714
Czech Republic	100	167	336	327
b. West Europe Average GDP = 100				
BULGARIA	43	30	45	23
GREECE	46	35	66	59
West Europe Average	100	100	100	100
Finland	59	75	92	84
Czech Republic	60	64	60	39

Source: author's calculations.

Table 3

Where do the two countries stand at the turn of the 20th and the beginning of 21st century?

As seen in Table 2, Bulgaria and Greece are in the group of the middle income countries: Bulgaria is among the lower income countries, Greece is among the upper middle income country. Greek income constitutes between 45% and 60% of the income of the high-income countries. At the century's end in absolute numbers Greek GDP is 11 times higher than the Bulgarian GDP, and the per capita is 5 or 3 times higher according to the system of calculation (in dollars or in purchasing power parity). Greece's GDP in 1999 exceeded the GDPs of the Czech Republic (51,6 bln dollars), Slovakia (20,3 bln dollars) and Hungary (46,8 bln dollars) taken together.

As Table 2 indicates, both Greece and Bulgaria have failed to catch up with the average West European levels of per capita GDP. As mentioned above, Greece reached the highest degree of convergence in 1973 and Bulgaria —in 1985. At the century's end the Bulgarian per capita GDP measured as a share of the average European fell to its historical lowest, while the Greek one could not reach the level of 1973.

The balance sheet of the turbulent 20th century proves the advantages of the evolutionary over the revolutionary development. One of the basic reasons for the persistent backwardness of the Balkans and Eastern Europe was, in the words of Ivan Berend, the constant continuity of discontinuity. An endless series of wars, catastrophes, and revolutions, has kept the two Balkan nations in a permanent state of emergency. If today's Greece is so much ahead of Bulgaria and even of Central Eastern Europe, this is only because the country has avoided the two last dramatic breaks in continuity —the socialist revolution and the equally revolutionary transition. Despite its turbulent modern history Greece emerged with the same political and economic system.

Most of the two countries' basic economic indicators in Table 3 show a considerable progress in the general modernization trends, but at the same time they indicate that there has been little change in the position of the two Balkan countries in the group of the medium developed countries. This finding can be confirmed by juxtaposing the examples of two other countries: the Czech Republic and Finland. (See Tables 2, 3, and 4). The Czech Republic is the obvious looser —a country, which had belonged to the developed part of the continent before the First World War, underwent as a result of the socialist experiments a serious deterioration in its relative position. Finland is the obvious winner —the former periphery was able to catch up successfully and join the European core.

As regards the structure of output, after the sharp decline of the share of industry and the sharp rise of the share of services, Bulgaria is coming close to the structure of the developed countries. The only exception is the still very high share of agriculture. The percentage of employment in agriculture —26% in Bulgaria and 20% in Greece— is one of the highest in Europe (in Finland and the Czech Republic it is only 6%). The comparison of levels of productivity and openness makes it clear that the worse Bulgarian performance of the last decade is increasing the distance between the two economies, which is now approximately equal to the distance between Greece and its developed EU partners.

Table 3

BULGARIA AND GREECE AT THE TURN OF THE 20th CENTURY: BASIC INDICATORS

3.1. Size of the economy

	Surface Thousand Sq.km	*Population Millions*	*Population Density People Per Sq.km*	*Urban Population %*	*Gross National Income % billion $*	*GNI Per capita $*	*GNI PPP $*
	1999	*1999*	*1999*	*1999*	*1999*	*1999*	*1999*
BULGARIA	111	8	74	69	11,6	1.410	5.070
GREECE	132	11	82	60	127,6	12.110	15.800
Finland	338	5	17	67	127,8	24.730	22.600
Czech Republic	79	10	133	75	51,6	5.020	12.840

3.2. Structure of output

	Agriculture % of GDP		*Industry % of GDP*		*Services % of GDP*	
	1990	*1999*	*1990*	*1999*	*1990*	*1999*
BULGARIA	18	15	51	23	31	62
GREECE	10	7	26	20	65	72
Finland	6	3	29	28	65	68
Czech Republic	8	4	49	43	43	53

3.3. Productivity

	Agricultural value added per worker $		*Tractors in use per Hectare of cropped land*		*Electric power consum-ption Kilowatt hours per capita*	*High and medium technology export as % of total export*
	1979-81	*1997-99*	*1970*	*1998*	*1998*	*1999*
BULGARIA	2.754	6.007	11,2	5,2	3.166	30,0
GREECE	8.600	12.711	15,8	60,2	3.739	17,9
Finland	18.547	36.384	61,2	89,7	14.129	50,7
Czech Republic		5.091			4.747	

3.4. The information age

	Daily newspapers per 1000 people	Radio per 1000 people	TV sets per 1000 people	Telephones per 1000 people	Mobile per 1000 people	Personal computers per 1000 people	Internet 1000 users
	1999	1999	1999	1999	1999	1999	1999
BULGARIA	257	543	408	354	42	26,6	235
GREECE	153	478	480	528	367	60,2	750
Finland	455	1.563	643	677	651	360	2.143
Czech R.	245	803	487	371	495	107	700

3.5. Integration with the Global Economy

	Exports $ mln		Imports $ mln		Trade in Goods % of GDP		Gross foreign direct Investment % of GDP	
	1990	1999	1990	1999	1998	1999	1989	1999
BULGARIA	5.030	4.060	5.100	5.475	59,7	22,9	0,0	2,1
GREECE	8.105	11.130	19.777	30.215	20,7	25,5	0,7	0,7
Finland	26.571	41.677	27.001	31.507	54,2	61,3	4,2	14,3
Czech R.	12.170	26.855	12.880	28.825	...	41,6		4,0

Source: The World Bank, *World Development Indicators 2001*, Washington DC, 2001.

Table 4

Human development indices of Bulgaria and Greece (See Table 4) show a mixed picture. Despite the declining trend in the 1990s, the consequences of the social revolution accomplished in Bulgaria during the communist period can still be detected in life expectancy, degree of literacy, access to education, or the number of scientists, engineers, technicians, and students in science and engineering. The quality of human capital in Bulgaria is better than the quality of human capital in many countries of higher level of development, just like the quality of life in Greece is one of the highest among the EU countries. Yet in important indicators like expenditure for research and development, patent registration, number of personal computers and internet users the two countries both Bulgaria and to a lesser degree —Greece lag considerably behind Western Europe. Both countries face the double task of simultaneously catching-up and switching to the new global economy.

Looking back at the centuries long modernization efforts of the Balkans, it is easy to be pessimistic. When analyzing the economic history of the Balkans, Michael Palairet uses qualifications like "dismal twentieth-century economic performance", "an evolution without development", "two centuries of economic stagnation" and "the triumph of politics over economic rationality"[10]. Ivan Berend sees the entire development of Eastern Europe in the second half of the 20th century as a long and painful "detour from periphery to the periphery"[11].

There have always been strong doubts as to whether the Balkans could attain Western type modernity. A huge body of literature, created by Marxists, neo-Marxists or by the proponents of the core-periphery theory or the dependency theory flatly rejected this possibility. In the early 1960s even the respected American specialists Charles and Barbara Jelavitch wrote: "With a historical heritage of a basically Byzantine civilization, influenced by Ottoman domination, the peoples could not readily understand the ideological principles of the West, although they were willing to adopt the outward aspects. They desired the power and wealth of the industrial nations, but they endeavoured to achieve their goals without destroying their own qualities and characteristics. This feeling remains today. Whereas all Balkan people seek to acquire the material rewards of the more developed societies, none wish to see their own traditions, customs, and standards submerged in the process of modernization"[12]. Despite the present general consensus in favour of the EU among the mainstream political forces and the high degree of approval in societies, European integration/modernization has its opposition both in Greece and in Bulgaria. It is not always openly demonstrated; it can be rather expressed in a certain obsession with the national past and culture, in insular and parochial attitudes, or in a naive conspiratorial interpretation of how the modern world system works. A keen observer can detect the important dividing line in Balkan societies —the line between modernizing European élites and far more con-

10. M. Palairet, *op.cit.*

11. Ivan Berend, *Central and Eastern Europe, 1944-1993: Detour from Periphery to the Periphery*, Cambridge; New York: Cambridge University Press, 1996.

12. Charles and Barbara Jelavitch, *op.cit.*, p. xvii.

servative, patriarchal and religious groups[13].

Yet our analysis of the postwar development of Greece and Bulgaria brings us to a moderate optimism. The current difficulties not withstanding (particularly for the impoverished Bulgaria), both Greece and Bulgaria can claim that they belong to the modern world. The "dirty work" of modernization, which in the West had taken centuries, was carried out by the efforts of two or three postwar generations of Bulgarians and Greeks.

If there are lessons to be learnt from the divergent destinies of the two countries, they are that: first, bridging the gap is possible, although is it neither easy, nor quick, and second, that the EU integration is the historic chance for the peripheral European nations to break out the vicious circle of underdevelopment. "We are taking the time machine!" —said the triumphant Bulgarian prime minister in December 1999 in a televised address on the occasion of the beginning of Bulgaria's negotiations for EU accession. After the failure of the socialist type of modernization Bulgaria is turned to the tested models of political democracy and market, as the guaranteed and secure way to prosperity and democracy. For all the bankrupt, deeply troubled former socialist countries "Europe" has become the new magic *mantra*, their only hope and a shortcut to modernity. The EU integration is seen as the ultimate modernization, which often comes to replace the lack of vision or coherent strategies for the transformation. The conditions and standards set by the integration is not only setting the rules of the game, but they provide this powerful engine for dynamism, which they have historically lacked.

In the long run, joining the European club by definition eliminates one of the curses of Balkan history: the age of the constant crises, and wars, cataclysms, is hopefully coming to an end, politics and politicking will never replace economy and well being on the agenda of societies.

The experience of the two Balkan countries proves wrong the so called civilizational approach to development. Tardy modernizers like Germany and Bohemia were the first to reach the levels of the protestant Northern Europe; later they were followed by the Scandinavian

13. In June 2000 the Greek Orthodox Church organized huge rallies, campaigning against the government's decision to eliminate the religion entry from the identity cards. Opinion polls showed a near even split on the ID issue.

countries, and finally the catholic Spain, Portugal, Ireland all previously considered hopelessly backward[14]. At the century's end Orthodox Balkan Greece has achieved Western, or near Western levels of modernity. This *longue durée* approach to modernization proves that cultural and geographical determinants exist, but they should not be crucially important and that there are no fatal cultural barriers. If it had not been for the catastrophes of the 20th century, —wars, redrawing of boundaries, refugees, and the costly experiment of the socialist type modernization, Bulgaria together with the rest of Eastern Europe also would have been on the road to catching up. The case of the postwar modernization of Bulgaria and Greece shows that substantial progress can take place in two or three generations or even less. The difference in the degree of modernization between Western, Central and Southeastern Europe need not last more that two or three generations. In the final run, given the favourable European and global framework, what counts is, in the words of David Landes, work, thrift, honesty, patience, and tenacity[15].

Table 4

BULGARIA AND GREECE: HUMAN DEVELOPMENT

4.1. Life expectancy, children mortality

	Life expectancy at birth Years		*Infant mortality per 1000 births*	
	1980	*1999*	*1980*	*1999*
BULGARIA	71	71	20	14
GREECE	74	78	18	6
Finland	73	77	8	4
Czech Republic	70	75	16	5

14. See David S. Landes, *The Wealth and Poverty of Nations. Why Some Are So Rich and Some Are So Poor*, W. W. Norton & Co, New York, London 1998; Daniel Chirot (ed.), *The Origins of Backwardness in Eastern Europe. Economics and Politics from Middle Ages until the EarlyTwentieth Century*, University of California Press, Berkeley, Los Angeles, London 1989.

15. David Landes, *op.cit.*, p. 523.

4.2. Participation in Education

	Adult Literacy rate %	*Mean years of schooling*				*Combined primary secondary and tertiary gross enrolment ratio*
		1970	*1980*	*1990*	*2000*	
BULGARIA	98,3	6,6	7,3	9,2	9,5	72
GREECE	91,7	5,4	7,0	8,0	8,7	81
Finland		6,1	7,2	9,4	10.0	103

4.3. Science and technology

	Expenditure for R&D as % of GNI	*Scientists and Engineers in R&D Per mln*	*Technicians in R&D per mln*	*Scientific And Technical Journal articles*	*Science And Engineering Students % of all*
	1987-1997	*1987-1997*	*1987-1997*	*1997*	*1987-1997*
BULGARIA	0,6	1.741	967	896	27
GREECE	0,5	773	314	2.123	26
Finland	2,8	2.799	1.966	3.897	39
Czech Republic	1,2	1.222	693	2.024	28

4.4. Health

	Health expenditure		*Physicians Per 1000*		*Hospital beds Per 1000*	
	Total% of GDP	*PPP$*				
	1990-1998	*1990-1998*	*1980*	*1990-1998*	*1980*	*1990-1998*
BULGARIA	4,7	230	2,5	3,5	11,1	10,6
GREECE	8,3	1.207	2,4	4,0	6,2	5,0
Finland	6,9	1.502	1,9	3,0	15,5	7,8
Czech Republic	7,2	928		3,0		8,7

Sources: UNDP. *Human Development Report 2001. Making New Technologies Work for Human Development,* Oxford University Press, New York 2001; The World Bank. *World Development Indicators 2001,* Washington DC, 2001.