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## The Central European buffer zone

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## **The Central European Buffer Zone**

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**September 1997**

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## ABSTRACT

This paper considers the creation of a new region in Europe since the opening of the borders following the so-called “revolutions” in East-Central Europe. The “buffer zone” consists of a privileged group of post-Communist countries sandwiched between some of the most affluent countries of the European Union on the one side and countries with collapsing, unreformed or backward economies on the other. This paper considers the countries: Poland, Czech Republic, Hungary and Slovakia in terms of the circulation of GOODS, CAPITAL and PEOPLE around the region. The Central European buffer zone countries represent the most successful group of countries in terms of economic and political reform and social stability. This is both a cause and consequence of their attracting investment, tourism and other forms of economic and cultural communication from their neighbours to the west -. Especially Germany and Austria. For the countries to the East and South of the buffer zone, their prosperity and the possibility of crossing into the buffer zone but not further, creates an attraction for visitors from the East who arrive for settlement for work, for shopping, for trading or for establishing businesses. The establishment of cross-border communications depends to a large extent on reviving family, ethnic and cultural ties which were for many years severed by Communism.

The opening of the borders between East and West Europe which followed the demolition of the Iron Curtain, has led to new forms of mobility and new forms of contact between East and West Europe. The old division of Europe was between East and West. This old alignment has broken up and what is now emerging is a range of new regions. Now new divisions are emerging between the European Union countries, the newly Independent States which were formerly part of the Soviet Union, the post-Communist Central European countries and the countries of South Eastern Europe sometimes called the Balkans. The focus of this paper is on the 'Buffer Zone' countries which make up this middle zone and which have taken on a new role of social, economic and cultural interaction between East and West. These are: Poland, the Czech and Slovak Republics and Hungary. This model is illustrated in the map attached. In the following pages we offer some description of the characteristics of this buffer zone.

The crumbling of the Iron Curtain has opened the post-communist countries to new forms of market activity, new patterns of western capitalist investment, new forms of property ownership and new forms of consumer behavior. A major influence for the Central European post-communist countries has been the contiguity of the European community - especially some of its wealthiest members: Germany and Austria. The deepening of ties within the EU which has occurred simultaneously with the opening of the borders eastwards has created a more cohesive western block than has hitherto existed. Without the Cold War or the Iron Curtain to define the two halves of Europe, this has been done increasingly on economic and institutional grounds rather than in terms of ideology and military might. The Central European buffer zone used to be the heavily militarized Western frontier of Eastern Europe. Now it is the westernizing fringe of the post-Communist world, most advanced in the development of market economies and democratic institutions and most receptive to western influences (Haerpfer and Zeilhofer 1995).

We are therefore defining 'Western Europe' as the region of the EU countries, the 'buffer zone' as being those countries on its eastern rim which have been the objects of integration and stabilization policies by the EU (the new Eastern frontiers), and 'Eastern Europe' as those countries of the former Soviet Union that are beyond this rim and South Eastern Europe as Romania, Bulgaria, Croatia, Macedonia, Bosnia-Herzegovina, Serbia, Montenegro and Albania. In this paper we focus mainly on the countries of Poland, Hungary, the Czech and Slovak Republics and Slovenia. The Baltic States in their new orientation towards Scandinavia have been subject to 'westernization', and also form a kind of buffer zone whilst Bulgaria and Romania have likewise been the objects of tentative attempted integration into Europe. However, the 'buffer zone' proper are those countries with a direct border to the heart of the New Europe since they are affected in particular by this proximity. An interesting question arises as to where the buffer zone ends to the south. The war in the former-Yugoslavia, the UN embargo, as well as economic and ethnic tensions there have destroyed its potential as a buffer zone in our terms. In previous descriptions of the Central European Buffer Zone we have not included Slovenia (see Wallace, Chmouliar and Sidorenko 1995, 1996). However, its emergence from the break up of the former Yugoslavia, its direct border to the European Union and its economic and political characteristics now all make it part of the Central European Buffer Zone.

In describing a 'buffer zone' consisting of five countries, we are claiming that they have a number of features in common with one another. However, there are also internal differences between each of these countries. Whereas Poland and the Czech Republic have been marching ahead on the road to economic reform, Slovakia has lagged behind somewhat and Hungary, after an early head start, has fallen back. Slovenia, the smallest of these countries has enjoyed economic growth, in contrast to all the rest of the countries of the former Yugoslavia. In terms of migration policies, each country evolved their own rather than making collective arrangements, but during the period 1991 to 1995 they have all introduced similar policies, albeit with different timings. Many policy developments in the Czech and Slovak Republics were delayed because of the splitting of the former Czechoslovakia into two parts in 1993. There is also important mobility within the buffer zone itself. During the late 1980s, Hungary attracted many migrants from Poland, the former East Germany and the former Czechoslovakia because of the liberalism of its regime and its more advanced market reforms (Fullerton, Sik and Toth 1995). The more recent absence of unemployment in the Czech Republic has drawn migrants from Poland (in fact this continues a pattern established before the regime change) and from Slovakia. The more liberal regulations governing travel in Poland and the large Polish Diaspora all helped to establish Poles as pioneering the small-scale suit case trading which later become much more widespread throughout the region as a way of importing consumer goods. However, these differences are small when compared to the overall similarity in the course of development after Communism and in terms of their increasing differentiation from the countries further East (Haerpfer and Zeilhofer 1995). Furthermore, even before the advent of Communism these were countries which had enjoyed some measure of market development and in some countries even a short period of democracy. Although they may resist being lumped together as the "Visegrad countries" they nevertheless face common pressures because of their common geographical location and history.

In understanding how the buffer zone works we consider three factors: the European Union policies, divisions of labour between the buffer zone and western Europe and the institutional and legal context of reforms there. Later we go on to consider the circulation of goods, capital and people around the buffer zone and finally attitudes to neighbours and migrants. In considering the Buffer Zone we also have to consider relationships with immediate neighbours<sup>1</sup>

### *1. The influence of the European Union*

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<sup>1</sup> The paper is based upon a range of research projects carried out between 1994 and 1997. The first was that of a project sponsored by the International Organisation for Migration on transit migration in the Czech Republic in 1994. This was followed by a study of migrant traders and labourers in the Czech Republic carried out in 1995 by Elena Sidorenko and Oxana Chmouliar and funded by the Central European University. This was followed by a study of traders and migrant workers in Slovakia, Hungary and Poland sponsored by the Austrian National Bank Jubiläumfonds in 1995/6. Next there was a project looking at new technology and investment trends in Hungary, Poland the Czech Republic conducted by Claire Wallace in 1995-7 and funded by the Austrian Ministry for Science and Communications. This was supplemented by periods of fieldwork in Ukraine by Claire Wallace and Oxana Chmouliar during 1995/6.

The creation of the buffer zone is partly the consequence of European Union policies. The EU countries, fearful of massive influx of impoverished Eastern Europeans and keen to ensure social and political stability in the 'new world order' as well as develop new markets for their products, have created a range of associational agreements with the privileged rim countries: Poland, the Czech and Slovak Republics, Hungary and later Slovenia once it was not longer seen to be associated with the war in the former Yugoslavia. To a lesser extent this has also included Romania, Bulgaria and the Baltic States. These countries have enjoyed development aid programmes such as PHARE, TEMPUS and other EU schemes in the early round of reforms (although such programmes were later extended elsewhere). These countries were themselves very keen to join the European Union and have patterned their institutional reforms to harmonise with EU standards and norms. Although there was no 1990s 'Marshall Plan' as many had originally hoped, these buffer zone countries have attracted much more private investment than countries further East and this has been both a cause and a consequence of the political and economic stability in these countries and their successful transition towards being liberal, market democracies. These countries have all started to show economic growth since the mid-1990s (see Charts 1 and 2) which is in contrast to those countries East and South. Despite falling incomes for some groups and high inflation, new forms of prosperity are palpable and the buffer zone countries are becoming the most prosperous of the post-communist world.

One aspect of the integration of the buffer zone countries into Western Europe is a range of agreements to regulate migration <sup>(1)</sup> (Niessen 1992, Kussbach 1992). In the past the buffer zone countries did not need migration policies because for forty years any movement, even around the Communist countries, was severely restricted and passing through the Iron Curtain in either direction was an ordeal at the best. Before and during that time, the buffer zone countries tended to be countries of emigration rather than immigration. In the last few years however, the buffer zone countries have had to rapidly develop migration policies in order to respond to the new situation. These policies have tended to be modeled upon visa, work permit and asylum policies adopted in Western Europe and have become more restrictive with every month that passes. How has this happened? The main pressure to do this comes from migration policies inside the European Union itself because having replaced the barbed wire and watch towers with a 'green line', the EU is now concerned to control who crosses that green line. This has a knock-on effect because the European Union countries then have an interest not just in who gets out of the buffer zone, but in who gets in to it. This means that migration into and through the buffer zone also has to be controlled. The countries in Western Europe such as Germany and Austria most threatened by the new migrations from the East have developed their own co-ordinated policies and bi-lateral agreements for the return of illegal 'third country nationals' between states - that is, they prefer to turn back illegal migrants to the last country they crossed legally: in most cases the buffer zone<sup>(2)</sup>. In particular, the movement towards the abolition of the remaining residual border regulations between the 'Schengen' group of countries (which includes Germany, the Benelux countries and France) has made these countries particularly concerned about their outer borders - those of the Buffer Zone. A variety of European Union policies have endeavoured to create political and social stability in the buffer zone, so that freedom of travel will not provoke a vast exodus of people. Migration from these counties is encouraged within controlled parameters. Thus, no visas are necessary for citizens of Poland, Hungary and the Czech and Slovak Republics to visit Western

Europe and they can stay for three months as tourists in the EU. The 'threat' of migration is now defined as being from countries outside of this privileged buffer zone of post-communist Central European countries, mainly the ones to the East and South. Consequently, the buffer zone countries are under pressure to control migration in their own territories as these are now also the external borders of the European Union. They also have incentive to do so for their own reasons, since the influx of migrants from the East and South is augmented by those illegal border crossers who are returned from Western Europe. There has been a considerable increase in migrants and temporary sojourners in the Buffer Zone since 1989 as a result.

The dismantling of borders to the West has meant the reconstruction of borders to the East. This separates off those less-privileged countries such as Ukraine, Belarus, Russia, Moldova and the Caucasian region which now start to form different zones. These latter countries are generally suffering dramatic economic slump rather than economic recovery and political transformation has not necessarily been in the direction of liberal democratic capitalism which we see in the Central European buffer zone. This has implications for economic and social relations between these regions and for the circulation and migration of peoples between them. Such imbalances create new markets and new opportunities for the people of these different regions. Thus we can look both at the macro-levels of trade and contrasting economic change to get an overall canvass of the region, but also the micro-level of activities of individuals engaged in travelling round the region, gained from depth interviews and fieldwork. By grasping these two different levels simultaneously, we can build a more detailed picture of the Buffer Zone.

## *2. The Emerging European Division of Labour*

The construction of a new Europe with new economic relations and new frontiers has implications for the division of labour, employment and capital (Sassen 1988, 1996). Although much of the technology used in many of the former-socialist economies is outdated, these countries can nevertheless produce goods which can undercut Western European ones. The collapse of the common socialist trading relations resulted in the reorientation of the 'buffer zone' countries towards western markets and they have very quickly built up exports in this direction, despite the imposition of various import tariffs by the EU afraid of this competition. The shift in exports and imports from East to West in the buffer zone over the last few years has been quite dramatic. New investments have poured into the buffer zone countries and investors have developed joint ventures in established industries which has meant the opportunity to take advantage of a reservoir of cheap but skilled labour. The main investors in the buffer zone are the western neighbours: Germany and Austria. The patterns of investment seem to have followed the pattern of broad historical links with Austrian firms investing mainly in Hungary and Slovakia, whilst German firms invest in Poland and the Czech Republic. We could therefore argue that some western industries have shifted some of their production eastwards to the buffer zone.

In addition, whole new industries have sprung up in the buffer zone. The underdevelopment of the service sector in the region has meant a general growth in this direction creating new kinds of servicing jobs: restaurants, cafes, computer companies, video distribution companies, tourist services and other such firms have mushroomed. The physical reconstruction of decaying cities

suffering 40 years of neglect and with outdated infrastructure is a huge task employing many thousands of workers. In addition the appearance of new buildings in the cities and the countryside, especially private residences, means a great demand for labour and materials in the construction industry. The newly generated wealth among some social groups, particularly the so-called 'nouveaux riches' helps to create still more enterprises to serve them.

### *3. Institutional and legal reform*

The slow rate of official privatization and the inexperience of many of the regimes in the buffer zone in legislating for a market society means that many businesses started or still operate in the informal sphere of economic relations rather than formally. With the fall of communism, activities which had previously been illegal - such as trading, currency speculation, starting business ventures and making profits - were no longer so. Indeed these very same activities which had previously been frowned upon, were now encouraged. To begin with, street stalls satisfied the demand for groceries and consumer goods which the general stores were unable to fulfill. Many people moved around or found jobs, uninhibited by any regulations, since these had not yet been developed to deal with them. However, after a while more and more regulations were introduced which controlled the development of economic activity and set it more within a state regulated legal framework. For example, taxes on goods and incomes were introduced from 1993 onwards, although it took a while for taxation schemes to be fully implemented. The second economy which had always existed as a necessary adjunct to the socialist economy became now part of the formal capitalist economy as businesses were legalized and underground activities emerge into the open. Yesterday's crook became today's capitalist (Sik 1993). However, many activities remained underground as laws have not yet been enacted to regulate them or where they have been enacted, these fledgling democratic states lack the means to fully implement them. For a while, whole range of activities are therefore neither legal nor illegal. For example lacking the full registration of workers, it was possible for people on the borders to claim social security and to work across the border at the same time; little could be done about it. Whilst legislation is fast being enacted to control such activity, the news of both small scale and large-scale scams is daily currency in the buffer zone. However, more and more areas of economic life are coming under institutional control in the Buffer Zone countries (although this is not the case in other Post-Communist countries where legal reforms are lagging behind economic activities).

The underdevelopment of civil society in countries where this was demolished or diverted (Schopflin 1992), means that there are a range of areas where workers and consumers interests are not protected. Employment contracts and work practices which would be illegal in EU countries such as Germany and Austria can be instituted in the private sector. In this way flexible employment practices which are restricted in Germany and Austria due to strong traditions of worker protection and regulation of employment conditions, can be introduced without such hindrance in some of the new enterprises in the buffer zone. The explosion of free market capitalism in a situation where regulations are underdeveloped or do not exist encourages many exploitative employment practices. This makes the buffer zone countries still more attractive for new investors or those wishing to start businesses without too much control.



Furthermore, the strong environmental controls on industry in Western Europe, especially Germany and Austria mean that more environmentally damaging activities can be located in the Buffer Zone countries where environmental controls are weak and there is no money to introduce such reforms.

The corruption which was also a legacy of the previous regimes, enables laws to be bent even where they exist and for those who know how to work this system it means that the buffer zone countries can be very favourable and flexible places from which to operate. The imposition of often absurd regulations which were widely manipulated under communism bred a generally skeptical attitude towards state regulation (Wallace 1995a, Wedel 1992). However, although petty corruption was widespread previously, inflation has affected these practices too. Monetary rather than other favours are bartered as the 'spirit of free enterprise' inspires low paid public officials as well as private entrepreneurs (Heinrichs 1994). Corruption may be a feature of all economies, but of course corruption, like other costs, is still much cheaper in the buffer zone than in Western Europe!

However, we would not want to exaggerate the corruption and rule bending existing in the buffer zone. These countries have gone much further along the road towards regulating the market than the countries further East or South. The gradual creation of new rules and regulations, partly on account of integration with the EU, means that many activities which were possible over the last five years are now becoming subject to rational legal control. Thus whilst corruption may exist, it exists within a framework of legality and bureaucratic regulation. This is in stark contrast to some other countries East and South of the buffer zone where moral and legal regulation is breaking down, leaving the field open to armed, violent and ruthless criminal gangs - examples would include parts of the former-Yugoslavia, Georgia, Chechenia. This is important because in our interviews, which we describe later, many people were fleeing this pervasive insecurity and fear which made normal social life impossible in the Eastern and Southern post-Communist countries for the peace and personal safety of the buffer zone. Furthermore, life in the buffer zone, where the distribution and supply of goods is more efficient and where rational regulation of services is better developed with some reasonably efficient policing, is far easier and more pleasant than in other former-Communist countries where simple daily life can be an ordeal. The unregulated, buccaneer-style capitalism of the former Soviet Union frightens away many foreign investors.

### **Differences between the buffer zone countries and the Eastern and Southern neighbours**

Since the reforms of 1989, the buffer zone countries first experienced steep economic decline and in the case of Hungary and Poland, rapid inflation. Nevertheless, the years since 1994 have shown a stabilization of the economy and a series of elections which have confirmed the positions of democratic governments. There has been growth in GDP and these are countries on the road to becoming stable market democracies. However, the situation of Ukraine, the main Eastern neighbour, is quite reversed. Since 1989 it has suffered a 57 per cent decline in GDP and hyper inflation of 380 per cent in 1995 (WIIW 1996a and 1996b). The government solution was not to pay wages for some months, although wages had already

sunk below the level at which people could live on them. In neither Belarus nor Ukraine have reforms been at all adequate to the rapid changes taking place. Economically and politically they are lagging well behind the buffer zone countries. Belarus seems to be headed more and more towards an authoritarian regime oriented towards Moscow and although Ukraine is oriented more westwards, its problems are legion.

The path of transition in Ukraine and Russia is hampered by legal laxity, a product of frequent and confusing administrative changes, lack of enforcement and lobbying by powerful and sometimes illegal groups in their own interests (WIIW 1996b). The result is that these countries have sunk increasingly into chaos and their citizens manage as well as they can. In addition the development of new businesses and the reform of existing industries through privatization or through internal reorganization is almost non-existent. The lack of clear government policies and tax rates of up to 100 per cent means that people operate businesses wholly or partially illegally rather than as part of an institutionalized process.

In the Ukraine and Belarus only 16 per cent are able to manage on their earned incomes, according to one regular survey, compared with 43 per cent in Poland and 46 per cent in Slovakia (Rose and Haerpfer 1996). Ukrainians are also much more likely to have to resort to growing their own produce, working in the shadow economy and earning money through connections than are the people in the buffer zone (Rose 1995). Although many of these survival strategies, as legacies from the former regime, are dying out in the buffer zone countries, in Ukraine and Belarus they became as important if not more important than before. The situation has actually got worse rather than better since independence for most people: 61 per cent of Ukrainians and 55 per cent of Belarusians still have to queue for more than one hour per day compared with only 4 per cent of Poles and 11 per cent of Hungarians (Information from the New Democracies Barometer for 1995 and 1996)<sup>2</sup>.

Thus, we could argue that there is an increasing divergence in the living conditions of people in Ukraine and Belarus as compared with the buffer zone and this is described as a trend over time by Rose and Haerpfer (1996). To put it starkly: in the buffer zone things are getting better, in Ukraine, Russia and Belarus they are getting worse.

There are also contrasts between the buffer zone and countries to the south. The war in the former-Yugoslavia along with the trade and cultural embargo against Serbia resulted in dire economic problems there, although living conditions were previously quite good. Romania began some way behind the buffer zone countries in terms of prosperity and democratic reforms, but has been catching up. However, Bulgaria has sunk into economic crisis and is headed at the moment in the direction of Ukraine rather than the buffer zone.

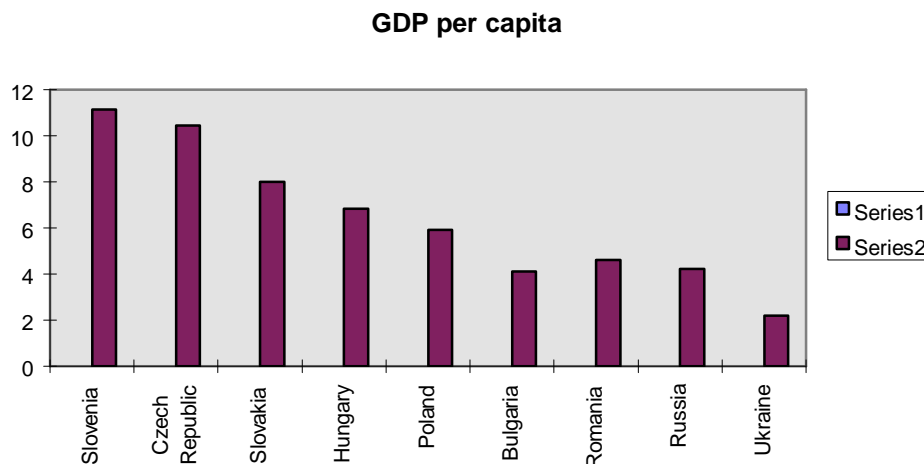
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<sup>2</sup>The New Democracies Barometer (NDB) is carried out in 10 different East-Central European countries by the Paul Lazarsfeld Gesellschaft, Vienna, annually since 1991. It asks questions about the economic situation and political attitudes of respondents. Publications related to this survey are available through the Centre for the Study of Public Policy, University of Strathclyde, UK.

Recent economic assessments however, indicate that there is now some stabilisation of the economies in Ukraine and Bulgaria. In the former country the introduction of a new currency in 1996 and efforts to keep inflation under control have paid off, whilst in Bulgaria the work of the Monetary Reform Board has brought down inflation and the dramatic slide of the leva. The prognoses for both of these countries by the Vienna based institute for the international comparison of economies (WIIW 1997) is quite favourable.

Macro-economic level statistics can give us a general picture of some these contrasts. Chart 1 shows the differences in GDP per capita purchasing power. Slovenia stands out as the wealthiest country here but the rest of the Buffer Zone countries are also strikingly more prosperous economically than the South Eastern and Eastern countries.

**Chart 1 GDP per Capita. Purchasing power parity measures 1996**

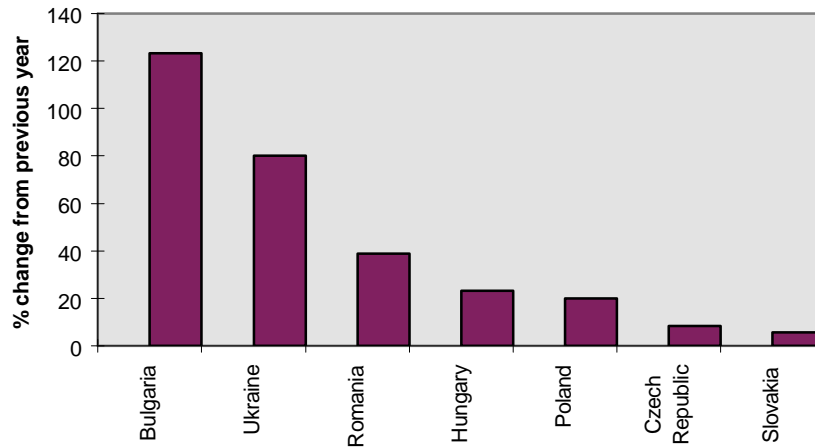


Source: WIIW 1997 No. 167

Inflation has climbed steeply for all post-Communist countries, but we can see that in Chart 2, the buffer zone countries have less of it than do countries to the East and South. Although Poland did suffer hyper-inflation at the start of the reforms, the economy is now on a more stable footing, whilst both Bulgaria and Ukraine suffered hyper inflation during the period 1995/6 and although it is now more under control, inflation is still high.

**Chart 2 Consumer prices in Post-Communist countries 1996**

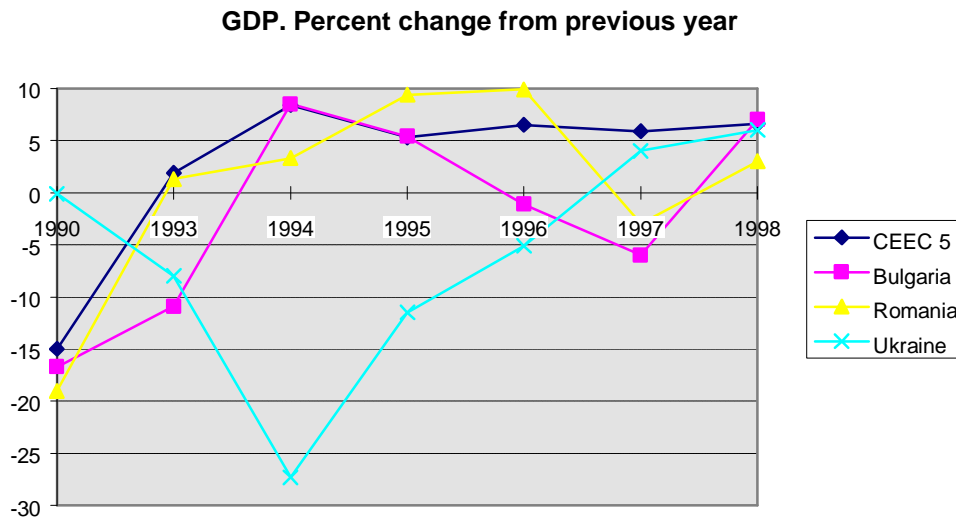
Inflation 1996



Source: WIIW 1997 No. 167

If we now turn to production, we can see from Chart 3 that the 5 Buffer Zone countries together began the 1990s with a slump in production immediately following the political changes of 1989 but soon picked up (although many of them only recently reached their pre-1989 levels). Romania has followed a similar pattern, but Bulgaria's production sunk again after 1995. Ukraine and Russia by contrast, although beginning at higher levels, sank rapidly following independence and the break up of the Soviet Union and maybe just beginning to recover. The buffer zone countries have enjoyed a period of growth since the early 1990s, whilst this has not been the case for the countries further East.

Chart 3 Annual Percentage Change in Production 1990-1996



Source: WIIW 1997 No. 167 p. 323

There are therefore important disparities in the living conditions of people in these different neighbouring countries. For some, prospects are improving, for others they are sinking fast. The European Union has replaced the Soviet Union as the pole of attraction for the buffer zone countries whereas those to the East and South are mired in economic and political chaos.

### **Movement across borders in the buffer zone**

The dismantling of the borders on the Western side of the buffer zone means that the watch towers, land mines and barbed wire have been replaced by open fields (although still policed on each side by border controls). The elaborate visa regulations and searches have been replaced by more open plan frontier posts (although still with long delays, especially for heavy goods vehicles). In principle it is far easier to move across the borders and many new crossing points have been introduced (Wallace 1998, Langer 1996). However, the borders at the Eastern border of the buffer zone have also been loosened. It was previously just as difficult for people to move across these heavily fortified borders within the Communist block and special permission was needed there too. This means that the flow of people, capital and goods on both sides of the buffer zone have been opened up. However, it also creates a special role for the buffer zone in communications between Eastern and Western Europe. Whilst citizens of the European Union and citizens of the buffer zone can cross relatively freely across the Western frontiers (buffer zone citizens can stay up to 3 months in Western Europe without special permission or formalities) the citizens of countries to the East and South of the buffer zone still face having to buy visas and go through considerable difficulties to cross into the European Union. However, they can move into the buffer zone countries with relatively greater freedom than previously. For Westerners going East there are also tiresome formalities, the need to fill in currency forms and inhospitable frontiers which make

travel there not impossible, but difficult. Buffer zone citizens, however, can move backwards and forwards between the European Union and Eastern Europe, which gives them a special advantage in assisting in the circulation of goods, capital and people, which we consider next.

### *1. The circulation of goods*

During the cold war period, the Communist block countries were members of a trading arrangement between themselves known as COMECON. Goods produced in one country were exported to other countries in return for goods or raw materials and a deliberate system of interdependence was constructed between these countries. Exports and imports to the West were very limited and had even declined since the 1970s (Wallace 1997). On the other side of the former border, the creation of a free trade zone within the European Union helped to create a trading block within which much exchange takes place. Austria, for example, trades more than 90 per cent of her goods within the European Union. For the Cold War period these two trading blocs were standing back to back, as it were.

The collapse of communism brought the disintegration of the former COMECON trading relations. Countries within the former Soviet block started to demand payment in hard currency which the receiving countries were unable to pay and the result was that many goods ceased to be imported and exported. This accentuated the economic slump in the buffer zone countries as they were producing goods which they were now unable to sell. However, in a very rapid space of time the buffer zone countries reoriented their trade towards Western Europe. Thus whilst in 1990 Hungary was taking only 31 per cent of its imports from the EU, by 1995 this was 61.5 per cent. On the other hand, exports to EU countries rose from 32.2 per cent to 62.7 per cent in the same period (Wallace 1997). For each Central European country, it is the countries on the immediate Western borders which play the most important role as we can see in the fact that for the Czech Republic 55 per cent of its trade is with its neighbouring countries (Wallace 1997). The Central European countries mainly export energy, raw materials and semi-finished products whereas from the EU they import high technology goods, foodstuffs and consumer goods. Export to the European Union would be even higher if it were not for the protectionist measures erected by the EU afraid of their goods being undercut by cheap Eastern European imports. Despite this rapid reorientation of trade, there is little trade within the buffer zone countries even though a free trade zone known as CEFTA (Central European Free Trade Area) was set up in 1993. The direction of trade is generally from East to West and from West to East. Thus, it is possible to buy Czech wine in British supermarkets but not in Polish ones.

We have already indicated how previously these two blocks stood back to back. Now the central parts of these two blocks have turned round to face each other and are increasingly communicating between themselves. The pole of attraction is increasingly towards the EU rather than towards the East and this makes the buffer zone countries even more keen to join the European Union.

One way in which goods circulate is through shopping. In the period after 1988 when the borders were first opened, consumer-starved buffer zone citizens flocked over the border to undertake a shopping frenzy in Austria and Austrian shops boomed at this time. Mariahilferstrasse, the main shopping centre in Vienna was nicknamed 'Magyarhilferstrasse' in honour of the many Hungarians who shopped there. Economic indicators show that Hungarians were spending far more in Austria than Austrians were in Hungary (Wallace 1997). After 1990 this was reversed as there was a flow of Austrians to Hungary to buy cheap goods and even food. Now this shopping has balanced out more but still with Austrians spending more money in Hungary than vice versa. A similar pattern happened between Poland and Germany. New, large supermarkets and shopping centres have opened up along the borders offering goods to cater for this trade and there are also many small stalls selling baskets, gurkins and garden gnomes. In the buffer zone countries, the spirit of free enterprise has brought in flexible opening hours with shops and shopping centres often open on Sundays, Saturday afternoons and evenings. In Germany and Austria strict control of opening hours means that the shoppers have to go to the buffer zone to shop after midday on Saturday. With this kind of pressure in the background, shops in Austria and Germany have started to introduce more flexible opening hours, but this does still not include Sundays. Other services are advertised in German along the border, including hairdressing, dentists, riding stables and pedicure (Langer 1996). Large numbers of prostitutes patrol the pavements along the borders and night clubs, offering the same services under a roof, are sprinkled along the roads. On each side of the border traffic signs and services are offered in both languages, reflecting the frequent movement of people from each nationality and many new border crossing points have been opened. On the Eastern perimeter of the buffer zone and in the major cities, signs have once more appeared in Russian (this language having disappeared from the public notices after the break with Moscow), especially advertisements for money changing facilities. From being economically deprived, depopulated and desolate places, the border areas (especially those to the West) have become thriving economic regions which attract internal migration.

This resulted in an escalation in a phenomenon which had already existed to some extent previously, known as 'shopping tourism'. Shopping tourism was sometimes organised, with bus trips planned and advertised to bring visitors to shopping centres in other countries. But it also took place at an individual level with people travelling to fill their cars with goods from across the border or going with large bags and trolleys on trains and busses. Shopping tourism merges into trading when shoppers would buy goods for other people as well as themselves or buy goods to re-sell at home. This is how many Western cars crossed the border eastwards, as well as TV sets, washing machines, clothes and other domestic items. Many of these items were bought second hand in the West - especially in Germany and Austria. Second hand car dealers did a booming trade whilst another important trade was in second hand clothes - often donated to charity - and then resold in shops in the East or in the buffer zone. Second hand domestic items were snapped up from newspaper advertisements and even wrecked or damaged cars and equipment found a market in spare parts and re-cycled documents. The rise in crime following the opening of the Eastern

borders of Europe meant that some goods were circulated even without the consent of their erstwhile owners. Otherwise people would trade in one direction and buy goods for their own consumption in the course of their travels across the border.

The main beneficiaries of the shopping tourism to Austria and Germany were the large stores and small shops. However, to begin with, such stores and shops on the post-Communist side of the borders were in short supply and those that existed were not customer-friendly, so initially, many goods were sold on open air stalls by the side of the road and in markets. It was only after the small privatisation programmes of the early 1990s released a lot of small retail outlets, cafes and land for private development that the shops started to become more commercial in their orientation and cater to consumer demand (Earle et al. 1994). In the first place, therefore, small scale trading developed with individual traders offering a small range of wares. The opening of the borders in 1989 resulted in a flurry of small scale street trading. Sidewalks were cluttered with people trying to sell almost any kind of product; trains and bus stations were crowded with people carrying enormous bags. (Later shuttle traders were identifiable by the characteristically red blue and white striped bags, imported from China). In the first explosion of capitalism, everywhere was turned literally into an open air market. Small scale trading was a major form of import and export as consumer-famished customers in the buffer zone hungrily consumed these products. Just walking round the street market became a past-time. In the first explosion of 'wild capitalism' all manner of products appeared on the streets even whilst the shelves in the shops were still empty. Shortages still existed, but at the same time anything could be bought on the street markets from cleaning fluid to Kalashnikows, from perfumes to parrots.

The first traders, renowned throughout Eastern Europe, were Poles. These began their cross border activities in the early 1980s when the arbitrary structure of domestic prices in Poland along with the economic crisis created a demand for food and consumer goods which could not be met domestically. However, from 1988 the movement of peoples across borders escalated and started to become a common phenomena for all sections of the population. As the old COMECON trading agreements started to disintegrate, the formal import-export arrangements broke down and informal ones grew to fill the gap, at least for consumer domestic products.

There was an influx of traders from Ukraine, Russia and Belarus selling goods in Poland (Chmouliar 1997). So-called 'Russian markets' appeared like mushrooms after the rain in every street and even in quite remote villages. They sold products which could be obtained cheaply in those countries (often through theft from factories) such as tools, toys, glassware, underwear, pins, clocks, watches. Traders stayed for just a few days, arriving on busses, trains or in organised groups before returning to their normal jobs.

Trading of this kind was neither legal nor illegal. It was seen as a sign of the growing opportunities of capitalism by both consumers and vendors. The artificially low price of items such as electrical goods, cameras, vodka and food in the former Soviet Union meant that these



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could be sold at a profit in central Europe and traders brought back goods which were unavailable at home (for example ladies tights, condoms, cosmetics). Customs officers could be easily persuaded to turn a blind eye in return for a share of the goods or some dollars. Huge queues of cars waited sometimes for four days at the eastern borders of Poland because there were very few border crossing points.

Soon, trade networks expanded and goods began to be imported from Turkey, China, India and the United Arab Emirates, but mainly still by individuals with suitcases. Better organised and financed trading ventures emerged with networks of agents and the importation of wholesale goods. This activity was supported by a range of semi-official tourist organisations which began to flourish in the former USSR. There one could obtain information about opportunities for travel from travel agencies which helped to obtain passports, visas and transportation. Newspapers and TV adverts, even specialist magazines, advertised different things one could buy in different countries (for example cars driven from Brussels and Germany). At first the black markets offered consumer goods at higher prices than in the shops but increasingly they started to offer a wider range of goods at lower prices than could be found in the formal retail sector. In these kinds of activities, shopping, petty trading and tourism all overlapped.

From 1992 onwards the situation changed quite radically. From this time, the introduction of taxation systems in the Central European countries of Poland, Hungary, Slovakia and Czech Republic, along with their attempts to join the European Union (and associated partner status) resulted in a crackdown on small scale trading in the buffer zone. As retail outlets were privatised and shopping was able to move indoors, so the local business people began to see street traders as a threat to their commerce and put pressure on the government or local authorities to suppress it. The streets were cleared of the clutter of small traders displaying their wares. The Eastern borders were increasingly controlled and smuggling limited (although bribery could still find a way around this). There was an attempt to concentrate traders into specific parts of town - usually the sports stadium - which were patrolled by Economic Police. In these market places it was necessary to pay the market manager for a place by the day or by the week or month. Licences were introduced for trading and traders should pay taxes.

Finally migration into the buffer zone was controlled following fears about an influx of Eastern Europeans trying to storm the walls of fortress Europe. This made it more and more difficult for people from beyond the buffer zone to get in or to stay and foreigners were likely to be stopped and asked to show their documents on the streets or in the markets. Those without the right documents could be fined and deported or have their passport stamped so that they could not return.

After 1992, hyper inflation in Russia and Ukraine and changes in the exchange rate, meant that prices for many goods were now much higher than in the buffer zone countries. Instead of coming to sell, the Ukrainians, Russians and Belarusians were increasingly coming to buy. The stock piles of goods had run out and the factories had ceased to produce. Many workers

were laid off or their factories closed down leaving them without work. Real wages fell. During 1996 many people were simply not paid for months on end. Everybody was forced to resort to other forms of income-generation, such as trading. This increased the competition and made it less profitable. However, lack of production in countries such as Ukraine meant that everything had to now be imported and most of this importation was carried out once again by small-scale traders and shopping tourists. People risked fines and deportation to make a few dollars from smuggling cigarettes or vodka from Ukraine to Slovakia and then buy food and second hand clothes to take home, because otherwise they had no income or insufficient on which to live. Now it was not so much profit as survival which was the important incentive. However, at the same time consumption flourished and consumer discrimination was nourished (previously people had bought whatever was available in case it could not be found again).

Whilst in Hungary, the Czech Republic and Slovakia the clamp down on foreigners and upon illegal trading had helped to clear the streets of traders, or at any rate, drive them underground, in Poland the markets continued to flourish on a grand scale creating an estimated 5 bn US dollars turnover, making it one of the biggest industries (in terms of turnover) in Poland. According to official statistics in Poland, foreigners bought 4.8 per cent of all retail goods in Poland, most of the purchasing being done by citizens of neighbouring states. The biggest trade was on the Western borders in 1995, but the Eastern and Southern borders showed the largest rate of growth since 1994 with a 66 per cent and 45 per cent growth in the value of goods being taken out respectively.<sup>3</sup> Thus, this border trade can be seen to be big business for Poland and is reckoned as an important element of Polish exports to neighbouring countries. It is also an important element in developing the prosperity of the border regions. Poland was producing once more for export to Eastern Europe, not on a nationally planned basis, after the fashion of COMECON, but in the form of a myriad small, private ventures. The goods (especially clothes, cosmetics, toiletries) produced in Poland were thought to be better quality than the Chinese or Turkish and they were in great demand East of the buffer zone. Although at an individual level this kind of shuttle trading was very small scale ('we are like ants' in the words of one respondent 'we go everywhere with our goods on our backs') in aggregate it is quite significant. As a result, Poland was described in one economic report as the 'tiger' economy of Eastern Europe (*Kurier* 14 February 1997, p. 21).

Why was Poland fulfilling this role more than other countries? According to Polish contributors to a volume by Wedel (1992) the activity known as 'handel' was a tradition of continuous small scale trading which was associated with Jewish communities. After the large Jewish population in Poland was exterminated, the tradition of 'handel' continued, but now carried out by Poles. It was further encouraged by the shortages in the Polish economy after Communism and the relative freedom of Poles to travel. In addition, there exists a large

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<sup>3</sup>From a special report by the Polish Central Statistical Office carried out in 1995. Results of this form part of a special report commissioned as part of the project 'Mobility in the Buffer Zone' Jubiliumsfonds der Oesterreichische Nationalbank Report No. 5452 (Wallace 1997b)

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Polish Diaspora stretching from Central Asia and Siberia (as a result of deportations over the last few centuries) to the USA and Australia. There are strong Polish communities in Austria and Germany which maintain their national cohesiveness, often around the Polish Catholic church. Poles therefore had a pre-existing network of contacts with whom to operate and it is such networks which explain the way in which migration and the flow of goods takes place.

Although this kind of street trading has been replaced by small shops, normal retail and wholesale services inside the buffer zone, it is still the main way of meeting consumer needs in the countries to the East of the buffer zone. Open air markets were far more flexible than the traditional retail sector which sold a dreary selection of goods set out in sorry displays in dusty shop windows. The only alternative were the shops or sections of department stores selling expensive western high class cosmetics and other such luxury goods at prices even higher than in the West. These were usually empty. Markets, by contrast, were exciting, lively places where the latest fashion items were displayed in an appealing way and where personal toiletry items in interesting packaging could be bought. Markets themselves began to become increasingly differentiated between wholesale markets, markets specialising in vegetables and food, in animals or cars and parts for machines, in second hand goods and markets specialising in new clothes and toiletries. The latter markets were often ones where consumers and vendors were well dressed and where browsing through what was on display had become a pleasurable activity in its own right. Displaying oneself had also become part of the game.

How could people on such low incomes afford this kind of consumption? What was often for sale in Ukrainian markets was fake copies of well known Western commercial brands. Hence hair shampoos entitled 'Yves Sassoon' with Polish labels could be bought in street markets in Ukraine or raincoats with carefully arranged 'Salamander' labels (Salamander being a German shop for retailing shoes, not raincoats). Labels were snipped out of second hand clothes or used garments and carefully sewn on to these fakes. Indeed there was a business in Hungary which specialised in producing these fake labels. The iconography of labels was therefore independent of the goods themselves, since people were usually quite aware that these were copies, but nevertheless preferred a 'western' label of some sort, even a misspelt one, than goods without a label. Bulgarian tobacco was used to make authentic-looking American cigarettes, which had higher status than local ones, in exact replicas of the US cigarette packets.

Hungarian trading has some special features. In Hungary there is a large Chinese population (estimated to be about 6-7000) which increased since the 1980s when it was first established (Nyiri 1995). These Chinese operated a wholesale trade selling incredibly cheap clothes, shoes, toys in bulk from the Far East, which are then bought by other traders for resale in Hungary or elsewhere. Although Budapest was the main centre of their operation, the Chinese have also opened wholesale warehouses in Slovakia and the Czech Republic.

Another distinctive feature of Hungary is that it borders Serbia which was until last year under an international trade embargo and where prices for ordinary commodities continued to be

very high. Hence, there were always queues of Serbian 'Excursion' buses waiting at the Chinese market for their passengers to finish their shopping, but people also came from Romania and Bulgaria to trade or to shop in Hungary mainly on the so-called 'Chinese market' in Budapest. Meanwhile, the border regions also developed their own markets. Places such as Pecs, Uzhgorod and Przemysl became important nodes of communication in this cross-border flow of goods (Sik 1997).

Bulgarians generally sold pirated CDs and went back to Bulgaria with medical products, vitamins, computer parts or things which they had purchased on the Chinese market. One man stocked his shop in Bulgaria with baby products from Hungary, returning regularly over the border with armfuls of Pampers! Another bought specialist herbal products and resold them in Bulgaria. Another Bulgarian drove second hand German and Austrian cars across the border, for a Bulgarian boss and on his way picked up spare parts for his own car repair business. Romanians sold Romanian products - needles, watches, knives and other small things. One man brought nuts from his garden sewn into the lining of his coat. However, they had to work very hard to sell such things. With the money they earned, they brought home items which they had purchased from the Chinese or elsewhere. Often people from Bulgaria, Ukraine and Russia had to buy medical equipment and medicines for their relatives at home across the border in the buffer zones where these things were readily available. East of the buffer zone, the collapse in public services often meant that the patients themselves had to supply their own medicines in hospital, but these were unavailable in shops. For this reason former Soviet citizens also visited dentists and other specialised services in the buffer zone and paid directly for these services.

Although it is often assumed that markets represent a kind of primitive stage in the evolution of retail, this is not the case in Ukraine. Nor are conventional retail shops anywhere necessarily better at bringing the goods to the customer. Traders had very small quantities of goods and could change their stock very quickly and easily. Often the same person was travelling to buy the goods and also selling them (or sometimes a family member was doing this) so they were very sensitive to consumer demand and could rapidly adapt their strategies to the seasons. The small scale of production and trade meant that they were able to be very flexible - much more so than big Western stores which may buy new stock only twice a year. They operated in a similar fashion to the post-Fordist style of decentralised production for which Benetton is famous - one where the newest looks can appear in the shops in a very short time, produced by a range of sub-contracted workshops using flexible production (Lury 1996):

However, not all traders were happy with their activities. Trading was seen as a rather despised occupation and many of them were miserable doing it. Trading seemed to be felt to be a generally shameful way of earning a living by most people because of its association with 'speculators' - a category highly condemned in the Soviet past. Even many of the more successful traders apologised for doing this kind of work and very few seemed to want to do it in the long term.

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In addition the journey to and from destinations could be exhausting. Traders generally take local buses and trains rather than using the faster and more convenient international transport in order to save money. Traders in Slovakia and Hungary could expect to be controlled by the Economic Police at least once per day. They would then have to pay a fine for illegal trading. They would negotiate the fine with the Police so that if they had fewer goods, it was lower. At the border they had to face a constant ordeal - a very high tariff on imported goods was introduced by the Ukrainian authorities in order to profit from this cross border traffic and paying the tariff would make the shopping or trading trip no longer worthwhile. Therefore goods had to be smuggled or customs officers bribed.

In the case of the organised bus shopping trips each passenger would contribute a fee for bribing the customs officers either at the border or before even getting on the bus. For Serbs going to the Chinese market in Hungary and in some cases for people going to Poland, charter buses are still used. However, in Slovakia and in other countries, this kind of activity declined when the border controls became more stringent: customers were not very happy when the whole bus was turned back and had to wait for the next shift of customs officers or when the 'fee' was very high and cancelled out any advantages from the trip.

Since only native citizens were allowed to change money at banks, the majority of shoppers and traders changed money illegally at the markets they visited or with regular illegal money traders. Many of them had savings in dollars and deutschmarks. Money changing facilities could be found at particular points in the town and the daily fluctuations in exchange rates for dollars and deutschmarks are common knowledge for residents of Ukraine, Russia and Belarus, even though foreign currency speculation was still illegal.

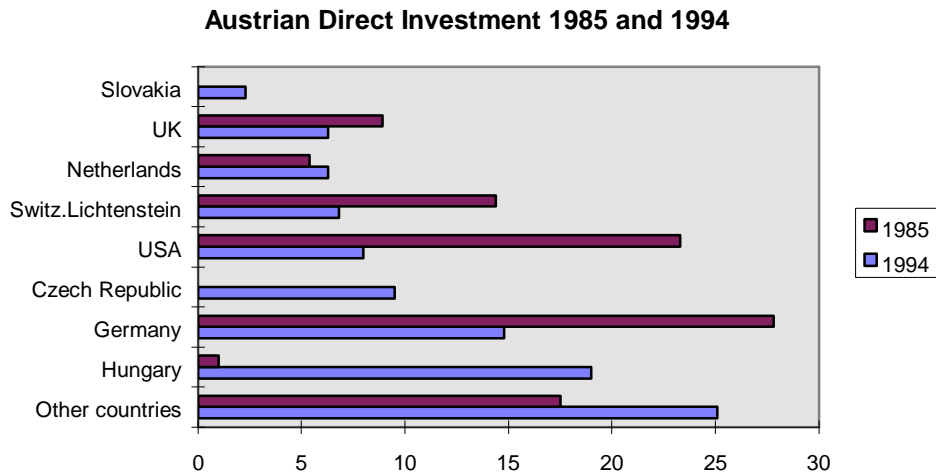
In fact these goods represented a flow from East to West and from West to East. Goods bought in Germany and Austria (including TV sets, second hand clothes, electrical and domestic equipment, computers, new and used cars) would be sold in the buffer zone to Ukrainian and Russian traders who would transport them further East. Goods originating in the former Soviet Union or in the Chinese warehouses such as cigarettes, vodka, shoes, shirts, swimming suits, would be sold by East European traders to citizens of the buffer zone who would then sell them in Germany and Austria. Cigarettes, for example, were packaged to look like American brands or were sold cheaply under licensing agreements in the former Soviet Union. The ultimate destination of many of these cigarettes, after changing hands many times in westward chain, was Germany and Austria. The trade was the product of visa regimes, taxes and the selective control of borders. Since people from the former Soviet Union could not easily travel to the West, some citizens of the buffer zone were able to make a living or to supplement their incomes by bringing such goods from one border to another. This kind of activity was subject to very rapid change depending upon exchange rates, the stringency of the customs and border police, visa requirements and the relative prices and standard of living on each side of the border. Such traffic across the border required information about relative prices and shopping or trading opportunities and this information would flow through ethnic, family and social network grapevines so that such opportunities were a frequent topic of discussion.

Consumption styles, fashion and taste started to become an important source of differentiation (Bourdieu 1984). In some cases ethnic groups differentiated themselves by their consumption styles. Those who identified with relatives or conationals in Germany or Hungary (in the case of Germans and Hungarians in Romania for example) tried to differentiate themselves through their superior 'western' taste and possessions. Citizens of the buffer zone often felt superior to their Eastern neighbours on the grounds that the latter had primitive tastes in clothes, fashion accessories and domestic interior architecture and equipment. They were regarded as backward and under-developed people on these grounds. People demonstrated how 'western' and 'modern' they were based upon their styles of consumption.

## *2 The circulation of capital*

Another form of circulation is that of capital and investment. It was believed by many people in the buffer zone that foreign investment would help to restructure domestic industry away from the large industrial plants and towards more high-technology and service industries. There has been significant foreign investment in the buffer zone countries, but much of it has come from the neighbouring countries of Austria and Germany. In each country either Austria or Germany (or both) are the main sources of foreign investment (Wallace 1997). The main exception is Poland, where the USA plays the greatest role. Chart 4 indicates the way in which Austrian investment has moved away from Western Europe and is increasingly directed towards the neighbouring countries of the East. The buffer zone countries have therefore come under the economic influence of Germany and to some extent, Austria. Given the displacement of people described in the first part of this paper, it is evident that there are many personal and historical connections between people from Germany and Austria and those countries to the East. Many German and Austrian citizens originated in the buffer zone countries and are able to speak or understand the relevant languages there and this can be an advantage in developing trade and investment links.

### **Chart 4. The shift of investment from West to East: Austrian Direct Investment by Destination Countries**

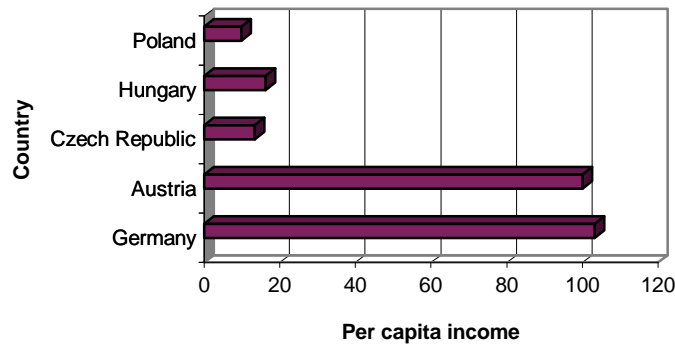


Source: Wallace 1997

However, rather than helping to restructure local industries, much of the investment has been into the older and more traditional areas of the economy - into large industrial plants, car manufacture and so on (Wallace 1997). Rather than making these plants more modern, the foreign investment has tended to preserve their large-scale monopolistic structure. For foreign firms, the buffer zone countries represent a cheap but skilled workforce. Table 5 illustrates the difference in average wages between the different countries under consideration. From their perspective, the industrial plant already exist and there are few environmental controls of the kind existing in Germany and Austria or elsewhere in the European Union. Even where plants are built de novo, they are still cheaper than opening a similar plant in Germany or Austria. Parts of the production process in many industries have therefore been transferred to the buffer zone. The automobile industry is one example. Thus, many of the heavy industries have been closed or scaled down in Austria and Germany but these are the very sectors which are targets of foreign investment in the buffer zone. There is therefore perhaps a connection between the de-industrialisation of the Western European neighbouring countries and the perpetuation of old-fashioned industries in the buffer zone (Wallace 1997).

**Chart 5 Comparative per capita income (exchange rate measures) in 1995. Austria = 100.**

Comparative per capita income (exchange rate measures) 1995 Austria=100



For Austrian firms, the main reason given for this investment was to secure future markets because the buffer zone is seen as a potential future source of expansion (see Wallace 1997). Indeed some companies actually moved entirely out of Germany and Austria and simply relocated over the border - the Austrian car tyre manufacturer, Semperit, is an example of this as it relocated in the Czech Republic.

However, Austrian and German capital can also be seen in the range of banks which opened branches in the buffer zone in order to further help trade and investment. One of the main ones, the Raiffeisenkasse, claims that it makes more money from its Eastern European subsidiaries than it does from its many thousands of branches in Austria and Bavaria, where it is the main rural bank. In addition Supermarket chains have moved in, many of them being also Austrian and German. Billa, the Austrian supermarket chain, was attractive for take-over by a German company precisely because of its foothold in the East European market. Increasingly for Austrian and German business the neighbouring countries to the East are the most attractive prospects for expansion.

Many German and Austrian firms have developed flexible production strategies whereby some of their work is sub-contracted eastwards and then reimported as finished products. In their desire to attract foreign investment, the buffer zone countries have offered attractive tax breaks and lifted restrictions on the flow of capital. However, some such ventures are still handicapped by the corruption and legal uncertainty which plagues the privatisation process.

It seems therefore that investment has turned eastwards - but not very far eastwards - only just across the borders. Although globalisation is often talked about as a world-wide process, in this region it is a local process. Steel and chemical production shifts not to Bombay but to Brno, which is only 70 kilometers away across the border. The relatively higher costs of production there (compared with locations in the developing world) is compensated by the convenience of location. This results in a regional division of labour with heavy industrial jobs



going to the buffer zone in unmodernized plants, forcing business in Germany and Austria to become more flexible.

We are arguing that for this region, globalisation in the sense of the circulation of capital, displacement of jobs and industries and movement of people, does not take place at a world-wide level but is rather regionalized. Furthermore, the patterns of investment, trade and mobility follow established cultural and social patterns. Much of the Austrian investment, for example, and mobility to and from Austria can be seen as recreating former cultural links along the Danube basin and within the Austro-Hungarian empire. German patterns of investment also tend to follow the earlier patterns of settlement and influence with Germans being a larger trading partner for Poland than for Hungary, whilst Austrians are more important in the latter country. This is partly associated with established linguistic, ethnic and family links across the borders which act as conduits for other kinds of economic exchange. This phenomenon could also be seen as a distinguishing characteristic of economies such as those of Germany and Austria for whom neighbouring countries, rather than countries outside of Europe, have always been important for trade and for cultural exchange. This is in contrast to countries such as the USA and UK which have had a different pattern of industrial development and for whom world wide links are more important (Lash and Urry 1994, Traxler and Unger 1994). It could be that this regionalisation is therefore continuing more established traditions in Germany and Austria.

### *3. Circulation of people*

It was not only jobs which moved from Germany and Austria and towards workers in the buffer zone countries, but also workers who moved towards jobs in Germany and Austria. These two countries having absorbed the majority of Eastern European guest workers. Buffer zone citizens working in Germany and Austria filled the typical role of guest workers in foreign countries (Stalker 1994). They undertake jobs on the bottom layers of the labour market, especially in agriculture, personal services (domestic cleaning for example) or construction. Some half a million Czechs are working in Germany and most of these are just across the border in prosperous Bavaria -this represents some 1.5 per cent of the Czech workforce (Horakova 1993). Germany and Austria have agreed annual quotas of seasonal workers with their Eastern neighbours who have increasingly replaced Turks, Yugoslavs, Portuguese and Italians as 'guest workers' (Morakvasic and Rudolph 1994).<sup>4</sup> They are preferred as guest workers since they are often highly skilled and well educated, do not make demands upon the health and social security system (since they go home at the end of the week or even the end of the day) and are of course, cheaper to employ. Although officially they should be given the same money as native workers, in practice this was seldom the case (Horakova 1993). They may also work longer hours. As well as these official guest workers,

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<sup>4</sup>The traditional pattern of migration to the German-speaking countries was in the form of guest workers, drawn mainly from Southern Europe and the Mediterranean until recently. Many were encouraged to go home when their contracts ended but many also settled, especially after family reunion was allowed in the 1970s.

there are a large number who enter on their 'tourist' visas and work unofficially, although control of such illegal workers by the authorities is increasingly stringent.

However, people travelling to Western Europe from the buffer zone is only part of the story. The other part is people travelling from further East into the buffer zone in order to undertake similar kinds of activities. They are resident in the buffer zone countries as migrant workers and have the same status as 'guest workers' in Germany and Austria. They are even called 'Gastarbeitery' in a slavic appropriation of the German word.

Much of the circulation of people took place in the form of migrant workers. In the post-Communist countries, the majority of native workers were traditionally manual workers in large enterprises - the labour market was heavily weighted towards its bottom end. Recent research indicates that even despite the liberalisation and modernisation of the labour market through opening to foreign investment and privatisation, the majority of the jobs of the local population continue to be manual ones, and foreign investment may even have reinforced this tendency as foreign investors invested mainly in heavy traditional industries (Wallace 1997). What is lacking is a large or thriving service sector of the kind in Western Europe and although this is expanding in the buffer-zone countries, it is expanding only by a small amount relative to the manual sector. Therefore there is space for foreigners to come in and develop the service sector, and indeed, this is where new skills are required. Much of this development has been concentrated in the main cities, where in fact most of the foreigners are working. The opening and reconstruction of the economy created many service industries associated with tourism and communications - language schools, cafes, video sales, marketing and so on - which were more or less new and were rapidly expanding sectors. Furthermore, many foreign experts were brought in with international companies, as 'advisors' or just to try their luck in a newly expanding region. The better educated migrants were able to find places in these sectors or to start business and we found that this group often earned more than the native population. Many of these migrants came from the West.

Not all migrant workers were disadvantaged in the labour market. Some could command very specialist skills which were much in demand - language skills and computer skills, for examples. It is notable that they were often working in the new sectors of employment - in service and communications sectors. Some used Higher Education as a means of mobility - by applying for scholarships or educational places in their destination country they were able to live there legally.

The opening of these economies to global capitalism lead to the importation of a range of Western 'experts' and multinational companies. In these cases the international institution took care of all arrangements. These migrants were highly paid and often able to bring their families with them because special provisions were made for the families. They were clearly valued workers of the company/institution and cared for by the institution. For people working in international organisations, there were no language problems because English was the lingua franca (no matter what the national origin of the company), so the native workers were in the same position of advantage or disadvantage as the non-natives in these companies.

Indeed, the natives were often paid less than the foreigners which was the cause of some resentment. Workers in these companies formed a sort of transnational community of their own as they were often moved after a while to different locations. This may also be part of company strategy to provide recreation and relocation conditions for families in order to create a transnational, mobile community of professionals (Anisimova 1995).

Some migrants managed to successfully establish businesses in the destination country. They may have moved there originally in order to escape economic collapse (in the case of the Armenians and some Ukrainians), to avoid anti-Semitism or to avoid being a national minority (in the case of the Hungarian-Romanians) or wars and the consequences of an international embargo (the case of Serbs, Croats and Bosnians). However, once they arrived, they were able to establish businesses, which may actually take advantage of their migrant status - for example using import/export trading or acting as middlemen and go-betweens for their compatriots.

Another category we have termed 'post modern migrants'. Post modern migrants differ from other migrants in that the purpose of their trip is most often fun, adventure or self-fulfilment rather than earning a living. Post-modern migrants often have lower salaries in their destination country than they would have had back home and often live on money which is sent from home (rather than vice versa as in the case of the 'classic' modern migrant). The main examples of this was the 12-20 000 Americans living in the Czech Republic (mainly Prague) who founded their own English language newspapers, radios, book stores and even restaurants. Post-modern migrants are generally young and without any family responsibilities which is why they are able to prioritise their own goals and aspirations. Migration for them is part of a life-strategy to gain experience before going on to careers at home or elsewhere.

The majority of migrant workers from the East in to the buffer zone were low paid manual workers, similar to the 'Gastarbeiter' in Germany and Austria. The main target for these guest workers is the Czech Republic where a very low unemployment rate and a boom in construction helps to attract guest workers from Ukraine and elsewhere. The numbers of work permits granted has increased everywhere. The largest increase in work permits are for Ukrainian workers, who officially number about 40 000. However, the unofficial numbers are estimated to be at least twice that high (Drbohlav 1997). In the Czech Republic there were about 67 000 work permits granted in 1995, in Slovakia this was 2 700, 20 000 in Hungary and 11-12 000 in Poland in 1995. However, our research and that of others (see Drbohlav 1997) indicates that the majority are working without any working permission, although they may have residence rights as students or 'tourists'. Thus unofficial working figures ranges from twice the legal number (usually cited in the Czech Republic) to ten times the legal number (usually cited in Poland). This is despite the fact that Poland has an unemployment rate of 14.9 per cent, Slovakia 12.8 per cent and Hungary 10.3 per cent (WIIW 1996 a). Guest workers are still preferable to native workers, especially in seasonal work, because they work longer hours for only half the wages of the locals and will work weekends and holidays as well.

Most of this work is organised through middlemen (known as 'clients') who recruit workers in the former Soviet Union and take up to half their wages as payment. They pay their workers approximately half of the local wages (usually \$1-2) and often arranged accommodation for them in barracks or on the construction site itself (in one case they were living in a hostel for the homeless). The middlemen also arrange bribes or working permissions or whatever is necessary for the people to work either legally or illegally. The workers preferred usually to take only a small amount of spending money for their stay and to collect the bulk of their salary at the end of their stay, as a way of saving. The middlemen profited from this by getting interest from the bank and in some cases did not pay the workers at all or only part of their salaries. Given their illegal status, the workers could do nothing about this.

Usually workers stayed for about 2 months and then went home. At the border they would have to pay a fine for outstaying their voucher period which was for one month only (this fine was usually between \$10 and \$30) but was still worth paying in return for the greater amount of money they were able to earn. Wages in the buffer zone were between 2 times and 10 times higher than wages back home.

As with shopping, trading and investment, lines of communication for migrant workers tended to follow ethnic and family ties or other social networks. In Hungary, the majority of migrant workers were ethnic Hungarians from Romania and according to Hars (1995) many of them also did the sort of construction jobs which Ukrainians were doing elsewhere. However, in our sample, ethnic Hungarians were mostly young, male and middle class with some Higher Education - and very ambitious. Their strategy was often to undertake another Higher Education course in Hungary and to remain in Hungary to become Hungarian citizens. This group were able to speak the language fluently already and saw many advantages to being in a place which they regarded as having a higher cultural level (at least for Hungarians) than Romania. Furthermore, they were no longer in the position of a national minority. Within a few years they lost their regional accents and were more or less assimilated as Hungarians. This group usually had many friends in Hungary, had visited often and found jobs through the labour exchange or the newspaper. They took advantage of scholarships which were available to them. Many of them were therefore students and working at the same time. Usually, whatever their specialisms were previously in Romania, they moved towards computing and communications studies in Hungary and were able to find good jobs as a result. They had little interest in going back to Romania, especially since many of their friends had also emigrated.

Migrant workers enter different sections of the labour market depending both on their own skills and upon the needs of the labour market. Since the majority of our respondents were illegal migrant workers, they were automatically consigned to particular parts of the labour market. Migrant manual workers were found mainly in the construction industry, usually constructing private houses. However, some were also found in agriculture and in factory work. Whereas men were construction workers, it was often women who were working in factories such as textiles or shoe manufacture. It was sometimes the case that these enterprises

where eastern European women were working either legally or illegally, were ones owned by foreign or western companies who had subcontracted services to a local middleman, who in turn hired foreign workers to cut costs and increase his share. Another niche for women was as personal service workers. Just as an increasing number of private households in Germany and Austria are able to take advantage of casual migrant labour to have a domestic cleaner or someone to look after children and elderly parents, so this is increasingly the case in the buffer zone countries where these tasks are undertaken by women from further east.

For those workers who are working illegally, it is particularly important to be sheltered by social, family or ethnic networks through which information can flow and which can help with providing accommodation, transport and so on. Increasingly the requirements for a work permit must be fulfilled before the migrant comes into the country, so migrants need to have information about working opportunities before they set off. There has been a long tradition of people from Transcarpathia and parts of Western Ukraine working seasonally. Since there were few industries, but people were anchored by their houses, their small plots of land and their families, they traditionally went elsewhere to seek work. However, it is an indication of the economic crisis in the Ukraine that these traditional migrant workers are joined by people from other parts of Ukraine who were not traditionally migrant. Previously they went to Russia or Siberia, often working in logging camps and they were able to earn very good incomes. However, this has become more difficult now due to the break up in relations between the two countries and due to the unreliable nature of payment in Russia. As one respondent put it: you might get a lot of money or you might get nothing at all if the boss refuses to pay you. Or your money might be stolen by the Mafia. Another place they might go would be Eastern Ukraine to help with the harvest, but some respondents pointed out that they were no longer paid in cash there so much as in kind and it was sometimes difficult to get the grain or wood back to Transcarpathia. Now most migrants go to the Czech Republic where there is still a strong demand for workers and low unemployment and where wages can be higher. Others go to the other 'buffer zone' countries which we have considered here, typically as construction workers. The numbers leaving for work away from home have reached record proportions. According to the Transcarpathian authorities, around 12 000 people each year leave the country for the nearest abroad, about 18 per cent of the workforce, estimated to be about one third to one half of all the young men. At the border there is a steady flow of busses taking men to work in the Czech Republic (from field work carried out at the Ukrainian border in August 1996). Ukrainian workers often came from the same region of Ukraine - Western Ukraine and Transcarpathia - on the borders of the buffer zone and indeed, this region was in fact previously part of Czechoslovakia and Poland. We found they often came from the same towns and villages, which lead us to look more closely at this region and to carry out some fieldwork there.

Many others used ethnic, family and friendship networks. As in the case of trading, information often flowed through loose networks of ties. Often families found jobs for each other or even worked together at the same place (there were a number of examples of this) with one member of the family being replaced by another when they went home for a period. This tended to reinforce the pattern of traditional ethnic connections - Belarusians and

Western Ukrainians to Poland, Romanians and ethnic Hungarians to Hungary and Transcarpathians to Czech and Slovak Republics. However, new ties were being forged as travellers were concerned to develop strategic links with the most relevant usual people in the country to which they travelled -with middle men for example.

The migrant themselves represented only one part of family situation which spanned the two countries (Sidorenko 1996). In most cases it was the man who was the migrant labourer and the women who was the trader. Often this was a husband-wife strategy since he would bring goods home for her to sell. In addition she may do some additional trading herself. This was the basic survival strategy of many Ukrainian households. As already previously mentioned this might be combined with house building and peasant small holding to supplement living standards.

The former Communist regime had encouraged a sense of intense family solidarity and mutual help between generations (Mozny 1994). It seems that under the new circumstances family solidarity was also a form of survival (Wallace 1995b). Indeed, we might argue that a sort of 'amoral familism' was emerging whereby with a collapsing state which was seen with bitterness by many respondents in Ukraine for not taking care of them better was not seen as a source of loyalty or obligation. The main loyalty was first and foremost to the family which demanded the strongest support and sacrifice. Next in priority was the loose network of friends and connections which needed to be attended to for instrumental, but sometimes also for other reasons (Wallace et al. 1997).

Here we can compare the results with the work of Sassen (1996) who claims that migrant workers are usually an informalized sub-group at the bottom of the labour market. This was certainly the case with the buffer zone citizens working as guest workers in Germany and Austria. It was also the case with many of the Eastern European guest workers working in the buffer zone. However, the situation of the buffer zone as a newly opened capitalist region resulted also in the need for a layer of foreign experts and people with special skills in newly forming parts of the economy, ones in which indigenous workers were not so well equipped to work. One source of these were emigres who had fled the previous regimes, or the children of emigres who returned with skills, capital and ambition and who were sometimes able to reclaim property.

In general, we could say that the flow of skilled workers was from West to East, whilst the flow of unskilled workers was from East to West.

Another influx of people into the region was in the form of refugees. The war in Yugoslavia lead to 4-5 million refugees, the majority of whom were displaced within the territory of the former Yugoslavia. One million found their way into Europe. Whereas to begin with Germany was the main target country with three quarters of asylum seeker in 1991 applying there, the tightening of the legislation after 1992 lead to a sharp drop and asylum seekers being pushed towards other countries (Münz 1995). The countries of Western Europe responded by closing their borders to the victims of ethnic cleansing in Croatia, Bosnia,

Voyvodina and Kosovo which pushed many people into the buffer zone. The main recipient of refugees in the buffer zone was Hungary. They arrived in two waves. Between 1988 and 1991, 51 533 arrived from Romania escaping from the still repressive regime there. Their aim was to settle in Hungary (Nagy 1995). In the second wave, 68 262 arrived from the former Yugoslavia, but their main aim was to return to their homes as soon as possible and many of them refused to leave the Southern border strip which was nearest to their countries. Many of them have in fact returned already. Although the Czech Republic, Poland and Slovakia have also received refugees, these number only 1-3000 in each country - most of them were also from the former Yugoslavia. However, the majority of people fleeing from the former Yugoslavia are not registered as refugees and instead fall into one or the other of the other main categories of migrants described here: traders, students or workers. In 1993 the numbers of refugees from the former Yugoslavia dropped.

Certain ethnic groups more or less specialised in trading and in particular types of economic activity. Vietnamese immigrants were particularly conspicuous in the Czech Republic. They originally worked there as part of a 'fraternal' agreement between Socialist countries, as guest workers. In 1992 many of their contracts were terminated and there was an attempt to send them home. However, at this point many changed their activities and began street trading. The result is that there are just as many, if not more of these traders than in former times and the Czech Government even agreed a quota of migrants each year. The Chinese are from mainland China and specialise in restaurants and in wholesale goods which are bought by other traders either at the Chinese market in Budapest or from wholesale houses situated in most border areas of the buffer zone (IOM 1995, Nyiri 1995).

People from the former Yugoslavia either escaping military service or economic ruin, often began their new lives in the buffer zone as traders. In Prague much of the trading of goods for tourists was done by people from the former Yugoslavia for whom this was a short term way to make a living, although some began to develop longer term ventures. Purchasing a business license is one way in which to get a residence permit and this encouraged migrants to open small businesses.

### **The importance of ethnic, cultural and historical connections**

Thus we can see that although economic imperatives play an important part in the circulation of peoples, cultural and social factors are also important. Economic changes can tell us part of the story about why mobility of people, capital or goods takes place, but social and cultural explanations can tell us who actually moves and how (Portes 1995). Political decisions in terms of visa requirements for different national groups, customs, residence and working permission policies also affect how economic relations take place.

The patterns of migration in Central Europe tend to follow cultural and historical patterns. People move to places where they can speak the language or have friends and relatives. Furthermore, they do not in general move very far - they go mainly to the neighbouring

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countries. Refugees from former Yugoslavia often went to Germany and Austria because many of their friends and relatives were living there as guest workers. People from Poland and Hungary and the Czech Republic joined communities of their compatriots who were already living in Germany and Austria.

Here we can distinguish between a state border and a socio-cultural border. State borders are rather arbitrarily imposed following major wars and do not necessarily reflect the ethno-cultural composition of the population. By ethnic cleansing and other measures the two can be forced to coincide (Gellner 1983). The political settlements of the interwar years created state borders where none before had existed and this process continues into the present day. The violent ethnic reorganisation of the war time and post-war period reinforced these borders and the iron curtain sealed people from each other even more forcibly. The ethno-cultural communities which straddled such borders have now once more begun to take shape and rediscover common forms of communication (Wallace 1998). This is why in this region people normally make a distinction between nationality - one's ethnic group - and citizenship - the country in which one is registered as living. Both might be found on a person's passport. Although nationality and citizenship may coincide, for very many people in the region, they do not.

In Poland, migrants were either Poles whose families had been deported to Central Asia and Siberia under Stalin or people with Polish connections from neighbouring Ukraine and Belarus. Otherwise there were Russians, Ukrainians and people from Belarus, the neighbouring countries who did not find it too difficult to learn the language. In Hungary we find mainly migrants from Romania, either ethnic Hungarians from Transylvania or from neighbouring Serbia and Croatia. In Slovakia we find migrants mainly from Transcarpathia, formerly part of Czechoslovakia. In the Czech Republic we find mainly migrants from Ukraine and Slovakia or Poland. The earlier ethnic purges and boundary changes described in the first section have left their historical traces in a web of family and ethnic connections which can now be revived.

However, there are also some longer distance migrants, including the Chinese and Vietnamese and the Armenians and Georgians who have occupied a particular place in the social structure. These new circulations of people has helped to create some new ethnic groups - Chinese and Vietnamese traders, workers and business people are new to the region. The western English teachers and advisers or employees of international companies can also be seen in this context.

Moving to another country, even if only for a brief period requires resources and these resources may include language skills, family networks and information flows through ethnic nets and contacts (Sik 1994). Even the white, middle class Americans and post-modern migrants used information transmitted through email, newspaper articles and letters to their co-nationals back home and this was why the majority of them went to Prague. People are willing to move mostly only as far as their resources will allow them and here the previous patterns of criss-crossing ethnic ties or more recent settlement patterns start to become a



resource. For the most part, in Central Europe, these stretch only short distances - just across the border in fact - so people's commuting and travelling horizons are restricted thus far.

In Germany and Austria it is often believed that a large number of migrants would settle permanently there from the East if they only had half a chance. In fact very few of our respondents (from 350 interviews collected so far) mentioned any ambition of this kind. Their main aim was to go only a short way from home and then to return with money to support their families. Those with ambitions to emigrate often wanted to emigrate not to Western Europe, but to the buffer zone countries (although their ambitions may well have been shaped by the fact that they knew that emigration to Western Europe was very restricted). A significant minority (about 20 per cent) of our respondents did have ambitions to settle in the buffer zone. They said that in the buffer zone countries they felt more at home, and were more familiar with the language, culture and life-style. Furthermore, they pointed out that with a Polish, Czech or Hungarian passport, they could visit the European Union in any case if they wanted to. Since these buffer zone countries are expected to join the European Union in any case, it was a viable medium term strategy. Rather than crossing the border, they were waiting for the border to cross them.

However, these new forms of circulation also revive older ethnic relations, sometimes antagonistically. In a paper by Hann (n.d.) he analyses the increasing tensions in the town of Przemysl on the Polish/Ukrainian border from which Ukrainians were purged and which has lingering memories of Ukrainian brutality during the Second World War. The return of Ukrainians in the form of cross-border traders and shopping tourists has helped to waken some of these tensions and encourage Polish nationalist rhetoric. Elsewhere in Poland, the mobility of people have made it possible for the German minority, suppressed for many years, to become more militant and even to form their own political party. In all the buffer zone countries, foreigners were initially welcomed as signs of a new 'opening' but attitudes against foreigners have gradually hardened according to some surveys (Csepeli and Sik 1995).

With increasing communication can also come friction and the revival of other antagonisms too. Thus, the ancient antagonisms between Czechs and Germans have resurfaced in a string of complaints about the behaviour of German tourists in the Czech Republic and their mistreatment by Czechs. For example, there were complaints by the Germans about being harassed and even shot at for traffic violations in the Czech Republic and by the Czechs, most recently, that Germans are coming across the border at Cheb to dump their rubbish and avoid high disposal charges in Germany (*Prague Post* Feb 12-18 1997). A continually weeping sore in the Czech relations with Germany is the question of the Sudetendeutsch, 2.9 million of whom were expelled between 1945 and 1948 and who formed societies of expatriates in their countries of exile (mostly Germany and Austria). These expatriate societies are now demanding compensation (although in fact they were already compensated) and the right to resettle or reclaim their former properties. They have been active in the local politics of their former towns and homelands (Müller and Uherek 1997). This point is frequently raised in negotiations between the two countries.

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These circulation of people also results in the transfer of consumer aspirations, life styles and tastes. The small suitcase traders discover new consumer trends in the Polish street markets which they then take back to Ukraine. This kind of small scale production is able to be very flexible and responsive to consumer tastes and needs. Styles of living seen on TV or in shops are transmitted from Austria and Germany to the buffer zone and then from the buffer zone eastwards leading to certain regional fashions. This can be seen most clearly in house building, since buffer zone building workers work on private houses in Germany and Austria whilst Ukrainian building workers work in the buffer zone. Certain fashionable features for houses are transferred or spread within the region at a rapid rate (for example, flights of steps up to the front door, arched windows, turrets, arcades and swimming pools or small lakes in the garden).

Until now we have discussed the issue of people moving across borders. But it is also the case that the border itself moves. Many people in this region have become migrants without ever moving. Poland was moved some 500 kilometres westward at the end of the Second World War, and the eastward borders have likewise changed many times. An elderly person living in Uzhgorod, for example, could have been a citizen of Hungary, Czechoslovakia, Russia and Ukraine without ever leaving home. These changes of border nevertheless left many people with family and cultural links which straddle the border and these family and cultural links were being revived once more when the borders are opened. The rapidly changing contours of the European Union open up this possibility once more.

### **Old and New Enemies: attitudes to neighbours and immigrants**

The Central European Buffer Zone which we have described so far was always historically a buffer between different European Empires. The region has seen many battles, boundary changes and changes in rulers, nearly all of them foreign ones, over the centuries. The struggles for independence begun in the nineteenth century and still being fought now gave people in the region a sense of the arbitrariness of citizenship and very strong feeling for the historical importance of their nationhood - and also its vulnerability to foreign powers. For the last few centuries the Buffer Zone was carved up between the Austrian, German, Russian and Turkish Empires and for many of these lands it was an unhappy experience of feudal foreign oppression. In this century alone, they have been invaded by Soviet, German, American, British and French armies and some countries lost up to one third of their population in the last war. The opening of borders and the opening of societies have allowed both new and old fears to surface, even though more nations are more independent than they have ever been.

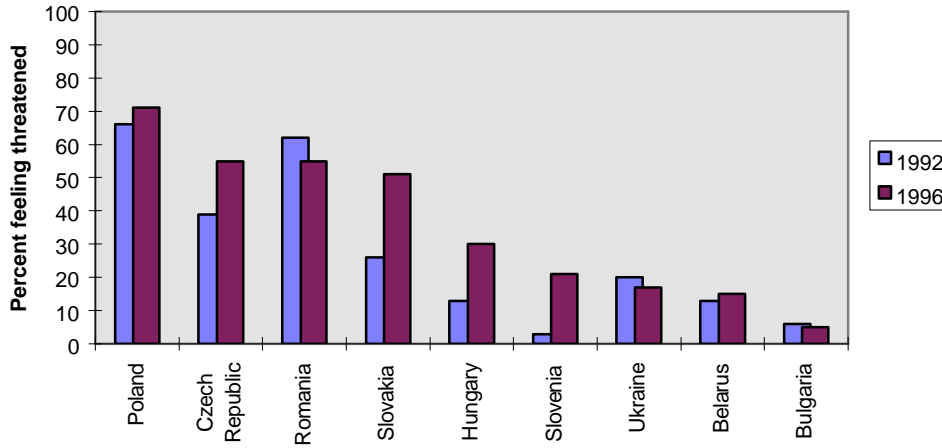
For the Buffer Zone countries the most recent historical threats have come on the western side from Germany (the last invasion is remembered very vividly by the older generation) and on the eastern side by the Soviet Union, dominated by Russia. Although the Soviet Union has been dismantled, Russia is still seen as having potentially expansionist ambitions. For this reason we looked at the attitudes towards Russia and Germany in the Buffer Zone and

surrounding countries using the New Democracies Barometer. We can see from Charts and that there is far more fear of Russia than there is of Germany. Less than 50% of people in all countries fear Germany but in many countries more than 50% see Russia as a threat. The Buffer Zone countries see Russia as much more of a threat than do Bulgaria, Ukraine or Belarus - these latter countries have many socio-cultural and political links with Russia which the Buffer Zone countries do not. The Buffer Zone countries which immediately border Germany - Poland and the Czech Republic - both see it as more of a threat than do the other countries in the region. However, we can see that whilst fear of Germany has fallen dramatically in Poland since 1992, in the Czech Republic it has actually risen - although only slightly.

We might expect a sense of threat from powerful neighbours to have declined over the time that these countries have been independent and have become more politically stable and economically prosperous. In fact the opposite is the case. Looking at the differences between 1992 and 1996, we can see that six of the nine countries feel more threatened by Russia than in 1992 and the same number feel more threatened by Germany. In the case of Romania, it could be the Russian intervention and occupation of part of neighbouring (and socio-ethnically similar) Moldova by the Russian (formerly Soviet) Fourteenth Army enhanced a sense of threat from Russia. In the case of Slovenia, it was the fear of traditional Russian support for the Serbs which may have increased this sense of threat. With other countries it is more difficult to explain given that the Russian troops all left these countries just prior to 1992. In the case of threat from Germany, it could be Germany's economic dominance of the region which is seen as potentially threatening.

#### **Chart 6 Perceived threat by Russia: 1992 and 1996**

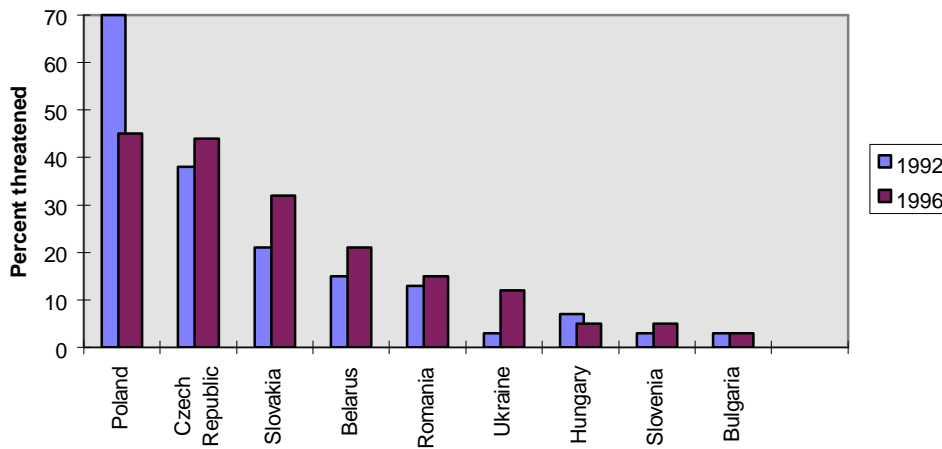
Perceived threat by Russia: 1992-1996



Source: New Democracies Barometer 1992 and 1996, Paul Lazarsfeld Gesellschaft, Vienna n=18 000 (Question: 'Do you think that Germany poses a threat or no threat to peace and security in this society?')

Chart 7 Perceived threat by Germany: 1992 and 1996

Perceived threat by Germany: 1992 and 1996

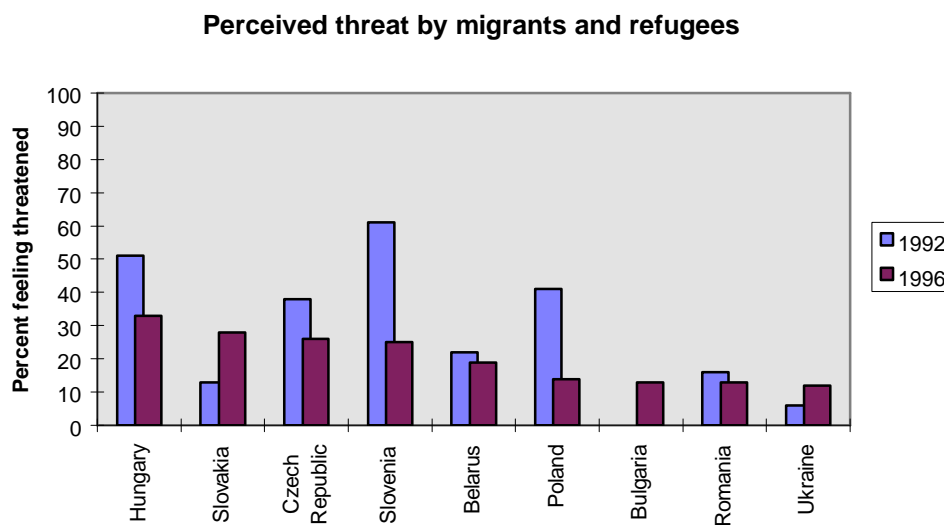


Source: New Democracies Barometer 1992 and 1996, Paul Lazarsfeld Gesellschaft, Vienna n=18 000 (Question: 'Do you think that Germany poses a threat or no threat to peace and security in this society?')

So much for old enemies. What about the new foreigners? We have already indicated that these societies have experienced an influx of foreigners which although small in absolute terms (not more than 1.6% of the population) is a new experience historically in societies which were cut off from contact with visitors. We can see however, from Chart p that comparing 1992 and 1996, the sense of threat from migrants and refugees has gone down over the period in most countries. The exceptions are Slovakia and Ukraine - in Slovakia the sense of threat from foreigners and migrants since independence has grown quite dramatically, even though

our comparative research indicates that Slovakia receives much fewer refugees and migrants than do all the other Buffer Zone countries. In general, despite the increase in the number of refugees and migrants, the sense that they are a threat to the peace and security of the country has gone down. We can see from Chart 8 that the Buffer Zone countries are feel generally more threatened by migrants and refugees than do the countries further east and south. This is because they have received the greatest numbers of migrants and refugees, whereas the countries to the East and South are mostly those who are sending migrants and refugees. The number of people feeling threatened from migrants and refugees is still quite high at between 20 and 30 per cent in most countries, even though it is falling.

**Chart 8 Perceived threat by migrants and refugees: 1992 and 1996**



Source: New Democracies Barometer 1992 and 1996, Paul Lazarsfeld Gesellschaft, Vienna n=18 000

“Do you think, that ethnic groups and minorities within our country pose a threat (=big threat + some threat) or no threat (=a little threaten threat) to peace and security in this society?”

## Conclusions: the future of the Buffer Zone

The countries of Central Europe that we have been describing have historically formed an unfortunate buffer zone between East and West. The most recent division is between the European Union/Nato and the former-Communist countries. However, we can now echo the words of Timothy Garten Ash (1997) when we say that Eastern Europe no longer exists. Instead the former Communist block has broken up into a range of distinct regions which are becoming more and more distinct. The Central European Buffer Zone is one such region as are the newly independent countries of the former Soviet Union to the East, the Baltic region, South Eastern region and so on. Different kinds of religious beliefs, different kinds of state and different forms of capitalism characterise these different regions.

But this too is changing. The accession of some of these countries (Poland, Hungary and Czech Republic) to NATO and to the European Union in the near future means that they will

no longer be a Buffer Zone, but rather a part of the Western Zone more generally. The Buffer Zone as we have described it here will be broken up. Despite resistance from some parts of the EU and from some members of NATO, it is difficult to see why Slovakia and Slovenia should not be admitted, given their general similarities to the other buffer zone countries (these two countries have in some ways better economic records than those that were admitted). Then it is difficult to make a case for why Romania or Estonia should be excluded.

In general, the Baltic States as well as nearly all the countries we have been describing would prefer to belong to these two institutions and their futures will be shaped by these two institutions in any case whether they belong or not, just as the buffer zone was.

One scenario is the construction of a new buffer rim in the countries of the Baltic States, Belarus, Ukraine, Romania and Bulgaria, serving to create a cordon sanitaire between Russia along with the more delinquent post-Communist states (such as Georgia, Armenia, Azerbaijan etc.) and Western Europe. The European Union emissaries are already wooing Ukraine and the Baltic states with trade agreements and various exchange and regional aid schemes. Romania and Bulgaria have already long been wooed in this way. This creates what some commentators have described as a neo-colonial penumbra of countries around the European Union. Instead of helping their development, they become dependent economies, sources of raw materials, cheap labour, domestic cleaners and prostitutes for the wealthier countries of Western Europe.

Another scenario is that more extreme contrasts start to emerge between these different clusters of countries as they drift apart from each other. Thus, the Turkic-speaking and Islamic former Communist States start to drift into Turkey's sphere of influence and the Western parts of the former Soviet Union start to segregate from the Baltic States and the Asian Republics. The South Eastern countries start to form their own distinctive region as perhaps do the Christian Caucasus regions. Political, economic and socio-cultural factors are used to define them.

A third scenario is that as the Westernmost countries become more 'westernised', so the Easternmost countries become absorbed back into the influence of Russia, and we can see tendencies towards this in Belarus, parts of Ukraine and Moldova. In this way a new division of Europe would emerge between East and West, not the previous Iron Curtain division, but one which would reflect more Charlemagne's empire than Stalin's and the ideological division between Eastern Orthodox and Catholic/Protestant Churches rather than between Communism and Capitalism.

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