

---

Faith, Hope, Neoliberalism: Mapping Economies of Violence on the Margins of Europe

Author(s): ELIZABETH DAUPHINÉE

Source: *Dialectical Anthropology*, Vol. 27, No. 3/4, REVISIONS OF NATIONALITY AND CULTURAL IDENTITY IN CONTEMPORARY EUROPE (2003), pp. 189-203

Published by: Springer

Stable URL: <https://www.jstor.org/stable/29790686>

Accessed: 13-09-2019 12:34 UTC

---

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact [support@jstor.org](mailto:support@jstor.org).

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at <https://about.jstor.org/terms>



JSTOR

*Springer* is collaborating with JSTOR to digitize, preserve and extend access to *Dialectical Anthropology*



## Faith, Hope, Neoliberalism: Mapping Economies of Violence on the Margins of Europe

ELIZABETH DAUPHINÉE

*Department of Political Science, York University, Toronto*

**Abstract.** This paper explores the manner in which the east of Europe has been theorized in the post cold war environment, and the implications for our understanding of the relationship between east and west. It argues that hegemonic discourses of neoliberalism lend a quality of inevitability to the integration of east into west, which in turn leads to a singular conception of Europe at the end of a trajectory of development. The paper argues that the relationship of western Europe to eastern Europe is more fruitfully explored through the conceptual framework of a center to its margins, which allows for a broader range of analysis on the issues – conceptual and implementational – at stake in transition processes, and which will allow for a theoretical exploration of where power is located and exercised. Because eastern Europe is understood in scholarly and policy communities as politically and geographically European, the study of postcommunist transition in Europe falls outside the purview of a development studies community that is increasingly focused on the emerging north/south divide. In a scholarly environment where the East/West divide no longer constitutes a salient focus of study, there is a need for the development of a framework that will provide a richer understanding of the reconstituted relationships being formed in Europe in the post-cold war environment. This paper argues that the social, economic, and political impact of disciplinary neoliberalism in eastern Europe can benefit from an analysis that takes into consideration the Eurocentric, disciplinary power that lies at the core of the transition process. Toward this end, it is necessary to query the discursive foundations of what constitutes the ‘properly European’ in order to develop a framework for a more fruitful course of analysis with respect to the relationship between Europe and its fluctuating eastern margins.

*“There is no pure non-violence, but only degrees and economies of violence, some of which are more fruitful than others.”<sup>1</sup>*

It is hardly worth mentioning anymore that the post cold war world has been increasingly characterized by the centripetal forces of economic globalization with its attendant free trade regimes, international financial institutions, and neoliberal regulatory frameworks within which international economic and political relationships are forged. International attention to the processes and effects of globalization has been marked by ambiguity, often caught between the seeming inevitability of the ineffable progress of neoliberal restructuring and the concomitant backlash that is said to be evident in the centrifugal forces of identity politics and nationalism in the developing world. Indeed,

perhaps what is most striking about the steady encroachment of neoliberalism on the peoples and societies of the world is the seeming inevitability, or naturalness, of its progress and the extreme marginalization of its detractors. Supporters of globalization point to (future) reductions in poverty, greater social mobility, access to markets, and steadily growing GDPs; detractors point to growing poverty margins, human conditions of misery in export processing zones, and a net loss in democratic accountability as the exigencies and contingencies of daily life depend more and more on corporate leadership than on the traditional representative institutions of state. Accordingly, a flurry of literature dealing with globalization “post cold war” has developed. This phenomenon has coincided with a shift in academic attention from the “old” east-west divide to the “new” north-south chasm and, indeed, there is growing attention to the fundamental inequalities that characterize this relationship.

The scholarly withdrawal from the “hard” divide between the east and west of Europe is indicative of the inefficacy of theorizing Europe along the conceptual lines provided by (and constitutive of) the immobile fixtures of the cold war.<sup>2</sup> Concomitantly, there is a general understanding among scholars and policymakers alike that the termination of the cold war divide in both ideological and geographical terms has been replaced by the appearance of, or desire for, a “complete” Europe that is (or is moving toward) a liberal, democratic, market-oriented uniform entity. This study seeks to query these processes, and the claims that appear to render them both natural and inevitable outcomes for the states and peoples that occupy the spaces of “east”. At the core of this exploration lies the question of how best to approach the study of these processes in a political and intellectual environment that is dominated by the concept of “postcommunism” as a replacement for eastern Europe, which carries with it the understanding that the postcommunist state is a state of transition that leads to a singular posited outcome: entry into the institutional and conceptual terrain of “Europe”.

With the apparent closure of the east-west divide (or at least its dramatic minimization) the scholarly attention that rushed to the collapse of communism in central and eastern Europe, and to analyze the destruction of the Soviet Union and the wreckage of the SFR Yugoslavia has slowly thinned out, save for those who moved on to the as yet unclear future of the Balkans, Central Asia, and the Caucasus or those (like myself) who still look on at the long-failing international attempt at continued political triage in places like Bosnia and Kosovo. Those post-1989 states that retained their authoritarian leadership (namely, Belarus, Slovakia until the end of the 1990s, Croatia until the demise of Tudjman, and the limbless Yugoslavia until the ousting of Milosevic in October 2000) were increasingly looked upon as

rogues or holdouts – resisters to the inevitable future of life in the “real” Europe. For the postcommunist states of central and eastern Europe, life in the “real” Europe seems to have already been underway for some time. Three of the Visegrad countries have already acceded to NATO membership, and five other states – Estonia, Latvia, Lithuania, Slovakia, and Slovenia – are expected to join before the end of 2002. Romania and Bulgaria will likely be invited to join soon after. In post cold war Europe, NATO expansion is not just the provision of a security umbrella and the integration of technological strategic military systems. It also crucially paves the way for, even as it responds to, the unification processes at work across the European continent. Observers of NATO’s eastward expansion have noted that “the move is seen . . . as a key step towards reuniting the European continent and strengthening democracy in the old Soviet bloc”.<sup>3</sup> *The Washington Post* cited former U.S. ambassador to Poland Daniel Fried and others on the U.S. National Security Staff as explaining that “expanding NATO would mean expanding the area of democracy, free markets, and stability in Europe”.<sup>4</sup>

More importantly, perhaps, and requisite for accession to organizations such as NATO, has been the concomitant “re-Europeanization” of the states, societies, and regions “lost” to communism after the Second World War. This process of “transition” has been central to the experience of post-communism in Europe, and has included a host of measures designed to liberalize, privatize, and otherwise restructure the command economies of eastern states in order to make them compliant with the market systems of the west. It has also involved processes of democratization, institution-building, media reform, and civil society development along established western lines. And although some observers have detected problems with the *progress* of transformation, no one has seriously challenged the process itself, or the destination that has been programmed into the conceptual navigation system.

### **The east reconstituted**

In 1992, David Campbell warned that “[t]o proclaim the end of the cold war assumes that we know what the cold war was. Moreover, the very act of proclaiming the end of the cold war serves to write history in such a way that the cold war becomes an era of understanding which is not problematic”.<sup>5</sup> Similarly, the announcement that eastern Europe is operating in a state of transition framed by a postcommunist landscape that is the legacy of that cold war rests equally on a set of unproblematized assumptions. It firstly assumes that we can identify transition as a process along a trajectory – a teleology – of development and that east European states can be definitively ‘placed’ at points along that clearly definable continuum. Second, the identification of a

processual transition provides the framework within which a “before” and an “after” are ontological necessities. Third, the identification of these “before” and “after” conditions indicates that the trajectory itself is one that moves in a particular direction, which in turn indicates (the desire for) a singular outcome – a particular possibility that automatically eradicates or eclipses other potential outcomes. Fourth, the very identification of some states as “eastern” serves to demarcate them in important ways from states that are not “eastern” – or, in other words, from those that are posited as “western”.<sup>6</sup> In the context of post cold war Europe, however, traditionally rigid conceptions of “east” are increasingly fragmented and are thus ill-equipped to signify the hard and fast distinctions that characterized the discursive exigencies of the cold war. In the span of a single decade, it has become difficult to know, or agree on, what “east” really is. The intersubjective understandings of east that fixed the concept in relation to west are no longer fixed. The “east” is in conceptual, theoretical, and geographic flux. With the accession of Poland, Hungary, and the Czech Republic to NATO, and the depth of their integration into the institutional structures of the west, the Visegrad states seem decidedly less “east” than, say, Ukraine, Bulgaria, or Lithuania. Even if we strive to retain our conception of the Visegrad and former “eastern bloc” states as “east”, we certainly cannot easily reapply the geographical division indicated by the so-called iron curtain, because it is patently unimaginable to cling to the idea of a DDR, no matter what the economic and social difficulties in Germany’s geographic east. Those who would posit the east as beginning at the Odra River are already experiencing some slippage as a result of Poland’s economic and military integration with the west, and identifying the Odra as a meaningful boundary will not likely be tenable if (when) Poland is admitted to the European Union. The “east”, then, is a category in flux, where conceptual understandings are no longer firmly attributable to the particular territories that were once identifiable by their relegation to the “other” spatial and ideological side of the iron curtain.

The cold war east/west divide gave way with the seeming demise of communism to a political imaginary that disrupted dominant conceptions of east and west as oppositional entities. The postcommunist political imaginary in the west foresaw the unification of Europe, and the east became a site onto which the ambitions, needs, and desires of a new Europe were formed and mapped, even as the west became the object of desire for some in the east. In this political framework, all of Europe, with its seemingly continental desire for democracy, became, essentially, “west”. But “west” could make little discursive sense without the juxtapositional “east” written as the communist, command economy, authoritarian other. The political imaginary of geographic and conceptual “west” gave way to a geographical and concep-

tual “center” toward which the postcommunist states could be drawn. What could not be drawn, reformed, reeducated, and absorbed, was reconstituted as “marginal”.

The margins of Europe can thus be identified as both physical places and conceptual spaces, and are marked by the identification of marginal social forms, marginal histories, marginal economies, and marginal political practices that have been posited as alien to the west of Europe. These margins are territorial – in the sense that they are composed of postcommunist states – but they are also shifting, insofar as not all postcommunist formations are marginal, and not all postcommunist formations are European – and they are conceptual, in the sense that they continue to be separated from the west of Europe in social, political, ideological, economic, and historical ways. Kopstein and Reilly provide us with one way to draw the distinctions: “[a] handful of countries (Poland, Hungary, the Czech Republic, Slovenia, and perhaps the Baltic States and Slovakia) have made significant progress in marketization and democratization. A much longer list (Albania, Croatia, Bulgaria, Macedonia, Romania, Yugoslavia, and the former non-Baltic Soviet republics) has made far less progress . . . by 1995, it was already possible to see the contours of at least two very different (and stable) postcommunist outcomes, one increasingly ‘[w]estern’ and the other decidedly not”.<sup>7</sup> Kopstein and Reilly argue that postcommunist outcomes are directly related to eastern states’ geographical proximity to the west, and point to the “spatially dependent nature of the diffusion of norms, resources, and institutions that are necessary to the construction of political democracies and market economies in the postcommunist era”.<sup>8</sup>

Grounding the possibilities of postcommunism in geo-dependent terms pushes the margins of Europe eastward, and positing geographical location as an important prerequisite for successful emulation adds a quality of inevitability to the assertion that “geographically isolated” states are structurally relegated to the outer space of the nonEuropean. However, the increasing inadequacy of “east” as an indicator of geographical and ideological continuity means that the criteria of what constitutes the conceptual east must be reconsidered. No longer simply a function of space, difference or deviation from the western iteration of Europe is increasingly constituted by measuring progress in democratization and free marketization – or, in other words, Europeanization. This scenario suggests the proposition that the “Europe” toward which the postcommunist world is ostensibly moving is no longer a “west” awaiting the incoming of the “east” (because once “east” has arrived in this “west”, the terminology of “west” and “east” collapse on themselves), but rather an “outer” arriving in an “inner”, or “center”. In this way, then, the margins of Europe have been imbued with a sense of mobility

on the basis of the progress made in their movement either towards or away from the center.<sup>9</sup>

The margins of Europe, then, are thus not *because* of their particular political and economic forms or because of their geopolitical locations. As we are seeing with the incoming of the east, histories (and their renarrativizations) are not immutable. Similarly, with respect to the increasing inefficacy of the descriptor “east”, categories of signification are not immutable, ahistorical, or vested with a fixed and singular meaning. Rather, the margins of Europe are margins because of the particular discursive practices afoot in Europe that assign particular attributes significance. It is through our intersubjective agreement on “what matters” that we come to know particular post-socialist states as backward, inefficient, underproducing, politically juvenile, oppositional in their identities, and generally untrustworthy.<sup>10</sup> These are characteristics, however, which, no matter how seemingly entrenched in particular eras, are understood to be malleable with perceived alterations to potentially reconstitutable relationships. In the postcommunist era, the east of Europe is understood to be just one such malleable entity because of its susceptibility to the guidance offered through Western political and economic assistance.<sup>11</sup> Indeed, not only can these states be transformed, but they *must* be transformed if they wish to be understood as properly European. Transformation, then, is not a fixed process with clear origins and outcomes on a politically neutral and inevitable continuum, but rather occurs as post-socialist states are instructed in, and respond to, democratization, marketization, restructuralization, privatization, liberalization, and so on.

Furthermore, political, economic, and social structures (and conceptions of them) in the states of eastern Europe have been fundamentally reconstituted not just in voluntary imitation of western liberal democracies, but in obligation to Western-dominated financial institutions. The consensual aspects of neoliberal restructuring rest on the promise of an eventual place in Europe via the European Union and NATO. Implicit in the promise of Europe is an understanding that these states are not yet properly European. They are less than Europe – outside the center – but they can be *brought inward*, and this is reflected in political, intellectual, and institutional discourses that urge the eastward moving margins of Europe to catch up, modernize, privatize, democratize, marketize, and otherwise *advance*. Within the parameters of neoliberal and neoclassical economic theory, such concepts are perceived and rendered as value-free, objective requirements of economic and political success, rather than as particular products of particular historically-generated subjectivities on how legitimate political communities should operate. Indeed, Stefan Andreasson has noted that the “rhetoric of unavoidability, and inevitability, is often employed by proponents of global financial

liberalization”, which in turn “preempt[s] criticism of problems associated with [particular] economic developments”.<sup>12</sup>

Increasingly, many in the development community are recognizing the Eurocentrism of neoliberal development frameworks and their inappropriateness as models for the development of non-European societies. However useful the concept of Eurocentrism may be in an analysis of the eastward moving margins of Europe, the increasingly vocal charge of Eurocentrism on a global scale serves to render specificities in the east of Europe invisible, even if it is evident that the marginal spaces of Europe are not the originary spaces from which hegemonic European discourses emerge and are consolidated. The problem is that, even though east Europe is not-yet-Europe, it is still *too* Europe to be picked up by a development radar screen that has oriented itself primarily along a north/south axis. What is more, the dominant perception that the east and west of Europe are increasingly in the process of integration, coupled with the truly horrific political, economic, and social situations that require immediate attention in much of the global south, means that the east of Europe is likely to appear *more* European as time passes and as it increasingly displays democratic and neoliberal forms, and so these areas are increasingly *less* likely to be approached in the future through the north/south comparative frameworks of development theorists. However, it is clear that the east of Europe and the neoliberal processes and effects at work within might be elucidated to some extent through attention to the Eurocentric practices of development, even if it is not entirely appropriate to theorize the east along a north/south axis, given the tremendous disparities between the east and the south writ large.

(Western) Eurocentrism has been characterized with respect to the south in a number of ways that are appropriate for a richer understanding of the relationship of Europe to its eastward moving margins. In the north, Eurocentrism has “impoverished development studies and related disciplines by blocking access to alternative concepts and indigenous sources of knowledge from the developing countries themselves. In the [s]outh, it has perpetuated intellectual dependence on a restricted group of [w]estern academic institutions that determine the subject matter and methods of research . . . [further,] knowledge filters down from a select group of [f]irst [w]orld academic institutions to the intellectual elite of developing countries”.<sup>13</sup> These processes can also be located in the east of Europe, where intellectual elites are increasingly expected to conform to neoliberal and neoclassical economic theoretical imperatives, thereby acting as local knowledge-brokers for Eurocentric political and economic requirements. What John Brohman identifies as the social relations and structures of non-western societies (i.e., the presence of peasantries and other non capitalist social forms, as well as the



existence of an important informal sector) are also often found in the societies of east Europe.<sup>14</sup> Consider, for example, the vast informal educational, health-oriented, and judicial forms that developed among Albanians in Kosovo alongside, and in place of, the formal Yugoslav/Serbian sectors, or the well-documented kinship systems that developed in many socialist states for barter and the local exchange of goods and services. The scholarly assertion that there is a “Eurocentric domination of developing countries” is a charge that might usefully be leveled at development strategies in the east of Europe, as the encroachment of western neoliberal forms dismantles and disrupts the kinship and other informal structures that are in some cases radically distinct from the experience of west Europe. Because the east of Europe is still viewed from outside of Europe as Europe, the pull from the center is much more difficult to theorize as a product of Eurocentrism. Making Europe “more European” through a disciplining of its margins is not a violence that often appears on the radar screens of those who theorize neocolonialism, neoimperialism, or development more generally.

### **The IMF and westward moving eastern states**

International financial institutions (IFIs) are critical sites from which core neoliberal values are promulgated and enforced. Originally envisaged as a component of the postwar Bretton Woods system of financial regulation, the International Monetary Fund (IMF) is committed to “the expansion and balanced growth of international trade in a setting of stable and orderly exchange arrangements”, which is to be accomplished by three fundamental operating principles: (1) pursuit of “universality”, wherein the IMF “does not normally establish distinctions [in its dealings] among countries or groups of countries”. (2) “uniformity of treatment”, “allowing for no preferences in favor of any country or group of countries”, and (3) “political neutrality”, whereby the IMF remains focused on the regulation of the international system, and strives to “maintain an appropriate balance between the interests of individual members and those of the membership as a whole”.<sup>15</sup>

IMF lending and regulatory programs, despite assertions that they are “politically neutral”, are solidly based on, and have been formed within, western-dominated commitments to particular codes of economic conduct that have been developed to promote systems of free market relations framed within (nominally) democratic institutions. In this sense, institutions like the IMF overwhelmingly reflect the political and economic interests of established markets and economic powers. Further, these institutions are increasingly empowered to ensure that neoliberal values are imposed on the states that are dependent on IMF loans. Stephen Gill has referred to

this empowerment as “disciplinary neoliberalism”, which is characterized by the fiscal and political imposition of state, judiciary, and social forms, and the exercise of surveillance to ensure that these forms are instituted and maintained. He notes that “[a]t the heart of the global economy there is an internationalization of authority and governance that involves international [financial and monetary] organizations” which are “represented in everyday political discourse and the mass media as an abstract, hyper-rational and largely uncontested set of social forces and processes”.<sup>16</sup> Borrowing states are structurally dependent on the fiscal and political decisions of lending institutions, which increasingly reflect the interests of mobile capital based in established western states.

This “virtual control” of national, and by extension, local economic decision-making capacity is achieved through a number of IMF mechanisms, including conditionality in lending and surveillance. Under the Articles of Agreement that form the core of its constitution, the IMF has a mandate “to exercise firm surveillance over the exchange rate policies of members in order to oversee the international monetary system and ensure its effective operation. To this end, the IMF assesses whether a country’s economic developments and policies are consistent with the achievement of sustainable growth and domestic and external stability”.<sup>17</sup> This involves a set of rules to be followed and a series of procedures to ensure their application. The IMF admits that such rules may be difficult: “[s]ince it sets constraints on behavior, any code of conduct is typically subject to pressure and confronts a variety of risks. The pressure reflects a natural tendency to avoid the constraints; the risks develop out of the incidence or frequency of successful avoidance”.<sup>18</sup> The risks are not understood as being incurred, as one might expect them to be, by the borrowing state, but by the IMF itself. Further, “while rules may give rise to pressure, they also identify deviations clearly and, to that extent, help contain the risk of their occurrence”.<sup>19</sup> Thus, any state’s attempt to shirk its neoliberal responsibilities is to be regarded as a “deviation”, which can in turn be understood to be detrimental to the entire international financial system. “[I]t is worth emphasizing that surveillance, when effective, not only promotes order in each national economy but also in the system as a whole”.<sup>20</sup>

Catherine Lutz and Donald Nonini have argued that “the dominant neoliberal ideology of the new transnational political and economic elites has been implemented in various neo-liberal projects . . . which have entailed the privatization and minimization of state functions, the reduction of state expenditures in order to balance budgets, discipline domestic labor, and attract global investment capital, and the elimination of . . . social programs”.<sup>21</sup> There is an implicit understanding that, while the international system envisaged by the IMF and other financial regulatory institutions

includes all member states, only some states will find themselves at the borrowing end of the spectrum. For example, Robert Rubin, former U.S. Treasury Secretary, had this to say when asked by a group of non-western, IMF-dependent bankers whether he would ever want to request IMF assistance for the United States: “[i]f I was at Treasury, I could go to the IMF and say ‘we need a program’ . . . and what’s fortunate is that we can influence the IMF so I could negotiate with myself”.<sup>22</sup> With the end of the cold war, the IMF emerged as the most powerful financial regulatory institution in history, with more than 182 contributing member states and around \$290 billion in resources.<sup>23</sup> Even Jeffrey Sachs, the architect of structural adjustment programs in Poland and the Russian Federation, has noted that “hundreds of millions of people depend more on IMF leadership than on their own political leaders, so intrusive has the IMF become in the weak and vulnerable nations of the world”.<sup>24</sup>

In the east of Europe, structural adjustment programs accompanied by neoliberal reform have focused crucially on the privatization of socially-owned enterprises and firms. The not-so-innocuous euphemism for restructuring programs – “shock therapy” – has provided a basis for understanding the eastward moving margins of Europe in particular value-laden ways. The term “therapy” cannot be simply viewed as a value-free euphemism; it clearly indicates that these states have gone terribly wrong somewhere, that they are at best dysfunctional and at worst pathological, and that IMF, among other mechanisms and tools of political, economic, and social intervention will help them to become normal. What remains unclear is whether the “success” of westward-looking eastern states in implementing the long list of reforms has mitigated the attendant social costs. The ILO notes that:

[i]n most [e]astern European countries, privatization accompanied by redundancies and the introduction of hard budget constraints has resulted in large-scale job losses. This has created a pool of unemployed workers which often cannot be absorbed by other privatized firms or [by] new firms. Furthermore . . . many workers never appear in the unemployment statistics because, either before or after the privatization process, they are sent on leave without pay or with very much reduced pay.<sup>25</sup>

For example, in Hungary, the state-owned lighting company Tungsram cut its 35,000 strong workforce by nearly half (to 17,640) in preparation for its sale to General Electric. Soon after assuming ownership of Tungsram, GE again halved the workforce to 9,500 by 1993. In Poland, research into 130 companies found that employment fell by 15% in the first year, and by 25% after the second year of privatization.<sup>26</sup> In the Russian Federation, as in other postcommunist states, “the majority of social services,

including housing, kindergartens, and recreational facilities, were provided by firms to their employees free or at a price substantially below cost ... [s]hedding these services has been a major feature of pre- or post-privatization restructuring".<sup>27</sup>

Moreover, firms that remain committed to the maintenance of social programs are unattractive candidates for foreign investment, and quickly find themselves unable to compete with firms that have jettisoned these programs. Budget deficits and strict conditionality attached to loans means that transformation states must do more than just tighten their belts or streamline in the social sector. In Moldova, a chronic budget deficit led to measures in which half of the country's 90,000 health care workers faced being discarded. "Patients were faced with taking their own food and bed linen into the hospitals and the health care service was, in effect, privatized, as charges for services were introduced".<sup>28</sup> Similar problems in Bosnia in 1997 required health care workers there to turn away non-emergency patients. In Bulgaria, the unemployment rate jumped more than 300% between 1990 and 1997; in Poland, the increase was more than 100% between 1990 and 2000. Slovakia struggled with an unemployment rate of 18.9% in 2000, and Macedonia's 1998 unemployment rate was 34.5%.<sup>29</sup> Compounding the problem of unemployment is the problem of chronic underemployment. Some firms have been forced to employ workers on a rotational basis to meet wage obligations; other firms have simply employed the strategy of non-payment of wages for months at a time. In many countries that had introduced vouchers as a means to distribute the benefits of privatization, unemployment and underemployment has caused the large scale sell-off of these vouchers at minimal prices. In the Russian Federation, one labor ministry official told an ILO seminar that "all the [IMF loan] money is going to cover debts – there is no place for social spending ... science, education, [and] medicine are in desperate conditions".<sup>30</sup>

The processes of neoliberal restructuring and their attendant social consequences cannot be understood simply as temporary measures designed to "balance the books" in the period before full entry into the lifeways of the "real" Europe can be achieved. In 2000, the IMF warned the eastward moving margins of Europe that "low wage differentials between skilled and unskilled workers, and generous unemployment benefits that characterize much of [w]estern Europe [and which, ironically, characterized much of eastern Europe before the restructuring began] were detrimental to the goal of labour market flexibility".<sup>31</sup> It is increasingly evident, however, that some of these eastern margins require yet more instruction. In 2002, the Russian Federation joined Bosnia in offering foreign investors insurance against itself. The program, "created with the help of the World Bank, is aimed at

convincing foreign leaders that the nation's famously perverse bureaucracy will not stand in the way of commercial success". Moscow is offering up to \$200 million in indemnities to foreign investors who run up against interference by "inept or corrupt" officials. In the event that the Russian Federation fails to pay the claim within 15 days, the World Bank will step in to cover the costs, and Russia will be required to reimburse the World Bank "or face the consequences of default to an international financial institution".<sup>32</sup>

### **Economies of violence**

Jacques Derrida suggests that the hegemonic model of neoliberal capitalism serves to create a conception of Europe that delineates what Europe or being European can properly signify. Europeanness, in this conception, can and should be viewed as a homogenized whole – it is a singular possibility of identity universally imagined – and difference or deviation from this autobiography is alien and unEuropean, and so must be redressed, reformed, or stamped out. Just as the proclamation of the end of the cold war "assumes that we know what the cold war was", the "autobiography" of Europe in what have been identified as the postcommunist "transition" years assumes a single narrative, composed with knowledge of what Europe is, has been, or will become, and who or what may be properly included in that designation. Derrida notes that "it is always in the figure of the [w]estern heading that Europe determines and cultivates itself; it is in this figure that Europe identifies itself, identifies with itself, and thus identifies its own cultural identity".<sup>33</sup> In this way, the collection of knowledge that comprises this "autobiography" "[n]o doubt presupposes an identifiable heading, a telos toward which the movement, the memory, the promise, the identity, even if it be as difference to itself, dreams of gathering itself".<sup>34</sup> Homogenized conceptions of Europe center on the successful implementation of liberal democratic polities and market capitalism and common membership in the institutions that regulate and define the parameters of political and economic possibility. These structures contribute to the construction of a particular framework of what counts as European, and their disciplinary practices provide a uniform and transposable imaginary as a universal model of politico-economic being. For a variety of reasons, east European socialist states have not all fit comfortably into the framework of the European autobiography. This is why we have seen western hegemonic response to postcommunist possibilities articulated in the language of democratization, modernization, and marketization. Through the template of market democracy, which is rendered as the natural evolution from the primitive world into the modern one, western states and international financial institutions have sought to incorporate their eastern others into the

emerging center of Europe. They have done so through IMF restructuring, the dismantling of socialist welfare states, and through the continuing integration of national economies into the globalized western free market system. These forces have brought liberal democracy, national elections, even NATO in one form or another, in a concerted effort to re-Europeanize these eastern others. They have also brought political powerlessness, social erosion, and an unprecedented collapse in income and services.

It has not been my intention here to offer “the Truth” about the “real” ways in which the east of Europe have been mapped out and reconstituted in the postcommunist period. Instead, the question of how it is most fruitful to theorize the manner in which the east is being subsumed by the dominant narratives of incorporation into the west has been the focus of study. The collapse of the east/west divide in Europe has led to a representation of the east that centers on reconstituting its economic, political, and social possibilities in ways that serve to further the discourse of European integration. It has also arguably reformulated the relationship of east to west as one of margins to center, which has led to a quality of inevitability in both policy and scholarly circles that the east is moving toward – or into – the political, social, and economic realm of the west. This raises the question of how these processes should be studied in a political and intellectual environment that has already accepted the “incoming” of the east. One potentially fruitful course of analysis is to theorize the east of Europe along similar lines as those offered by development studies so that the Eurocentric/centralizing practices that characterize this “incoming” can be rendered visible and scrutinized in more critical ways. Neoliberal economies of violence that result in the wholesale reconstitution of economic sectors, the social dislocation and deprivation that this entails, and the dramatic withering of social safety nets and services do not, of course, only affect the states and peoples of eastern Europe. However, there is clearly a sense of legitimacy involved in these processes as the states of eastern Europe are “prepared” for integration with the west. With respect to non-European societies, such processes can be effectively theorized by scholars as Eurocentric, and a potentially wide range of problematic implications can be addressed. However, because the charge of Eurocentrism is difficult to apply to Europe itself (i.e., eastern Europe), the disciplining processes at work in the east of Europe tend to fall outside the purview of a scholarly community that is increasingly focused on north/south issues in an era of rapid globalization. This enables the development of a naturalized consensus that east European postcommunist states are arrayed along a continuum of transition that leads to a singular posited outcome: entry into the institutional and conceptual terrain that is “Europe” – at any price.

## Notes

1. John D. Caputo in John D. Caputo (ed.), "Deconstruction in a Nutshell: A Conversation with Jacques Derrida" (New York: Fordham University Press, 1997), 47.
2. I have consciously chosen to refer to the east and west of Europe in lower case throughout this paper. The use of capital letters to designate East and West implies that these entities are bounded, known, and knowable in particular political and geographical ways, and there is a whole range of conceptual baggage that therefore accompanies these designations. Most problematically, the terminology of East and West recalls an ideological divide that is not well attenuated to any discussion of the post-cold war period and its possibilities. I have therefore chosen to use the lower case as a continual reminder that these categories are not immutable – that they are, in fact, socially constructed, contingent discursive entities whose meanings and designations are in continuous motion.
3. "NATO's Big Push East Will Take In Up To Seven States," *Daily Telegraph*, 27 September 2002. The George W. Bush administration's post-September 11 impetus to broaden the 'security umbrella' and seek *de jure* allies in the war on terrorism is another important factor. See "NATO to Admit 7 Eastern European Nations," *Washington Post*, 27 September 2002.
4. "NATO To Admit 7 Eastern European Nations," *Washington Post*, 27 September 2002.
5. David Campbell, *Writing Security* (University of Minnesota Press, 1992), 15.
6. Of course, taken even further, it would be necessary to problematize the state itself as an ontological category. The confines of this paper prohibit a larger discussion of the state as an ontological category, but the reader can sample such discussions in Jacques Derrida, "Force of Law: The Mystical Foundation of Authority," in Cornell, Rosenfeld, and Carlson (eds.), *Deconstruction and the Possibility of Justice*, Routledge (London: 1994), and Cynthia Weber, *Simulating Sovereignty: Intervention, the State, and Symbolic Exchange*, Cambridge University Press (Cambridge, 1995).
7. Jeffrey S. Kopstein and David A. Reilly, "Geographic Diffusion and the Transformation of the Postcommunist World," *World Politics* 53(1), October 2000.
8. Kopstein and Reilly, "Geographic Diffusion."
9. There is also a parallel to be drawn here within the European Union itself, with the "inner" space constituted by the Schengen group and the "outer" occupied by the Euro-skeptics. I am grateful to David Mutimer for this insight.
10. See Maria Todorova, *Imagining the Balkans* (Oxford: Oxford University Press: 1997), especially 3–20.
11. A great deal of seminal scholarly work has been oriented around this very question. See Edward Said *Orientalism* (Vintage Books, 1979), and Maria Todorova, *Imagining the Balkans*.
12. Stefan Andreasson, "Neoliberalism and the Creation of "Virtual Democracy" in the Global South," *ISA* paper presented in New Orleans, March 2002.
13. John Brohman, "Universalism, Eurocentrism, and Ideological Bias in Development Studies," *Third World Quarterly* 16(1), March 1995.
14. John Brohman, "Universalism".
15. Manuel Guitian, "The Unique Nature of the Responsibilities of the IMF," *International Monetary Fund Pamphlet Series No. 46*, 1992.
16. Stephen Gill, "Globalisation, Market Civilisation and Disciplinary Neo-liberalism," *Millennium* 24(3), Winter 1995.
17. *IMF Surveillance Fact Sheet: 2001*: [www.imf.org](http://www.imf.org)
18. Manuel Guitian, "The Unique Nature of the Responsibilities of the IMF".

19. Ibid.
20. Ibid.
21. Catherine Lutz and Donald Nonini, "The Economies of Violence and the Violence of Economies," in *Anthropological Theory Today*, ed. Henrietta L. Moore (Malden, MA: Polity Press, 1999), 94.
22. "Observer: Good Deals," *Financial Times*, 26 July 2002.
23. IMF resources as of June, 2002. The IMF also retains one of the largest gold reserves in the world, with assets of 3,217 metric tons valued at \$32.4 billion. See "Where Does the IMF Get Its Money? A Factsheet," *International Monetary Fund*: [www.imf.org](http://www.imf.org) 21 August 2002; and "Gold in the IMF, A Factsheet," *International Monetary Fund*: [www.imf.org](http://www.imf.org) August 2002.
24. Jeffrey Sachs, "Time to End the Backroom Poker Game," *Financial Times*, op ed., 15 November 1999.
25. B. Martin, "The Social and Employment Consequences of Privatization in Transitional Economies: Evidence and Guidelines," Interdepartmental Action Programme on Privatization, Restructuring, and Economic Democracy, Working Paper #4, *International Labour Organization*, 1995 (updated 24 January 2000).
26. Martin, "The Social and Employment Consequences".
27. Martin, "The Social and Employment Consequences".
28. Ibid.
29. International Labour Organization, "World Employment Report: 2001," Table 4: Unemployment Rate in Transition Economies.
30. B. Martin, "The Social and Employment Consequences."
31. "IMF Warns Eastern Europe," *BBC News*, 22 September 2000.
32. "Shady Officials? You're Covered: Russia Insures Investors Against Its Own Failings," *Washington Post*, 21 September 2002.
33. Jacques Derrida, *The Other Heading: Reflections on Today's Europe* (Indiana University Press, 1992), 25.
34. Derrida, *The Other Heading*, 25.

### Biographical note

Elizabeth Dauphinee is a doctoral candidate in the department of Political Science at York University in Toronto, Canada. She holds a doctoral fellowship from the Social Sciences and Humanities Research Council of Canada (SSHRC) and is currently pursuing dissertation research on the ethics of international intervention and selected problems with peace operations and implementation in Southeastern Europe. Her primary research interests include critical security studies, representations of war, intervention, and peacekeeping; sovereignty, ethics, and theology. She earned her MA from York University in 2000.