

# Reinterpretation of economic history in the Baltic countries, 30 years after independence

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## ABSTRACT

What has happened to the economic history in and about the three Baltic countries Estonia, Latvia and Lithuania after independence in 1991? The survey includes problem areas researched, the reinterpretations of history in different periods, in particular the interwar years and the period of Soviet rule after the Second World War, and the institutional changes in the academy. Even if economic history has not been the first priority of universities, considerable work has been done on development models and the different successes and failures recorded. The frequent institutional changes of the economies, from liberal to state capitalism, to command economy and back to liberal models, have made the task of economic historians difficult. Much time has been spent assessing data and making them comparable, and even more on looking for reliable statistics in the Soviet system. Despite many challenges, much has also been achieved.

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## 1. Introduction

Since the collapse of the Soviet Union, the three Baltic states Estonia, Latvia and Lithuania have earned a position of their own in the world economy. By far, they are better off than other former Soviet republics. Access to EU and NATO is part of the story. But even compared to other EU members in East Central Europe, they stand out. In 2022, the World Bank compiled the category 'Central Europe and the Baltics', with an average GDP per capita of USD 19,300. The Estonian average was USD 28,300, the Lithuanian 24,800 and the Latvian 21,900.<sup>1</sup> Thus the Baltic countries were successful even compared to former people's republics that were more independent in the past.

Estonia, Latvia and Lithuania denominate the nation-states of today. Before 1919, when the area was part of one empire or another, these names are incorrect. The lands of the forefathers of today's Estonians and Latvians were incorporated in Russia in the Great Northern War 1700–1721, after hosting many foreign powers. What is now Estonia and western Latvia was locally ruled by Baltic German barons, building large latifundia with serf labour. Lithuania was a different case, part of the Polish-Lithuanian Commonwealth, a huge state in East-Central Europe with independent economy and trade and an indigenous nobility. With the partition of Poland in 1795, Lithuania too became part of Russia. As Russia industrialised in the late nineteenth Century, the Baltic Sea ports and particularly Riga were favoured. Also, in Reval-Tallinn industries were built along with railway connections to the Russian interior, whereas Lithuania remained more agrarian.

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<sup>1</sup>The World Bank GDP per capita (current USD), accessed 11.07.2023.

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The Baltic provinces fought for independence in the Russian civil war of 1917–1921 and achieved separate peace agreements in 1920. Independence disappeared twenty years later, with the Molotov-Ribbentrop pact in 1939. Soviet forced their annexation in 1940, followed by German invasion in 1941, and a renewed occupation by the Red Army in 1944. In the Gorbachev era, the Baltic republics were active in the *perestrojka* process and finally achieved renewed independence in 1991.

What happened to economic history after independence, when archives were opened, and international contacts became possible? This article attempts to give a survey of economic history in the Baltic countries in 1991–2020, which will be based on texts published in English and German. More has been written in the local languages, probably inaccessible to most readers of SEHR. The languages, moreover, are not closely related. For anyone able to go deeper, the national libraries are to be recommended. Bibliographic work meets high standards in these libraries. Thus, the result here is partial and probably flawed in some parts.

The reinterpretation of the history of the Baltic countries was an important task after the renewed independence. The economic aspects were, if not disregarded, then at least second choice. Scholarly discourse changed from the characteristic Soviet schematic interpretation of Marxism to a variety of approaches. There were some more ambitious attempts to find alternatives to the Soviet version of Marxism, for instance by Zenonas Norkus, systematically exploring non-Marxist approaches, in particular that of Max Weber (Norkus, 2001). Theme-wise, a first surge of interest came towards the history of the independent Baltic republics in the interwar period 1919–1940. In the Soviet handbooks, they were dismissed as fascist and therefore failures (Eesti NSV, 1971). It was clear that this was not the whole truth. The history of the Soviet period was first studied through the documentation of violence and repression. To begin with, these studies seldom referred to the vast international literature about the Soviet Union. Contacts have developed over time, through scholars coming to the Baltics, and not least through the Baltic diaspora in Europe, U.S.A., and Canada. Universities and financing agencies have demanded internationalisation of scholarly work. The older generation of Baltic historians had to learn English and/or German late in life, so it took time for their work to reach out. History prior to 1900 has known considerably less new studies, with one important exception: the history of the Polish-Lithuanian Commonwealth sixteenth to eighteenth Century.

## 2. Institutional change

In the Soviet Union, academic work was shared among universities, charged with teaching, and research performed in various institutes of the Academies of Science. In practice, however, university teachers often continued to do research on top of their teaching. This partition changed after independence in 1991, with the aim to combine research and teaching in the universities. Such reorganisations are notoriously difficult, and conditions were not ideal. Lack of finance, a large number of scholars compared to western countries, and sharp ideological struggles resulted in a period of fierce competition. In Estonia, the History Institute has been incorporated in the history department of Tallinn University for some years, in Latvia it has only recently been fully incorporated in the University of Latvia in Riga, both through long processes. In Vilnius there is still a state-funded History Institute charged with research only. Economic history does not exist separately, but can be found both in history and economics, as in many other countries. Estonian history departments specify economic history among their tasks, whereas it is not explicitly mentioned in Latvia or Lithuania. It can also be found elsewhere, as for instance in the sociology department in Vilnius, Lithuania.

In the interwar period, higher education was part of the national project, with national history, languages, and culture as priority disciplines. National and academic agendas amalgamated, if not without some friction (Bolin, 2012, p. 183). This double agenda can still be discerned in the new academic context, understandable in newly independent countries. Economic history is not a

national discipline in this sense. The internationalisation of universities is working in favour of academic concerns, and the new generation of scholars is regularly involved in international contacts.

### 3. Early modern times

*An Economic History of the Baltic Countries* by veteran historians Enn Tarvel and Juhan Kahk, published in 1997, is a first summary from this period, and a kind of point of departure (Kahk & Tarvel, 1997). Both authors had been historians for decades, with early modern times and the nineteenth Century as their main interests. Historians under Soviet rule tended to prefer history before the twentieth Century because it was less politically charged. In general, history before the First World War and the Russian revolution in the Baltic countries has not been reinterpreted after independence in the same way as twentieth Century history. Still, a few new contributions should be mentioned.

In an article from 2013, Darius Žiemelis uses the economic conceptions of both non-Marxist and neo-Marxist theoretics to analyse the change (Žiemielis, 2013). He finds that the non-Marxist conceptions were formed to fit the most developed countries of Europe, whereas typologies of Neo-Marxists like Immanuel Wallerstein better mirrored less developed countries.

The Polish-Lithuanian Commonwealth was influenced by external markets, and world market prices dictated the orientation of production according to the analysis of exports during the sixteenth–eighteenth Century. While prices determined the orientation of production, the resulting gains were not invested according to a capitalist model but were used for consumption by the social elite. It was not really feudalism either, and might thus be characterised as peripheral capitalism. In 1795, the Grand Duchy of Lithuania collapsed and was subordinated to the Russian Empire, a semi-peripheral economy according to Immanuel Wallerstein.<sup>2</sup> Inside the empire, regional differentiation reduced the ethnic Lithuanians to agricultural producers catering to the faster developing parts. Meanwhile, the ports of the Baltic littoral, in today's Latvia and Estonia, were industrialising. Lithuania did not develop in the same way; it became a periphery to the semi-periphery due to incorporation in the empire. In a Soviet context, such conclusions would maybe not have been acceptable (Žiemielis, 2013).

Another issue was introduced by Aleksander Loit, Stockholm University. Along with some Estonian historians he maintained that the Swedish authorities planned to abolish serfdom in the Baltic provinces at the end of the Great Northern War, to recruit peasants to the army. But when Kari and Ülle Tarkiainen of Tartu University published a history of the Swedish province of Estonia, they argued that this was just a loose idea without consequences (Tarkiainen & Tarkiainen, 2013). Notwithstanding, inside the Russian Empire, serfdom continued into the nineteenth Century.

### 4. The period of independence 1919–1940

The first republics of Estonia, Latvia and Lithuania were at the centre of interest among historians at the time of independence in 1919. They often knew the sources well and wanted to correct the Soviet view of them as fascist.

The provinces of the area had been comparatively industrialised, although on different levels. Latvia was most industrialised, Estonia less so, whereas Lithuania still lagged behind. They had a reputation for high education and productivity inside Russia. The ports in the Baltic Sea were connected to mainland Russia by railway and were important for all Russian exports. Industry and agriculture produced for the vast Russian market. Moreover, during the First World War much of the industrial equipment in the area was dismantled and sent eastwards to Russia. Cut off from Russia, what were the prospects of the new economies? In *Breaking away from Russia* Jaak Valge analyses the period 1918–1924 in Estonia (Valge, 2006). He describes the chaos, the financial difficulties, the

<sup>2</sup>Immanuel Wallerstein (1930–2019) American sociologist and economic historian, famous for his world systems approach.

first unsuccessful attempts at keeping industries going, and the foreign loans. International loans and a new economic policy promoting animal husbandry, existing co-operatives and agricultural development, called ‘Denmarkisation policy’ of exports of butter and bacon, finally were able to stabilise the economy.

Important works on Latvian economic history in this period, by Gatis Krūmiņš and Aivars Stranga, have unfortunately not yet been translated to English or German (Krūmiņš, 2017; Stranga, 2017). However, in a historical overview, Aivars Stranga describes a similar ‘Denmarkisation’ strategy in Latvia in the same period. References to this policy are also frequent in Lithuanian texts, although no special study exists in English or German, so it seems to have been used in all three countries. Increasing trade in butter, bacon and timber from Latvia in the period is obvious in the work of Viesturs Karnups (Karnups, 2022).

In Estonia and Latvia, large estates belonging to German barons still existed at independence. The defeat of Germany, and the fact that many Baltic Germans had fled the area during the First World War, made thorough land reforms an option. In Lithuania, land ownership was more indigenous according to Gediminas Vaskelá. Therefore, land reform could provide less land to the local farmers. All countries in the European east, from Finland to Greece, made land reforms, but those of Estonia and Latvia were the most thorough and successful (Köll, 1994; Krastins, 2018; Norkus, 2012; Vaskelá, 1996). As a result of the comparatively productive ‘Denmarkisation’, agrarian exports increased. In hindsight it is obvious that agrarian exports from East-Central Europe contributed to the overproduction crisis, when overseas trade with agricultural products resumed in the 1920s. The resulting depression of 1929–1934 hit hard at the new republics. The depression is often mentioned in connection with the authoritarian turn of politics in Estonia and Latvia in 1934 but has not yet been thoroughly analysed in economic terms.

Industrialisation schemes have been studied in a theoretical framework that was new for the area. Economic nationalism as a development strategy in East-Central Europe was first proposed by the Polish researchers Kofman and Szlajfer (Szlajfer, 1990). As opposed to economic nationalism in developed countries, in post-imperial economies, the strategy aimed at a period of economic integration. Different branches had previously been adapted to the needs of imperial markets. In a new national context, these unconnected branches could benefit from a period of protection as a sort of infant industry programme. This was attempted in a state industrialisation scheme in Poland in the late 1930s. Looking closer, Gediminas Vaskelá describes the same policy in Lithuania (Vaskelá, 1997). Similar ideas were present in Estonia as a scheme of large-scale state investments (Köll & Valge, 1998). In the study of Latvian interwar leader Karlis Ulmanis, Latvian historian Aivars Stranga found the same conceptions (Stranga, 2017). In East-Central Europe and the Baltic countries, the Second World War put an end to such plans, whereas in Latin America they turned up again as strategies of import substitution and dependency theory.

Finland emerged from the Russian Empire in 1919 just as the Baltic countries. It was common in the first years to maintain that they had been at the same economic level at this moment. If it were not for the incorporation of the Baltic countries in the Soviet Union, the rather loose proposal went, the Baltic countries would not have been at the same level of economic development as Finland today. This proposal has been discussed in various ways. One methodological challenge is that cross country output and growth data must be reliably constructed for the interwar period, complicated by the border changes of the period. Inspired by Angus Maddison, using PPP for single countries, scholars like Jaak Valge and Martin Klesment in Estonia and Gediminas Vaskelá in Lithuania have established new estimates of historical national accounts, although these works are not accessible in English or German. Norkus, Markevičiūte et al. made a calculation of output per capita in the three Baltic countries for 1913–1938. According to this calculation, all three Baltic republics had a higher output than the Russian average in 1913. Estonia and Latvia held their places in international rankings. The article provides higher and lower estimates for all countries for the interwar years (Norkus, 2019; Norkus & Markevičiūte, 2021). As the gap

between them is wide, matters still are inconclusive. In a new article, a year later, Norkus et al. confirm their conclusions that Latvia was more prosperous than other Eastern European countries. This was in spite of deindustrialisation due to the loss of the Russian market at the beginning of independence. They write that it was on par with Italy but still lower than Finland (Norkus & Markevičiūtė, 2024). A recent article by Adomas Klimantas specifies Lithuanian GDP in the period. It grew slowly but was remarkably resilient in the great depression. The article also compares Lithuania with other countries in East-Central Europe (Klimantas, 2023). The proposal that the Baltic countries were close to the output of Finland in the troubled interwar period is to some extent supported. The counterfactual implication that the output in Finland and the Baltic countries would have been the same throughout 1945–1990, however, obviously lacks empirical evidence.

## 5. The second world war

During the Second World War, the Baltic republics were part of the bloodlands, in the terms of historian Timothy Snyder, in the area between Germany and the Soviet Union. In the secret protocol of the Molotov-Ribbentrop pact, their independence was ended at the stroke of a pen. Annexation to the Soviet Union was carried out with coup d'états and mock elections in 1940.

In the year of Soviet rule that followed, industries employing more than 20 workers were nationalised as well as agricultural land and forests. Farmers were reduced to leaseholders, and a hasty land reform reduced larger farms (over 30 ha) to give land to the landless and crofters. In June 1941, the Nazi-Soviet pact broke up with the German attack on the Soviet Union. The Baltic republics were among the first to be conquered by the Germans. Industry and land remained largely in the hands of the German rulers to support the war effort. Promises to give land back to farmers were not realised, although some of the landless and crofters were chased away from the land of larger farms. In 1944, the Red Army took back the Baltic republics from the Wehrmacht, referring to the fake annexation in the peace settlement, and the land reform resumed.

Considering the dramatic changes, this period is little represented in the economic and social historiography of the Baltic countries. In particular the three years of German occupation have been little covered although the sources in Germany have been open all along. The Holocaust is an exception, obviously. From the point of view of violation of human rights and crimes against humanity, all three countries have made efforts to document both German and Soviet crimes. Still, the only existing monograph on the economy and everyday life was published by the Finnish historian Seppo Myllyniemi in 1973 (Myllyniemi, 1973). In later years, some articles have been written. Estonian historian Olaf Mertelsmann, editing anthologies about Estonia and the Baltics in English, has contributed one on the period 1939–1953. It contains articles on the Holocaust and the puppet government under German occupation, but the main content of the volume is about the Sovietisation process after 1944 (Mertelsmann, 2005).

The Baltic countries seem very small and deviant in the international community of researchers studying the Soviet Union. Few researchers in this community, mostly writing in English, can use any Baltic language, whereas Russian is commonly spoken. These are real problems of cooperation. On top of these, however, there seems to be a difference in the historical understanding of the Soviet Union. The community of historians of Soviet and Eastern Europe after the collapse have thoroughly debated whether Nazi and Soviet rule should be considered as equals. Comparative research has been carried out on many levels, such as on the systems, the crimes, and the leaders. The general conclusion was that it would be unproductive and misleading to maintain that they were the same.

In the Baltics, on the other hand, the hammer and the sickle have been equated with the swastika in slogans at manifestations, and by politicians in the EU. Historians have adopted this assumption of equality; they generally treat the Soviet Union and Nazi Germany as the same kind of totalitarian powers. The Estonian Occupation Museum started its first exhibition with these symbols as

parallels, for instance.<sup>3</sup> Soviet and German occupations did succeed each other in time, but even so, parallel processing should be an alternative to equalisation, Katja Wezel writes (Wezel, 2016, pp. 235–236). Why Baltic historians have come to a different conclusion is however not very clear. The relative silence of Baltic historians on the German occupation leaves us without answers.

## 6. Stalinism and after

Most historical research on the Baltic Soviet republics in 1944–1991 concern the years immediately after the war, and up to Stalin's death in 1953. A majority of these studies, I would guess up to 80%, are about the violence of Soviet power. Late Soviet rule is more of a blank spot in Baltic historiography. The image of the Baltic Soviet republics after 1954 still wavers between top of the class in the Soviet Union (only second to Moscow and Leningrad) and impoverished and exploited colonies.

In the economic history of the Stalinist period, two issues are prominent. One is the collectivisation of agriculture, including the deportation of kulaks and nationalists in spring 1949. The second is the industrialisation effort including the migration of workers from other parts of the Union. In all three countries, studies on the collectivisation process and in particular on the deportations connected to it, have been prominent and mostly published in the local languages. Conferences for comparative research have also been held, and papers have been published, but these conference collections have been notoriously difficult to find, at least in Nordic libraries.

An impressive monograph in German on the collectivisation process is the doctoral dissertation of German historian David Feest (Feest, 2007). Estonia is the case study, and the 535 pages cover political, social, and economic aspects, as well as the deportations. Feest starts from the land reform immediately after the war, which was the same for the three republics. Farms were generally cut down to 30 hectares and new, small farms were put together of the scraps. This reform was unfavourable for productivity but could be used by the rural population for self-support. It was also meant to soothe the farmers who feared collectivisation. At the same time, collectivisation was being prepared. From 1947 on, the pressure to join collective farms mounted, but to no avail. A political campaign against *kulaks* as the enemy of the ordinary peasant was mounted by the new authorities. The rural population had problems understanding the ubiquitous campaign targeting the 'agrarian bourgeoisie'. After the land reforms in the Baltic countries in 1919–1924, very few large farms were left. Farm owner families generally participated in agricultural work, some also employed extra workers, often on part-time basis. Still, the campaign continued, and ended in a secretly planned nightly deportation of a large number of families from the Baltic coast to Siberian kolkhozes in spring 1949. In Estonia, the numbers deported were 27,000 in a population of 1 million. In Latvia and Lithuania, the numbers were proportionate. After this deportation, the formation of kolkhozes was rapid, or maybe a better expression would be instant.

However, the conditions were not favourable, and production dwindled in the process. David Feest does considerable work on economic factors, such as statistics on production, sown area, and farm animals in the unreliable Soviet statistics, which must be collected at the lowest level to avoid trimmings. He concludes that agrarian policy was not intended to enhance production. The moment in time was chosen for political reasons. Control over the local farm population and production was achieved. In Estonia, the local party leadership was purged after the deportations for not having participated enthusiastically enough.

In Latvia and Lithuania, the same sequence of events took place. Daina Bleiere is the author of an overview of the collectivisation in Latvia in English (Bleiere et al., 2014). In addition to the anti-kulak campaign, she discusses poor leadership in the new kolkhozes to account for the bad results. To begin with, leaders were chosen among kolkhoz members without agrarian education. When

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<sup>3</sup>Late historian Enn Tarvel was the main historical adviser. Since then, the exhibition has changed, and the museum is called *Vabamu* – Freedom Museum instead of Occupation Museum, in order to avoid victimization – but the debate around this politically decided change was red hot.

soldiers from the Red Army were released from military duties in the second half of the 1940s, they were promoted to local leadership in communes and kolkhozes, still often lacking organisational skills. The first years of collectivisation were very hard in rural areas. After the death of Stalin, conditions changed to the better. In Lithuania, most of the studies have been in Lithuanian only, with short abstracts.<sup>4</sup> A case study of the kolkhoz Lenin's way during the ten crucial years of 1948–1957 was published in 2021 by Antanas Terleckas (Terleckas, 2021). He shows the fictitious character of kolkhozes, they were mostly intentions in the beginning. Later there was a slow consolidation process.

Dedicated archival research in all three countries has resulted in smaller numbers of deported than in previous, mostly exile, texts, and in considerable detail on the difficulties of the victims. The deportations in Lithuania were carried out on several occasions and in Latvia and Estonia they were more concentrated. The year 1949 is generally considered as the turning point, when a hasty occupation turned into full integration with the organisational Soviet models. The duties of kolkhozes were heavy since they were supposed to finance industrialisation. Estimates of production after collectivisation are based on shaky statistical data and not least on circumstantial evidence. Feest discerns a shift towards simpler crops and products (Feest, 2007, p. 484). Estonian historian Olaf Mertelsmann points to data suggesting hunger in the rural population in the aftermath of collectivisation (Mertelsmann, 2012).

In the history produced in the Soviet Union, the emphasis has been placed on the immediate start of heavy industrialisation in the Baltic Soviet Republics, with investments far above the average in the Union. New Baltic economic history questions the efficiency of the industrialisation effort, on the one hand, and underlines the massive immigration of workers from other parts of the Union that followed the new industries, on the other. Post-colonial theory has been used to study this, e.g. by Gatis Krūmiņš. Olaf Mertelsmann points out the connection between the failure of the first years after collectivisation in agriculture and the investments in industry. Production did not recover until the second half of the 1950s and was the cause of the Baltic countries lagging behind other European economies (Mertelsmann, 2009, pp. 9–32).

Daina Bleiere describes the two layers of industries in Latvia, which was a system applied in all three Baltic Soviet Republics (Bleiere, 2014). Heavy industry and technological industry mostly were All-Union industries, initiated and directed from the centre. There were also local industries, catering the local population, in the hands of local Party and Soviet leadership. Industries were connected to the existing railways inland, and the ports on the Baltic Coast. As there was a lack of manpower after the war, the flight of many Balts in 1944 and the purges, workers came from outside the Baltic Soviet Republics. This meant pressure on the consumption of scarce resources and not least on housing. In the Soviet system, factories were like little towns of their own, building their own housing, having day-care centres for children and even shops for foodstuffs and other everyday items. Thus, it was not necessary for workers in the All-Union factories to learn the local languages since they lived in their own closed, Russian-speaking communities. Some devastated areas in the east, where fighting between the Wehrmacht and the Red Army had been fierce, were entirely repopulated with new Russian-speaking immigrants.

After the death of Stalin, in 1965, industry was reorganised into *sovnarchozy*, regional units. Latvia for instance was one such region. The industries were better integrated into the surrounding society, but central planning and exchange suffered. It was also feared that local leaders would act in line with local interests and that centripetal forces would develop in the centralised Soviet Union. The reform, which economically was not a failure, was reversed and the two-tiered system reintroduced.

Saulius Grybkauskas discerns the influence of inter-war economic nationalism among the Lithuanian local leaders under Soviet rule. They were not in favour of large investments and

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<sup>4</sup>E.g. Baležentis, Sasnauskas, Starkevičius *Kolūkmetis okupuotos Lietuvos kaime* [The Kolkhoz time at villages of the occupied Lithuania], (2019) and Pocius [Collectivization in Lithuania 1947–1952], in *Genocidas ir rezistencija* 2019:15(in Lithuanian)

new industries, instead they used territorial planning to hold back diversified ethnic composition and economic development. In the period of *sovnrachozy*, they drafted territorial planning schemes to consolidate self-sufficiency like in the interwar years (Grybkaukas, 2022). This policy of economic nationalism resulted in lower economic growth and fewer immigration waves, and it was relatively popular. Still, the numbers of deported, as a proxy for repression, were not smaller than elsewhere in the Baltics. When the three Baltic countries emerged from the Soviet Union, the Russian-speaking population was estimated at over 30 per cent in Estonia, at about 50 per cent in Latvia, and at 12 per cent in Lithuania.

Trying to reconstruct GDP in Lithuania in the twentieth Century, Klimantas and Zirgulis, on the other hand, track very fast growth in Lithuania up to 1973. It is much higher than the rest of the Soviet Union and seems also faster than that of Western Europe. After 1973, marked by the oil crisis due to the Arab Israeli war, this growth turned down precipitously (Klimantas & Zirgulis, 2021). A phase of convergence between East and West in Europe up to the early 1970s is not unknown in economic history, but the Lithuanian experience in their estimation seems to be outstanding. The divergence after this crisis is usually ascribed to the western ability to adapt and rationalise, which was lacking in the Soviet Union.

Today, we know that large parts of the economy in the Baltic realm collapsed after the fall of the Soviet Union. It is understandable that there is not much interest in studying the various attempts at economic reforms made over the years. Normally, the reforms intended to introduce some scraps of market mechanisms in order to make industries more efficient. Some efforts to chart the late Soviet economy were made by international researchers at the point of independence (World Bank, 1993a, 1993b, 1993c; Van Arkadie & Karlsson, 1992).

A glimpse of more liberal times in the 1960s, however, will shed light on later events. Comparisons of post-communist development have been pursued by for instance Zenonas Norkus from Vilnius and Li Bennich-Björkman from Uppsala University, asking why Estonia succeeded better than Latvia and Lithuania (Norkus, 2007); Bennich-Björkman, 2022). Political scientist Li Bennich-Björkman wondered why the Estonian economists were determined to adhere to neo-liberal models after independence in 1991. This determination stood in contrast to the more uncertain attitudes in Latvia and Lithuania. Going back in time, she found baffling references to a young economist, Raoul Üksvārav, who studied in Tartu and finished his doctoral dissertation in Moscow at an early age. Following this success, he was allowed to spend a year abroad, apparently according to Soviet rules in the 1960s. He studied economics with a scholarship at Harvard and Massachusetts Institute of Technology on the American east coast in 1963, then returned to Estonia and became a tutor of young economists there (Bennich-Björkman, 2022, pp. 88–90). In the late 1980s he and his colleagues put together plans for an experimental new economy in Estonia, which won the support of the Gorbachev administration. The experiment did not last long, but the knowledge of advanced economics would serve Estonia after independence.

## 7. Hopes for the future

This survey stops there. The last 30 years of economic development are still mostly the field of economists and political scientists. The German occupation and late Soviet economy are still waiting for deeper studies. I look forward to more detailed studies of Üksvārav and his school of thought in the years to come. Other spectacular issues to follow up are the dissolution of the kolkhozes in the early 1990s (Alanen, 2001). Also the results of the redistribution of land and houses to the owners in 1940, in order to reverse communist nationalisations. Finally, the extreme decline of standards of living in the early 1990s, in the Baltics as well as in the whole post-Soviet area, which hit especially hard at the rural population, warrants more attention. It took most of the decade for the economies to achieve growth again.

The debate about growth rates in the Baltic countries in the twentieth Century goes on. When more detailed calculations emerge, old knowledge is still often reversed. In 2021, EEA granted funds



for a large-scale research project, named BALTICS 100. Leader is Gatis Krūmiņš from the University of Vidzeme, Latvia, including several researchers mentioned here; Olaf Mertelsmann in Tartu, Zenonas Norkus in Vilnius, Martin Klesment in Tallinn; and Ola Honningdal Grytten from the Norwegian School of Economics. The aim is to construct a repository of quantitative data about societal and economic transformations in the regions of the three Baltic states from 1920 to 2020, for the analysis of historical transformations. Another dissertation is on its way, at Oxford university, where doctoral student Adomas Klimantas is reconstructing the GDP in the Baltic countries in 1919–2019 (Oxford University homepage). With access to reliable and comparative data, the future of economic history in the Baltic area seems bright.

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