

Leibniz ScienceCampus

Eastern Europe – Global Area (EEGA)

Book presentation “The Middle-Income Trap in Central and Eastern Europe”

23.04.2024

Fraunhofer-Zentrum für Internationales Management und Wissensökonomie IMW

The audience was delighted when PD Dr. Yaman Kouli (Universität Bonn) finally held up the printed version of “The Middle-Income Trap in Central and Eastern Europe” (Berghahn Books, 2023) on the 23rd of April 2024. The editor presented the outcomes of the project at the new location of the Fraunhofer-Zentrum für Internationales Management und Wissensökonomie IMW in in the heart of Leipzig in cooperation with the Leibniz ScienceCampus “Eastern Europe – Global Area” (EEGA). EEGA supported the book project from the very beginning to the end, starting alongside the Herder Research Council and the Fraunhofer-Zentrum für Internationales Management und Wissensökonomie IMW, it sponsored the conference in November 2018, where the majority of the papers completed in subsequent years were discussed for the first time.

In “The Middle-Income Trap in Central and Eastern Europe”, the editors argue that after the transformation shock, i.e. since the mid-1990s, the economic development of Central and Eastern Europe has maintained high economic growth rates, seemingly leading to an era of prosperity. In the last decade, the limits of the FDI-based growth model have become more visible. Today, many do not hold out much hope of the East quickly catching up with the West. This is fuelling the rise of right-wing populism in the region, without being able to offer a successful concept to overcome the middle-income trap.

The volume examines the reality of the diminishing marginal utility of further international investments alongside the pitfalls of higher government spending to cultivate innovation, which ultimately makes foreign capital less attractive. Authors from diverse disciplinary perspectives reflect on current debates surrounding the developmental bottlenecks in East-Central Europe. Their common goal is to analyse the manner of socio-economic transformation, question of the relevance and impact of the “middle-income trap” and identify possible ways to escape it with measures at company level, through national policy and via European programs.

The presenter and the audience engaged in a discussion afterwards that stretched from the Polish furniture industry to the ramifications of the COVID-19 pandemic in Eastern Europe and transferability of the concept, which sparked interest for a sequel. The book launch was rounded off by an informal dinner organised by the Leibniz ScienceCampus.