

Stephen Gross, *Export Empire: German Soft Power in Southeastern Europe, 1890-1945* (Cambridge: Cambridge University Press, 2015. Pp xv+384. 5 figs. 1 map. 32 tabs. ISBN 9781107112254 Hbk. £64.99).

This book is a meticulous historical analysis of the German imperialism in the Southeastern Europe from 1890s to 1945. At its centre lies the argument that foreign trade was an instrument of soft power and it was utilised by Germany to build an informal empire in the Southeastern Europe. In this regard the book engages in conversation with some of the old theories and histories of imperialism (such as J. Gallagher and R. Robinson 'The Imperialism of Free Trade', *Economic History Review*, 6, no. 1 (1953), pp.1-15; A. Hirschman, *National Power and the Structure of Foreign Trade*, Berkeley: University of California Press (1945)). By examining German imperialism during 1890-1945, the book links the questions of empire, imperialism and economic development together. Besides contributing to the historiographies of the Southeastern Europe and German imperialism, Gross offers a more nuanced interpretation of soft and hard power by interacting them with different types of empires (informal and formal) in a "matrix of power" (p.8). He then applies this conceptual framework to a highly controversial episode of German history in Europe. The book is chronologically structured and it consists of two main parts. Part 1 focuses on the period from 1890s to 1933 and examines the rise of German soft power in the Southeastern Europe through the lenses of economy, politics and culture. Part 2 focuses on the Nazi imperialism and the transformation of German imperial influence in the region. It evaluates the themes of commercial networks, cultural diplomacy, development aid, and the World War II.

The first part of the book starts with the observation that German foreign policy elites began to look back to Europe instead of Africa following the Moroccan crisis of 1911. In line with this regional shift, policymakers demanded more resources to improve the army at the expense of the navy. This process was also accompanied by creating incentives for German migrants to settle and trade in the Southeastern Europe in order to exert more influence in the region. In parallel, German elites pursued an agenda of cultural diplomacy with the help of transnational networks and institutions. These non-state actors, by acquiring market information and building trust within the merchant community, contributed to the emergence of a German informal empire in the Southeastern Europe. Although the World War I brought to a halt this liberal imperialist vision of an informal empire, the idea re-emerged in the second half of the 1920s. The study provides a wide range of convincing evidence that between 1925 and 1931 German elites began to create new institutions to promote trade interests in the region. This focus on the Southeastern Europe was partly driven by the emergence of a new international society following the World War I. As opposed to the internationalism of France, Britain and America, Germany aimed to forge regional links through cultural diplomacy and planted the seed for a German economic bloc centred in the Central and Southeastern Europe, a process which was reinforced also by the Great Depression of 1929.

The second part of the book focuses on the Nazi imperialism and the Third Reich's relationship with the Southeastern Europe. Gross maintains that during this period Germany aimed to stabilise trade with the region by relying

on the non-state institutions of 1920s. This not only helped Germany to acquire the raw materials that were needed for its industries (the so-called “supply effect”), but it also gave way to the economic dependency of the Balkan states to Germany (i.e. “influence effect”). Similar to the previous era, this rapid increase in trade was accompanied by cultural diplomacy to convince the Balkan elites that German policies towards the region were legitimate. In establishing such legitimacy, the author emphasises the role of anti-Semitism, as German elites claimed that driving Jews out of the economic life would accelerate economic development in the Balkans. Unlike the previous episode, however, an important dimension of the Third Reich’s imperial ambition in the Balkans were development programs aimed at increasing the purchasing power of the region. Gross points out that the development programs put forward for the Balkan states helped advance the military ambitions of the Third Reich by making the Southeastern Europe a more effective and stable supply source for German military industries during 1939-41. This part concludes -perhaps rather *ex post*- that German imperial policies in the Southeastern Europe, despite their diversity and flexibility, were simply counterproductive, and by the middle of the war, the region became economically a burden for the Third Reich.

Perhaps one of the understated points in the book is the role of the international capital flows and monetary blocs in building the “export empire”. Although Gross makes several observations about financial links and international financial control organisations in the region, it would be interesting to explore the extent to which they complemented international trade as alternative forms of imperial power. Another point, which has limited appearance in the book, is the importance of the links between German informal empire in the Southeastern Europe and broader imperial power struggle in the Middle East. This could be an especially exciting avenue to follow for future research given that diplomatic and economic ties of Germany with Turkey (and the Ottoman Empire) remained strong until the end of the World War II.

Overall, this is an extremely valuable book for economic historians as it underlines that the study of international trade and economic development cannot be separated from the broader power struggle during 1890-1945. In doing so, the book sheds light on the previously unknown mechanisms that contributed to the rise of German empire at the heart of Europe, a process which eventually led to the World War II. In this regard, it is likely to remain a key reference work for years to come on German imperial and economic history.

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