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# Danube Developments against the Backdrop of History and Geopolitics

*Thoughts on the region-constituting role of the Danube*

## Introduction

As traffic and delivery route, a river contributes significantly to organizing the economy of a region, and as such it also shapes the economic spatial structure. The investigative approach employed here primarily focuses on which role the river might have played in the economic development of the region in the various eras of economic history; in addition, the – especially geopolitical – reasons are examined, why the Danube could not fully meet the economic needs (cf. Hardi 2012).

Two facts should be mentioned that provide reasons why the economy along the Danube has thus far made only little use of waterborne transport: on one hand, a regional system of relations whose axis and requirements the river might have been able to secure did not develop in any branch of the economy in our region. During the industrialization the national economies along the Danube rather became competitors instead of complementary systems. On the other hand, the water transport network that would have ensured the efficiency of waterborne transport, such as navigable tributaries, a system of distance-reducing and connecting channels, ports, connections to other traffic systems (e.g. railroads), was not developed. Thus the extremely long waterway existing today is primarily suitable for handling transit traffic and can contribute little to the development of the regional system of relations. The past two hundred years of development of the regional economy and related development of the Danube as waterway can be divided into characteristic sections.

## 19<sup>th</sup> century: grain transport, colonization, industrialization

In the 19<sup>th</sup>-century Danube region, the Ottoman, Russian and Habsburg Empires pursued different interests with regard to Danube navigation. The main objective was safeguarding or obtaining influence on the Balkan, which was also connected to the possibility to control Danube navigation and trade. Russia wanted to free itself from its continental isolation in the direction of the Black Sea and already reached its shores in the 18<sup>th</sup> century. In 1794, to foster trade, the city of Odessa was founded, whose most important role it was to put the Russian grain on the world market. Among the chief interests of the Russians were free rein and trade at the Black Sea and in the straits of the Bosphorus and the Dardanelles, likewise safeguarding the interests of the young grain trade port of Odessa (Gráfik 2004; LeDonne 2006). Due to expansion, conflicts emerged early between the Russian Empire and the Ottoman Empire ruling on the Balkan and thus also along the Danube, which led to a series of wars in the 18<sup>th</sup>–19<sup>th</sup> centuries. At the same time, the Ottoman Empire monopolized trade and thus also Danube trade; only vis-à-vis Austria did it make certain concessions.

Prior to 1829 the most important function of the Danube for Austria was grain transport, on one hand from the Hungarian Lowlands to the center of the empire in Vienna, on the other hand – with reloading – to the Adriatic ports. Downstream transport on the Danube towards the Black Sea, however, was impeded by the Ottoman Empire as it held on to its trade monopoly.

After the Napoleonic Wars free river navigation through several states had been proclaimed at the Congress of Vienna in 1815, but only in principle, for the question of the Danube was not explicitly addressed back then.

Corresponding to the transport directions, plans had already been made earlier to build canals in order to correct the unfavorable geographic conditions. Previously it had only been possible to transport the grain from the Hungarian lowlands via a long detour, first down the Tisza and then up the Danube, but after completion of the 118-kilometer Great Bačka Canal in 1802 this could be done twenty days faster due to saving a distance of 227 kilometers. At the beginning of the 19<sup>th</sup> century plans were made to build a Danube-Save Canal, which would have meant saving 420 kilometers; in addition, the river Kolpa was also supposed to be canalized.

The beginning of the next period (1829–1856) is associated with the Russian-Turkish Peace Treaty of Edirne, as at that time the Russian Empire became the ruler over the territory along the Danube delta. At the same time, this date marked the end of the Ottoman trade monopoly not only along the Danube, but also in the Bosphorus

strait. The previous grain export ban on the Balkan was lifted, which contributed to the upswing of Danube trade.

As ruler over the Danube delta and in the interest of its own grain trade, however, Russia prevented the possibility of reaching the ocean via the Danube: it imposed quarantine on the Sulina Channel, and all ships were sent to Odessa for inspection (Krehbiel 1918). In 1840 an agreement was concluded with Austria assuring free navigation and trade, but Russia did not comply with these terms (Palotás 1984).

The next prominent event concerning Danube transport was the emergence of steam navigation. The engine ship revolutionized river ship transport, as laden barges were now able to go relatively fast upstream as well, and the ships' ever increasing load capacity made transport more economical.

These political and technical changes increased the significance of water trade considerably, and in 1829 under the leadership of István Széchenyi the First Imperial Royal Danube Steamship Company (Erste Kaiserlich-Königliche Donaudampfschiffahrtsgesellschaft, DDSG) was founded, which should later gain strategic importance.

On the middle and lower courses of the river the aim was to sidestep the estuary under Russian rule. As early as 1834, therefore, DDSG suggested building a canal that would have taken on the role of today's Danube-Black Sea Canal (Turnock 1986). As this plan was thwarted by the Ottoman Empire, which ruled the Dobruja, under pressure from Russia, in 1840 the Danube Steamship Company established a mailing route between Ruse and Varna.

In political terms, the time between 1856 and 1914 can be labeled as the age in which the Danube gained an international standing. Economically it may be characterized as the era of industrialization and development of national economic areas. The year 1856 marks an important date for the region, as a coalition of European powers succeeded in temporarily driving back Russian expansion in the Crimean War. From the perspective of the Danube it is important that with this free navigation all the way to the estuary became possible. In the interest of free access to the estuary, the victorious powers initiated – first only provisionally – the European Danube Commission (EDC), in which the victorious powers and Russia took part. The Habsburg monarchy remained the “organizing power” of the route via Brăila; under its leadership and involving also the Danube riparian countries the International Danube Commission was founded, which, however, existed only by name as attempts at pushing cooperation between Austria and the emancipating Danube principalities remained unsuccessful. By creating a body of regulations for a territory belonging to different countries, the EDC, on the other hand, established a special regime, and it was also permitted to enforce and sanction these regulations.

Thus, in the second half of the 19<sup>th</sup> century the Habsburg Empire played a quasi-colonialist role along the Danube which was primarily based on the work of DDSG. By the 1880s, the latter had grown into the largest inland navigation company in the world, maintaining coal mines, railroads and shipyards (cf. Erdősi 2008). On the lower Danube its task was to organize the trade system between center and periphery; simultaneously it brought all modernizations to the regions along the lower Danube, where agriculture dominated (cf. Erdősi/Gál/Hajdú 2002). Navigation on the tributaries, by contrast, continued to remain underdeveloped – and this even despite the fact that the largest grain turnover was registered in the ports of tributaries, such as in Makó, Sziszek/Sisak and Szeged; only then followed Győr and Brăila (Der Schiffs- und Waren-Verkehr [...] 1868).

At that time expansion of the railroad network also began, establishing a serious rivalry with the waterway. The competition now setting in was reflected in the fact that integrating the economic areas of the forming national states was based on the railroads rather than the waterway, for railroads could be developed faster and more spectacularly than the waterway, thus depriving the latter of capital (Hoszpötzky 1908).

From the 1860s onwards, the existing rivalry between railroad construction and navigation added a new dimension to the struggle for dominance. A first sign of this was the *Danube and Black Sea Railway and Kustendje Harbour Company, Ltd.* starting railroad construction in the Dobruja to shorten the long waterway in the estuary and speed up grain transport (cf. Jensen-Rossegger 1978); based on a similar initiative, the first Turkish railroad was built between Ruse and Varna.

On the waterway, navigation conditions on the main arm were improved: from 1886 to 1896 the navigable main riverbed between Dévény/Devín and Gönyű/Szigetköz was extended. A second important point of extension was the Iron Gate. The Danube Conference held in London in 1871 had decided that the riparian states were permitted to collect a toll from passing vessels to keep the navigation route in order. Until the Russo-Turkish War in 1877–1878, however, the riparian states made no further arrangements. Therefore, after the end of the war the following Berlin Congress put the Habsburg monarchy in charge of the tasks, responsibility for which was subsequently delegated to Hungary. The regulation and repair work of the navigation route was carried out between 1890 and 1898 (cf. Tóry 1954; Deák 1998); it was considered a tremendous achievement and secured shipping traffic on the Danube for more than 70 years to come.

Around the turn of the 20<sup>th</sup> century attention refocused on canal construction as it became clear that despite the expanded rail network water transport offered cost advantages for certain classes of goods. Expanding the waterway network was thus realized in all canal construction plans along the Danube. The canals served first to

expand and connect the individual parts of the inland waterway; second, to link the Danube with other waterways, such as Rhine, Elbe, Oder, and Weichsel; third, they should also facilitate reaching the ocean. To realize these plans, in 1901 the Austrian Waterway Act, in 1907 the Hungarian public river canalization plan, and in 1917 the Bavarian Canal Act came into being. Apart from grain transport, these state initiatives were meant to provide strong infrastructural support for industry (cf. Fekete 1907; Tellyesniczky 1918). In the young Danube states, planning also commenced: on English and German initiative and with the pertinent funding promises, in Serbia the plan emerged to reach the Aegean via the Vardar river, and in 1907 an American company prepared a preliminary draft to realize the Danube-Vardar Canal (cf. Jovanovski 1993).

## The era of the two world wars: the Danube as international gateway for a “landlocked” region

In the first half of the 20th century the role of the Danube changed: after World War I, several among the newly created states in Central Europe did not have access to an ocean. The peace treaty ending the war also determined that status of the Danube. To supervise the Black Sea estuary, the major powers revived the European Danube Commission, whose work was determined by the Paris Conference. Based on the earlier agreements and with participation from the Danube riparian states, the International Danube Commission was founded as well (cf. Lipták 1993).

At the conference the convention was adopted in which the basic status of the Danube is laid down.<sup>1</sup> In this document all stretches of the water network – including the tributaries – that serve as gateways to the ocean for more than one country were declared international. In addition, this status applied for every existing or future canal and to other connecting waterways. Between the two world wars Great Britain attempted to return to its earlier shipping-based hegemony: it bought up the shipping companies of the defeated countries and sought to develop a leading position of power along the Danube (cf. Teichova/Ratcliffe 1985).

The international waterway thus gained major significance as the goods did not have to pass through the newly established customs borders during transport, but could be delivered directly to the sea. This fact proved particularly useful for Hungary, which was not only politically isolated by most of its neighboring countries, but had – as a result of the peace treaty – also to a large extent lost its economic resources, which had previously in part been procured by way of river shipping.

<sup>1</sup> Convention Instituting the Definitive Statute of the Danube, signed at Paris, July 23, 1921. <http://www.frost.ungarisches-institut.de/pdf/19210723-1.pdf>

In this situation, river/maritime shipping presented itself as a way out for foreign trade. After a trial period Hungary therefore considerably expanded its fleet by the end of the thirties, and that way Danube-maritime ships transported the goods directly to the Levante ports, the Near East and northern Africa (cf. Katona 2000).

Thus the Danube was of fundamental importance particularly for the economic development of Hungary, but likewise for Austria and Germany; besides, it promoted German influence on the south-east European economies (cf. Basch 1944). In so doing, a colonialist-style system of relations developed between the entire region and Germany.

As regards further development, no additional resources were available for the blueprints made at the beginning of the century; besides, the previously planned individual stretches of the waterway network as well as a majority of the canals would now have actually been situated on the territories of several countries, for which reason these plans were not pursued.

World War II meant increased German predominance in the Danube valley. In 1938–1939 the EDC and IDC activities were dissolved by Germany assisted by Romania and Danube navigation was subordinated to war transports.

### The second half of the 20<sup>th</sup> century – Soviet-eastward orientation

After World War II, various political powers deemed it necessary to establish a new Danube regime. The members of the Council of Foreign Ministers from the Danube countries came to the agreement that free navigation on the Danube had to be guaranteed for all citizens, trade ships and merchants of all states on the basis of equality and under the same rules.

Soviet influence now became manifest in the founding of joint enterprises with the national shipping companies and navigation almost entirely belonging to the Soviet sphere of interest; the newly initiated Danube Commission and the Belgrade Agreement of 1948 also came about under strong Soviet influence. The geoeconomic situation changed fundamentally: while earlier center-periphery trade had been conducted in the direction of the Austrian and later German economic center, now the political and economic center shifted to the East, and the geographic features of the Danube were much better suited for these trade flows. As raw materials from the East were brought to the middle and lower Danube region, the political center-periphery relationship was by no means reflected in the character of the shipments. Nevertheless, the Danube thus became an important pillar of Soviet hegemonial endeavors. This orientation also

determined developments such as the building of the Danube-Black Sea Canal, which reduced shipping times, or the final solution of the Iron Gate question (cf. Hardi 2012). The regulation of the section in the area of Szigetköz, on the other hand, was handled bilaterally between Czechoslovakia and Hungary: the agreement was concluded in 1977, but was later canceled by Hungary with reference to ecological damage. The project was ultimately completed by Slovakia alone; to this day, it has not been possible to settle this question between the two countries for once and for all.

## Lessons learned

The Rhine-Main-Danube Canal completed in 1992 did stimulate traffic on the upper course of the Danube, but the middle and lower sections continued to be used very little. It is of great significance, therefore, that in 1996 the AGN agreement<sup>2</sup> was signed with assistance from the United Nations Economic Commission for Europe. This agreement contains all elements for the development of the water network whose necessity has indeed been expressed several times in the past two hundred years, but which has never been realized. Chances for implementing the project are still slim today, too, but the content of the agreement does at least confirm our statement at the beginning of the paper.

From the perspective of economic development and integration of the Danube Region, the riparian states have thus far only been able to make modest use of the opportunities provided by the river. The Danube has remained a one-track traffic axis, whose eminent relevance emerged only at the time of colonialist endeavors through the connection between the economy of the region and the Austrian, German and Soviet economies; in addition, it provided a link to the ocean for the isolated economies in the eastern part of Europe. Nonetheless, the internal regional system of relations barely strengthened the Danube, and developments in this direction stayed behind what could be expected. From everything stated thus far the conclusion can be drawn that the low utilization rate of the Danube is only partly rooted in geographic conditions and that it is in fact necessary to call the geopolitical constellations preventing realization of the expansion stages needed in the individual periods to account for it.

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<sup>2</sup> European Agreement on Main Inland Waterways of International Importance. Geneva, United Nations Economic Commission for Europe. 1996. <http://www.unece.org/fileadmin/DAM/trans/conventn/agn.pdf>

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