PARADOXES IN THE POLITICAL ECONOMY OF DÉTENTE

ELLEN BRUN AND JACQUES HERSII

One of the most influential world developments since the establishment of the USSR is taking place relatively unnoticed. To understand the significance of the current transformation in East-West relations it is necessary to analyze its effect on the stability of various parts of the world as well as the contradictions and conflicts it engenders. The following is an attempt to approach this problem from the standpoint of the world market.

1. Political and Economic Warfare

Ever since the Bolshevik Revolution succeeded in limiting the frontiers of capitalism both geo-politically and economically, there has been a unique interaction between the two social formations – with socialism exerting considerable impact. As Lenin observed, “We are now exercising our main influence on the international revolution through our economic policy.”

After the failure of the military intervention to overthrow the new Soviet state, it became clear to sectors of the bourgeoisie of the leading capitalist nations that, unless they encouraged some reforms in their countries, they might well have a revolution on their hands. Reformism and increases in labor productivity at home, coupled with exploitation of the colonies, brought about better living standards without basic alteration of the West’s class structure.

But the over-production crisis of the 1930s threatened capitalism’s very foundation. The solution to the crisis did not lie in Keynesian economic policies alone, but in World War II. The contradictions subsequently emerging in the world system made the situation very complex. Sweezy described the conflict as “three wars in one”: “The first of these three wars is a war of redivision on the 1914–1918 pattern with Germany, Italy, and Japan on one side and Great Britain and the United States on the other side; the second is a war between capitalism and socialism with Germany on one side and The Soviet Union on the other; the third is an anti-imperialist war of national independence waged by China against Japan.”

Copenhagen, Denmark
Although the conflict temporarily resolved the social conflicts of the developed capitalist world, it was not capable of defeating anti-imperialist national liberation movements nor of annihilating socialism. In fact, one of its most important results was the withdrawal of several new states in Europe and Asia from the capitalist world system in the early post-war years. Stalin recognized the potential menace this presented for capitalism: "The disintegration of the single all-embracing world market must be regarded as the most important economic sequel of the Second World War and of its economic consequences. It has had the effect of further deepening the general crisis of the world capitalist system." But in the short run, this conclusion appears to have been somewhat overstated. The destruction of the productive capacities of Western Europe and Japan gave capitalism plenty of room for expansion, provided, of course, that the political aftermath of the war could be controlled. The loss of markets was consequently not a vital element during the immediate post-war period.

On the contrary, in an effort to stabilize the internal situation of Western Europe and to hamper the reconstruction of the socialist camp, the West launched a political campaign and an economic blockade against it. The reaction in the East was the formation of an alternative economic bloc. As the Swedish authority on East-West relations, Gunnar Adler-Karlsson, remarks, "...it was only left to Stalin to make the best of the embargo policy as an existing fact."

Under Soviet leadership, a parallel international economic community of socialist states was created. Established in 1949 as a counter to the Marshall Plan, the Council for Mutual Assistance (also known as COMECON, CEMA, CMEA or CEA) represented a kind of socialist "common market." As a consequence of Western policy toward this bloc, as well as this community's emphasis on autarky, the proportion of Socialist trade with the West decreased from 1938 to 1953, after which it began to rise very slowly (Table 1).

According to Samuel Pisar, an advocate of East-West trade, "...the world market came to be regarded in Eastern Europe as little more than a supplemental source of supplies that happened to be at any time unavailable within the region." By 1953, the British Member of Parliament, Desmond Donnelly, informs us, "four-fifths of the total exports of individual communist countries had become transactions within the bloc. Trade with the rest of the world had dwindled to insignificance." In short, the Cold War unintentionally created a "socialist division of labor" in non-capitalist Eastern Europe. Viewing this as a positive development, Stalin maintained that although the economic blockade was designed to "strangle" the socialist bloc, "the effect, however, was not to strangle, but to strengthen the new world market."