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An Assesment of The Scope of "the Great Contest"

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**HOW COLD IS THE SECOND COLD WAR?
- AN ASSESSMENT OF THE SCOPE OF 'THE GREAT CONTEST'**

by
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HOW COLD IS THE SECOND COLD WAR? - AN ASSESSMENT OF THE SCOPE OF 'THE GREAT CONTEST'.

1. Introduction

Relations between East and West have been marked by increased tension and hostility since 1979. In this loosely defined sense, we have entered the phase of a Second Cold War. While there is little doubt that the explanation of this development requires a complex and many-faceted analysis, involving all the constituent elements of contemporary world politics, there is one explanatory centre-piece most often seen as the backbone of the First as well as the Second Cold War. This is the conflict between two rival social systems, capitalist and communist, termed 'the Great Contest' by Isaac Deutscher.¹ In the recent, comprehensive study of the Second Cold War by Fred Halliday, the argument is formulated in the following way:

"... these societies are organised on the basis of contrasting social principles, private ownership of the means of production in one, collective or state ownership in the other. This antagonism is, however, rooted not just in the contrast of social organisation but ultimately in the different social interests which they represent. For the capitalist world has, since 1917, faced an opponent where capitalist rule has been overthrown and replaced by a society of a fundamentally different kind. ... for all the betrayal of the intentions of those who made the Bolschevik revolution, a contrasted social system, representing different social interests and classes, was produced and it is this difference which above all else underlies the Great Contest as it continues to this day."²

Certainly capitalism and communism - in the "classical" meaning of the terms - are rival, opposing, even mutually exclusive social systems. The issue to be discussed here is to which extent this applies to present-day capitalism as it is found in the West and present-day communism as it is found in the East.

On the face of it, one may argue that differences between "social interests and classes" applies to the relationship between many states of the present world system, and does not necessarily follow the dividing line between East and West. Indeed, the two World Wars of this century have had conflicts between classes based in capitalist systems as their basis; moreover, a long list of conflicts after the end of the Second World War do not follow the dividing line between East and West.

In other words, the core of the matter, the differencita specifica of the 'Great Contest' between East and West is not the opposition of "social interests and classes". Rather, it is the opposition of two different economic systems based on "contrasting social principles". This is the basic reason for the special character of the antagonism between East and West. This lies at the core of the irreconcilability of East-West conflict.

The aim here is not to resume the old discussion on the possible capitalist nature of the economies of the East. The aim is to draw on a number of other approaches to the problem, capable of shedding some light on the extent to which there may or may not be rivalry and opposition between the economic systems of East and West. Is the contradiction between East and West as profound as claimed in the notion of 'the Great Contest'?

The argument that this may not be the case is based on six elements, presented below. The first element has to do with economic relations between East and West; the second and third involves facets of the style of development pursued by the East; the

fourth is about the view of the West in the eyes of the East; The fifth concerns the scope of the East/West conflict in a geographical sense: which countries are involved? The sixth and final element goes into the effects that the existence of the East has on anti-systemic movements in the West.

2. Economic relations between East and West.

One central element in assessing the scope of 'the Great Contest' is the issue of benefits/drawbacks involved in economic relations between East and West.

It has often been said that the revolution of 1917 "succeeded in limiting the frontiers of capitalism both geo-politically and economically"³, implying that this limitation was the first step in a process that would eventually mean the suffocation of capitalism. This goes hand in hand with Lenin's observation: "We are now exercising our main influence on the international revolution through our economic policy".⁴

While individual capitalists involved in imperial Russia may have suffered on account of the October revolution, there is little evidence that the erection of non-market economies in the East has meant decreasing vigour for capitalism as such. Indeed, the growth of capitalism on a world scale has been more spectacular in the period since 1917 than in any earlier phase.⁵ The hypothesis that capitalism receives a serious economic blow through the mere existence of the East demands a specific theoretical backing in the vein of Rosa Luxembourgs theory of imperialism, involving the central assertion that capitalism needs the existence of ever new areas of possible expansion in order to retain its vitality.⁶ But it is difficult to find support for this underconsumptionist argument.⁷ If however, there was some truth in this, capitalism would not have suffered because of the

existence of the East, but because of its own economic policies. In other words, its suffocation would not have been the victory of an opposing social system, it would have been economic suicide. For it was not the East that initiated its own relative economic isolation from the capitalist world market. The most radical breaking off of economic relations with the world market - that of the Soviet Union from 1917 and onwards - was initiated, not by the Bolsheviks, but by the capitalist powers themselves.

With the establishment of the NEP policy, the Bolsheviks sought eagerly to promote international economic relations and even to encourage direct foreign investment in the Soviet Union. In 1925, Trotsky said:

"We are still very backward in a technical sense. We are interested in using every possible means to accelerate our technical progress. Concessions are one way to do this. ... We are now more inclined than a few years ago to pay foreign capitalists significant sums for ... their participation in the development of our productive forces."

"... all our gigantic resources in general demand the application of international savings and world technology."⁸

The response that emerged from the capitalist West - after an initial attempt to overthrow the Bolsheviks with military means - was an economic embargo policy, which meant that "... 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."⁹

A new phase of increasing economic ties between East and West was initiated after Stalin's death in 1953. On the internal front, the need to boost economic efficiency through economic reforms which involved increased integration with the West, went hand in

hand with the recognition that Stalin's prediction according to which capitalist production would inevitably decline in the postwar era, did not come true.¹⁰ Externally, postwar economic growth in the West revived the European economies, which meant a relative decline of U.S. economic superiority. The consequence was a revision of embargo policies in 1954, increasing exchange between Western Europe and the east.¹¹

These developments were affirmed and strengthened under Kosygin and Brezhnev, going hand in hand with the detente policy of the seventies. In 1973, Brezhnev said the following:

"I would like to add that our plans are by no means designed for autarky. Our course is not toward isolating our country from the outside world. On the contrary, we proceed from the fact it will develop under conditions of growing all-round cooperation with the outside world, and not only with socialist countries but in considerable measure with the states of the opposite social system as well."¹²

Annual growth rates of East-West as well as of East-South trade went into double digits from 1956 and on, larger than growth rates of CMEA-production, and larger than growth rates of intra-CMEA trade.¹³ The coming of a Second Cold War does not seem to have halted this trend: CMEA countries' exports to the West went from 17.3 billion rubles in 1977 to 34.9 billion in 1982. Imports went from 22.8 to 35 billion rubles over the same period. Similarly, CMEA-trade with the South grew rapidly; exports to the South amounted to 8.2 billion rubles in 1977 and 17.5 billion in 1982. Imports from the South went from 5.5 to 10.4 billion rubles.¹⁴

Economic ties have expanded on other levels as well. One area that has recorded rapid growth during the seventies are East-West Industrial cooperation agreements, most often in the form of co-production, involving the supply of Western technology via licensing.¹⁵ According to an estimate by Charles Levinson, there

are some 900 capitalist firms having investments in CMEA countries.¹⁶ Gunder Frank stresses that although the overall figures for these investments are not very large, they do "... promise far-reaching impacts on the emerging structure of the international division of labour and ... on the structure and relations of production in East, West and South."¹⁷

Increased involvement in the capitalist world market has gone hand in hand with increased foreign debt of the CMEA countries. From circa 7 billion dollars in 1970, foreign debt of the countries taken together amounted to upwards of 80 billion dollars in 1981. However, there are substantial variations among the countries, with Poland accounting for close to one third of the total debt, while the Soviet share is "only" some 10-14 billion dollars.¹⁸

The necessity to differentiate does of course not apply to the debt issue only; in the present context, however, we may cut this debate short to the following points: the CMEA countries occupy an intermediate position in the international division of labour. In this regard, these countries resemble the group of so-called Newly Industrializing Countries (NICs) from the Third World:

"however, there are significant differences between Eastern Europe and the USSR in this respect ... The export/import structure of the USSR is similar to that of an OPEC (OAPEC) country - a high percentage of energy exports to the West ... and a high percentage of food (grain) imports ... In the field of manufactures, the main Soviet potential is within heavy industry, power plants, etc. leaving significant import demand to the sphere of light industry, sophisticated equipment, etc. which has been Eastern Europe's as well as industrializing LDC's main access to the Soviet market. Conversely, Eastern Europe's position is more like that of a NIC, as Eastern Europe's exports to the EEC apart from metals consist of chemicals and various consumer goods ... As the demand for these products diminishes, and the NICs are switching to high technology exports to the West, the screw is turned harder and harder on Eastern Europe."¹⁹

The difference between USSR and the small Eastern European countries is also reflected in the extent to which the economies are open to foreign trade. Large and resource-rich USSR exported 8 per cent of her net product in 1976 - a figure similar to that of the United States - while the same percentage for the small countries ranged from 23 (Romania) to 52 (Hungary). For all of the countries, roughly one third of exports went to the capitalist West.²⁰

Since the mid-fifties then, economic ties between East and West have expanded. If one disregards the limitations that the capitalist West (in particular the U.S.) has put on itself as regards economic ties with the East, it is clear that the CMEA countries are by no means closed off economically from the West. On the contrary, economic accessibility of the East both via imports and investment seems to be in no particular class for itself; indeed, some capitalist countries apply even harsher regulations in areas of their external economic dealings than do the Eastern European countries. Two examples are the strict regulation of foreign direct investment in Japan²¹ and the all-encompassing import regulations of Brazil.²²

In other words, the East is by no means "cut off" economically from the capitalist West. There is ample opportunity for Western undertakings to profit from dealing with the East, and these opportunities have been increasingly exploited in recent decades.

Who benefits from these developments? Given the assertion that there actually are some benefits on the Eastern side, in terms of increase in the quantity and quality of output via the supply of Western technology and know how, it may be debated in who's favour these benefits are distributed: to a small bureaucratic power elite as one extreme possibility and to the population at large as another. No matter how this debate is decided²³ there is no doubt that the import of Western technology is not neutral:

it will contribute to the "Westernization" of the East, both in the sphere of production ("The introduction of Western technology encourages individualism, fragmentation and verticalization, and functions as a means of social stratification"²⁴) and in the sphere on consumption (Western consumerism and life style in general²⁵).

On the Western side, the single undertaking involved in business with the East will of course profit. Soviet officials have also argued that there are benefits involved for the Western working class: "It ought to be common knowledge that Soviet contracts are not of insignificant importance in the solution of the unemployment problem in the Western countries".²⁶

But does capitalism as such benefit from the economic relations with the East? The answer to that question depends on the validity of the statement made by Kamenev in 1921: "With every additional shovel of coal, with every additional load of oil that we in Russia obtain through the help of foreign technique, capital will be digging its own grave"²⁷. We have already indicated that a closer analysis of economic relations do not testify to truth of this assertion. Moving to other areas, additional evidence to this effect is presented in what follows.

3. Style of development in the East I: the Mainstream Model.

The argument in this section is that the model of development in both capitalist West and non-capitalist East share essential traits. Both belong to what has been labelled the Mainstream Model of development:

"Mainstream development thinking can be analysed along a continuum running between two ideological antipoles 'socialism' versus 'capitalism', defined as state-orientation and market-orientation. Various strategies of economic development in the West have emphasized the role of state and market differently, and much of the politi-

cal debate has been and still is concerned with the relative merits of these supposedly antagonistic economic institutions in the pursuance of development. This debate is largely about means, but as far as the ends are concerned, there is little difference between the various mainstream strategies (ranging from the Soviet model to neo-liberal monetarism.) They all lead to Western-type 'modernity', institutionalized in structures such as the bureaucratic state, the industrial system, the urban system, the professional elite, the technoscientific system, the military-industrial complex, etc."²⁸

The point is that the economies of East and West are but variants of the same Mainstream Model. Following this view one may see the variations of state involvement in the building of industrialization from, say, imperial Germany to the USSR as a quantitative, not very substantial difference.²⁹

Furthermore, it is possible to argue that both capitalist West and non-capitalist East share basic cultural patterns, both belonging to the Christian Occident as opposed to the Orient of Asia, involving hindu, buddhist and Chinese cultures.³⁰

In this context, it becomes easier to see that Marx subscribed to basically Western ideas of progress and modernity:

"His (Marx, GS) writings laid emphasis on the ways in which capitalism was 'progressive'. ... Indeed, both Social-Democrats and Communists in power have tended to give great priority to the further development of the means of production. Lenin's slogan that 'Communism equals socialism plus electricity still hangs today in enormous banners on the streets of Moscow. Insofar as these movements, once in power - Social-Democrats and Communists alike - implemented Stalin's slogan of 'socialism in one country', they thereby necessarily furthered the process of the commodification of everything that has been so essential to the global accumulation of capital. Insofar as they remained within the interstate system - indeed struggled to remain within it against all attempts to oust them - they accepted and furthered the world-wide reality of the dominance of the law of value. 'Socialist man' looked suspiciously like taylorism run wild."³¹

Dieter Senghaas has recently, from the starting point of development theory, presented an interpretation of the development of Eastern Europe which corroborates the line of reasoning laid forward here. According to this interpretation,³² the socialism of the Soviet Model emerged as a specific response to development problems of the country. From a peripheral position in the hierarchy of the World Economy, USSR set out to catch up with the core countries of the West.³³ This required a strong state machinery capable of tackling a wide range of development tasks more or less simultaneously. The powerful, centralized institutions that were erected did achieve a number of significant results: previous distinctive traits of underdevelopment gave way to an impressive industrial build-up, in particular within heavy industry; basic needs in a large number of areas (nutrition, health, education, etc.) were taken care of for the vast majority of the population.³⁴

However, the centralized structures constituting the core of the success of the first long phase of development are now obstacles, impeding a shift from extensive to intensive growth. The problems manifest themselves in decreasing productivity, inter-industrial bottlenecks (showing up later as a lack of consumer goods), and a lack of economic efficiency in general.³⁵

In the Eastern European countries which were never peripheralized, but well on their way to achieve (capitalist) core status when imbued with "socialism", these problems are most pertinent. The cases in point are East Germany and Czechoslovakia.³⁶ This falls in line with Senghaas' general interpretation of the role of socialism in various environments: the "Soviet mode" of socialism has a constructive role to play in societies facing the task of overcoming peripheral underdevelopment under difficult internal and external circumstances. In later phases of development, i.e. in the capitalist core-economies, the historical role of socialism has been, not to topple capitalism, but to act as a countervailing power (in the form of Social Democracy), keeping

"wild" capitalism in line, but at the same time - via high real wages - providing it with the dynamica of an expanding and resourceful local market.³⁷

It is exactly these countervailing powers that are lacking in the Eastern European mode of "socialism", and this is why the shift from extensive to intensive growth is next to impossible. In this light it also becomes clear why reforms were attempted in Czechoslovakia in 1968.³⁸ In other words, one should expect attempts at providing solutions to the structural problems of Eastern Europe to be reforms amounting to a further rapprochement of 'capitalism' and 'socialism'.

To sum up, the argument in this section is that there are basic similarities between the economic and social structures of East and West; that 'socialism' in the mode of the East is not something beyond and above (core) capitalist society but a specific phase on the way to it; and that consequently, further steps along this road will lead the structures of East and West even closer to each other.

4. Style of development in the East II: permanent crisis.

Closer economic ties between East and West means that economic crisis in one of the blocks is easier transmitted to the other. In that way, crisis in the West creates mixed feelings in the East, for on the one hand it confirms the crisis-ridden nature of capitalism; on the other it has an immediate negative impact on the economy of the East. Brezhnev admitted in 1976 that "Because of the broad economic links between capitalist and socialist countries, the ill effects of the current crisis in the West have also had an impact on the socialist world."³⁹ His Bulgarian colleague, Tudor Zhivkov, went even further: "It may be hoped that the crisis which is raging in the West may come to a rapid end, since it affects and creates uncertainties for the

Bulgarian economy which to a certain extent is dependent on trade with the countries of the West."⁴⁰

The main point in the present context is not, however, that crisis is transmitted from West to East; the main point is that the economies of the East tend to be in a state of permanent crisis by virtue of their own internal structure.⁴¹ One indicator of this crisis is the secular trend of CMEA-growth-rates. For example, the average annual growth rate of the USSR went from 11.3 per cent in 1951-55 to 3.7 per cent in 1976-80, and the trend is similar for the other East European countries.⁴² Andreff finds that "it is no exaggeration to regard the secular trend towards falling growth rates as a law of reproduction of the socialist East."⁴³ One underlying element in this picture is the rather poor productivity, on part of labour as well as on part of capital. There is a fairly uniform picture in the CMEA-countries of negative capital productivity, even turning increasingly negative since the sixties.⁴⁴ Annual variation in capital productivity for the USSR, for example, went from minus 0.6 per cent in the 1966-70 period to minus 3.0 per cent during 1976-80.⁴⁵

Poor performance in productivity is related to the difficulties involved in securing technological progress in the CMEA. Andreff stresses that the obstacles involved here touch the very foundation of the economic system: "under imperative planning, new products and processes are feared and turned down by the enterprises because of their projected prices and in particular because of the supply problems they create for the enterprise, making it all the more difficult for it to live up to the goals of the plan. The system gives the management of the enterprises a negative stimulus towards innovation."⁴⁶

The problems described here are of course tied in with the problematique of shifting from extensive to intensive growth mentioned in the previous section. And, as was implied there, the attempts at addressing these problems in the East have gone in

the direction of more integration in the capitalist world market on the external front, and more freedom to mechanisms of the market on the internal front.⁴⁷ Employing a wide range of measures, Hungary is the country that has taken the most significant steps along this road.⁴⁸ In 1979, Deputy Prime Minister István Huszár said to Business Week: "... we must expose our firms to the squeezes of the world economy and force them to make more efficient use of their resources, including labor."⁴⁹

If these developments can be said to imply that single CMEA-countries are increasingly giving in to capitalist norms and standards, a similar judgement applies to the attempts at economic co-operation among the Eastern European countries. The experiment with a "parallel" market with its own independent economic mechanisms for allocation was finally given up in 1975 with the introduction of the world market pricing mechanism. It should perhaps be no surprise that this turn of events was welcomed by Hungarian economists:

"Stalin's thesis of two parallel world markets has to be rejected, and not only because the parallelism never materialized, despite the alienation of the two systems, they were never totally separated. The thesis also had to be abandoned because the socialist "world market" revealed itself to be a fiction, with in fact hardly any of the characteristics of a real market".⁵⁰

"The connection between the international market within CMEA and the world market outside it means that the market value judgements of the CMEA countries about the prices of individual products and about the relative prices of different products can be formed only by taking into consideration the price relations in the capitalist world market. Quite independent of the fact whether and to what extent a CMEA country has the opportunity of choosing between various main world markets, the concept of a "realistic" price necessarily involves the consideration of the price of the product outside the CMEA market."⁵¹

The general point is of course that the societies described here

pose no serious threat to the capitalist West. They have not succeeded in creating fundamentally new economic and political rules capable of setting new and attractive standards to the people of the West. It has been said by Dieter Senghaas that there is no prospect for a generalization of the Soviet Way of Life to parts of the Western world. Conversely, a generalization of the American Way of Life to many other parts of the world was exactly what happened in the post World War 2 phase of uncontested US hegemony.⁵² Insofar as CMEA countries attempt to solve their internal problems, they do it through reforms which bring them closer to the West. This is in compliance with the assertion made by Ekkehart Krippendorff:

"A successful nationalization of the means of production not being the outcome of a victorious class confrontation making the creation of new, alternative, socialist mode of production possible, may in principle, in the long run be compatible with the continued existence of the capitalist mode of production on a world scale. It poses a tactical, but not strategical challenge to the imperialist structure of the international system."⁵³

5. The West in the eyes of the East.

Eastern rhetoric, in particular Soviet, has always been quite critical of capitalism. However, as we have seen in the above, even in the harsh days of Stalinist dogma looking at East and West as two isolated and antagonist, competing camps, there was room for attempts at (economic) co-operation with the West. Meanwhile, what has happened since the early seventies is a marked modification of Eastern views on capitalism as such and of capitalism in the Third World in particular.

Thus, the world-view has been changing from one of mutually opposing camps to something much closer to the concept of interdependence; writes Danish scholar Mette Skak:

"Maksimova, who introduced the new perception in 1974, stressed the abolition of autarky in the world socialist economic exchange and instead pointed to the existence of a 'world economy', of a global system, and thus - by implication - urged Socialist co-operative participation in the solution of the global problems. It is undoubtedly premature to term the Soviet world view interdependent in a strict sense but it is worth mentioning that this controversial concept has outlived even recent revival of cold war rhetorics. An important feature of the less doctrinaire Soviet world perception is the trend towards perceiving global developments and problems not as solely manifestations of Capitalist diseases, but more and more as the result of endogenous processes and internal dynamics."⁵⁴

This change of view is perhaps most marked in the case of Third World developments, where it has for a long time been standard Eastern parlance to blame capitalism for all the ills of underdevelopment. It is now being recognized that there are a number of cases of successful capitalist development in the Third World.⁵⁵ One Soviet contribution expects Latin America and the Middle East to reach the West European level of development of the 1950s by year 2000.⁵⁶ Dashiche of the Soviet CMEA Institute calls for "intensification of our links with such LDSs ad Indonesia, who stand on the treshold of developed capitalism."⁵⁷ Similarly, it is recognized that foreign capital in the form of transnational corporations may have positive contributions to make towards development goals, given the conditions are right, in particular when co-operation with local capital is secured.

The other side of this readjusted view of capitalism is a more pronounced pessimism as far a development in a socialist regie is concerned, in particular in the case of Third World countries where the level of development of the productive forces is very low. Socialist oriented countries, remarks Novapashin, tend to "disregard ... the extent to which Socialist states are able to provide them with aid."⁵⁸ Mette Skak stresses that "Soviet policy recommendations to LDCs express a rather soft line on both local and global capitalism in a recognition of the suicidal character of excessive revolutionary zeal."⁵⁹

This is not to imply that Eastern criticism of the capitalist system of the West is a thing of the past. Of course it is not; and most certainly there are a number of ranking party members in Moscow who have not fallen in line with a "softer" view on the West.⁶⁰ In addition, the above remarks on the Eastern position regarding capitalism in the Third World should be contrasted to the radicalization of Soviet policies towards a number of countries in this area during the seventies.⁶¹

It remains, however, that a less aggressive and less antagonistic view of capitalism prevails, compared to standard Stalinist dogma. And the coming of a Second Cold War has not nullified these developments.

6. Great Contests and Cold Wars: Who is involved?

The argument so far has dealt with the possible existence of a Great Contest between two blocs of powers, two groups of countries constituting supposedly rival social systems. It should be added, though, that there has been some additional focus on the Soviet Union. However, the issue of East-West confrontation and a new Cold War must be confronted more directly in the context of the countries involved. The assertion to be defended here is the following: although the notion of confrontation between the different social systems of East and West involves two blocs of countries, the Second Cold War is in no way a confrontation between these two blocs. Indeed, it has been a characteristic feature of the Second Cold War that insofar as there is increased tension and hostility between East and West, this has been limited to the great power of each bloc, and that both great powers have had considerable difficulties in getting the rest of "their" respective blocs to follow suit in a new confrontation.

Robin Luckham notes that:

"... both superpowers have struggled ... to preserve

their monopoly of the Cold War, in spite of the redistribution from them of world economic resources; the United States because such leverage as it still preserves over the global economic system depends in part on its strategic monopoly, the USSR because a multipolar strategic world would be altogether more threatening than one in which she had to confront a single capitalist superpower.

Thus, in marked contrast to the expanding circle of nations drawn into negotiating a New International Economic Order, the strategic order is still very much in the hands of the superpowers. Almost all the major negotiations on the arms race in recent years ... have been bilateral between the United States and the USSR."⁶²

In the West, the peacemovement in particular has been active in resisting political confrontations used as pretext for a renewed arms build-up. More surprising, however, is the extent of cleavages in the Eastern bloc as regards policies towards the West. While the special role of both China and Yugoslavia are long standing facts, there is also the opposition movement in Poland to be reckoned with. And the most recent developments seem to confirm that confrontation is something confined to the great powers: Both West and East Germany agree on continuing their efforts at defying the Cold War through the development of new economic and political relations. And in the face of Soviet criticism, East German party leader Erich Honecker claims that such policies are made all the more necessary in order to dampen the climate of confrontation.

But of course the great powers still hold considerable influence within "their" respective blocs. Thus, East-West relations in general simply cannot avoid to function in the shadow of a deteriorated relationship between the great power. However, the climate of general confrontation between East and West prevailing in the first Cold War of 1946-53 is not present in the second Cold War. Here, confrontation is to a large extent left to the two great powers.

7. The Soviet Union: promotor of world revolution?

One important line of thinking behind the notion of the Great Contest is the threat of extinction that communism of the East poses to capitalism of the West. While we have already questioned the extent to which there are basic differences between the two systems, this section goes into the following issue: has the Soviet Union as dominant non-capitalist power attempted to promote the downfall of capitalism and the rise of communism in the West? In a very restricted sense the answer is yes: the Soviet Union has actually supported communist parties of the West which in turn were and are supporters of Moscow. However, in a broader sense, the assertion here is that the Soviet Union has had a role of halting revolutions in the West, at least as far as the highly developed industrialized countries are concerned.

The period when possibilities for noncapitalist development in the West were most favourable was in the wake of the Second World War. The phase between the two world wars had seen the rise of fascism in the West, with the Soviet Union too weak to exert considerable influence on events. But in the mid-forties, many workers of the West looked with admiration to the achievements of the Bolsheviks in the Soviet Union, and the efforts in the war served to enhance the stance of the country. Additionally, the communists of the West had gained immense prestige through their contributions to the resistance movements. And it was a time of upheaval, of social forces in motion unparalleled in the century.

In this situation the Soviet policy was to stop initiatives going in the direction of socialist take-overs in the West; to halt demands going beyond national unity and reconstruction. In the countries where mobilization for socialism was most likely - France and Italy - the local communist parties abided by the Moscow policies of "national unity". In Greece, Moscow pressed

the communists to surrender in a situation where they were in control of almost the whole country. The success for local mobilization against capitalism came in Yugoslavia, precisely where Tito's forces refused to follow Moscow's policies.⁶³

Why did Stalin pursue such policies, counter-productive to socialism? The main reason seems to be that mass-supported socialist revolutions in the West would be harmful to the ruling Soviet elite:

"... a successful socialist revolution in Europe would have meant the lifting of the isolation of the Russian revolution and Stalin feared the interplay between the Soviet system and socialism in the industrialized countries. He found, quite correctly, that such an interplay would be a danger to the political and ideological system which the bureaucrats had developed into a dictatorship during the period of isolation. The system was developed in isolation and isolation had become a basic precondition for its existence and consequently for the privileges of the ruling elite.

... In the second decade of this century, a socialist party independent of the bourgeoisie was sufficient to achieve socialist power, but in the fifth decade of the century, one needed a party not only independent of the bourgeoisie but also of the "fatherland of socialism."⁶⁴

It was this same raison d'etat that was responsible for the communist take-overs from "the top" in Eastern Europe. It was vassal states Stalin needed, not mass-supported socialism.

The lack of mass democracy in the East, and of economic results outclassing capitalism has served to discredit the socialist cause in the West. Parallel with a long phase of sustained economic growth in the industrialized countries - the building of the welfare state - this has served to make the prospects for noncapitalist development in the West quite dim in the post-war period. The Soviet Union is on many counts a living example of what socialism in practice should not be, and its very existence is a powerful argument in the hands of advocates of capitalism. In this sense the Soviet Union is really a bulwark against socia-

lism in the West. While significant new social movements in this phase develop outside the orbit of - and indeed often in opposition to - organized communism (peace, environment, women's movement), the communist parties of the West have themselves entered a phase of loosening the ties to Moscow. But this movement towards Eurocommunism has also meant the giving up of socialist goals, for "softer" policies of reform within the basic capitalist framework.⁶⁵

It remains that the Soviet Union has sometimes supported non-capitalist movements in various parts of the Third World, even though such support often was forthcoming in smaller quantities than called for.⁶⁶ However, even in this area the basic thrust of Soviet policy has been the one of great power interest in the vein of Stalin's policies.⁶⁷ And it should be stressed that - contrary to the argument of Halliday⁶⁸ - one of the constituent elements behind the Second Cold War is not the advent of a new series of revolutions in the Third World. Indeed, the opposite suggestion comes closer to the truth: "... crisis and revolutionary pressure in the Third World contributed to the policies of détente, whereas the relative stabilisation of the periphery ... was supportive of a new cold war."⁶⁹

8. Conclusion.

From 1979, we have entered a phase of a Second Cold War in the sense of increased tension and hostility in the relations between East and West. Is the backbone of this situation found in the notion of a Great Contest, involving irreconcilable conflict between two opposing social systems? We have put forward a number of arguments to the effect that the contradictions between East and West is not as profound as claimed in the concept of the Great Contest. It was noted that the policies and very existence of the Soviet Union did not pose a dangerous threat of spreading mass-supported non-capitalist movements in the West. Indeed, the Soviet Union can be seen as a bulwark against socialism in the industrialized West.

We stressed that the broad concepts of East and West tended to cover up the fact that the increased tensions at the core of the Second Cold War are not increased tensions between the two blocs of East and West, but alone between the two great powers. A number of other countries within each bloc in fact pursue policies of continued and intensified détente. It was also stressed that even in spite of a more cool posture of the Soviet Union towards the West, the general trend has been towards a softer Soviet view of capitalism. The world-view has been changing from one of mutually opposing camps to something much closer to the concept on inter-dependence. In particular, the view of the role of capitalism in the Third World has been changing from one of unabashed condemnation to the point where the possibility for successful capitalist development in some Third World countries is recognized.

However, the core of the concept of Great Contest has to do with the opposition of two different economic systems, based on "contrasting social principles". Three aspects of this problem were addressed. Firstly, we saw that the existence of the East did not mean that capitalism was threatened due to being cut off from business possibilities. It was shown that there is ample opportunity for Western undertakings to profit from dealing with the East, and these opportunities have been increasingly exploited in recent decades.

Secondly, it was argued that there are basic similarities between the economic and social structures of East and West; both types of economies are but variants of the same Mainstream Model. 'Socialism' in the mode of the East is not something beyond and above core capitalist society but a specific phase on the way to it; consequently, further steps along this road will lead the structures of East and West even closer to each other.

Finally, it was pointed out that the economies of the East tend to be in a state of permanent crisis by virtue of their own in-

ternal structure. These economies pose no serious threat to the capitalist West. They have not succeeded in creating fundamentally new economic and political rules capable of setting new and attractive standards to the people of the West.

Some of the arguments above have been presented in a rather sketchy manner, and without doubt more research is needed in several of the areas touched upon. However, it has at the least been rendered probable that the conflict between East and West is in no way as basic and deeply rooted as is implied in the notion of the Great Contest.

The attempt here is not to do away with the East/West conflict or even with the Second Cold War; both are present and real; but there are three suggestions emerging from the analysis above, which may shed some extra light on this conflict.

Firstly, when accepting that the notion of the Great Contest has little explanatory value for the Second Cold War, it means that other types of explanations must be forwarded.

Forces on the national political scene may hold an interest in a high level of tension. Each of the great powers may wish to employ the existence of increased tension as a weapon for boosting their positions within "their" respective blocs.

Mary Kaldor has found that the Cold War can be explained without any reference to a threat from the East, and she also finds that the contemporary arms race, "at least on the Western side ... can be explained entirely without reference to an opponent"⁷⁰, and clearly this is only one indication that there are a number of possibilities for explaining the Second Cold War without referring to a Great Contest.

Secondly, taking the "speciality" out of the East/West conflict means that other types of international conflict, for example

between capitalist powers may be, or may come to be in the future, equally important. Conflicts between capitalist powers dominated the international scene between the two world wars. In the post-war era such conflicts have been less important due to the uncontested hegemony of the United States in the capitalist camp. But this hegemony is faltering on many counts⁷¹ and other capitalist powers, Japan, West Germany, France, are gaining increased strength. Parallel to these developments are the new lines of conflict in the East, most notably between China and the Soviet Union, and we have already seen armed "East-East"-conflicts. The East-West conflict has dominated the post-war scene, not due to its special qualities, but due to the lack of other main dimensions of conflict in the system. Such new dimensions may well emerge in the last part of this century.⁷²

Finally, the absence of a profound Great Contest should decree some optimism among the movements in favour of peace and disarmament: there are no qualitatively unique structures in the East-West relationship which make for insurmountable barriers to détente and disarmament. There are alternatives⁷³ to our present peril.

NOTES

(All quotations taken from non-English sources have been translated to English by the present author).

- 1) Isaac Deutsher: The Great Contest, London, 1960.
- 2) Fred Halliday: The Making of the Second Cold War, London 1983, p. 32.
- 3) Ellen Brun and Jacques Hersh: Paradoxes in the Political Economy of Détente, Theory & Society. No. 5, 1978, p. 295.
- 4) V.I. Lenin, 1921, speech, Collected Works, Vol. 32, Moscow 1965, p. 437.
- 5) See for example Angus Maddison: Phases of Capitalist Development, Oxford/New York 1982.
- 6) Rosa Luxemburg: Die Akkumulation des Kapitals, Frankfurt 1970 (1913).
- 7) Cf. Tom Kemp: Theories of Imperialism, London 1967.
- 8) Trotsky, quoted from Ekkehart Krippendorff: Revolutionary foreign policy in a capitalist environment, in: Egbert Jahn (Ed.): Soviet Foreign Policy: Its Social and Economic Conditions, London 1978, p. 31.
- 9) Samuel Pizar: Coexistence and Commerce: Guidelines for Transactions Between East and West, London 1971, p. 14.
- 10) Cf. Thomas N. Bjorkman and Thomas J. Zamostny: Soviet Politics and Strategy Toward the West: Three Cases, World Politics, vol. XXVI nr. 2, jan. 1984, p. 192.
- 11) Brun & Hersh, op.cit., p. 301.
- 12) Quoted from Bjorkman/Zamostny, op.cit., p. 193.
- 13) Figures from Andre Gunder Frank: Crisis in the World Economy, London 1980, p. 184.
- 14) Mette Skak: EAST SOUTH in the New International Division of Labour, paper for the ECPR Workshop on Europe and the New International Division of Labour, Salzburg April 1984, p. 4. Note that references in the main text to CMEA countries include only the following: Bulgaria, Hungary, Poland, German Democratic Republic, Romania, Czechoslovakia, and the Soviet Union. However, in the figures quoted here Romania is excluded.
It should be added that reservations are necessary as regards

reliability of the figures. They can only be taken as rough indications of main trends.

- 15) Gunder Frank 1980, op.cit., p. 194; Brun & Hersh op.cit., p. 312.
- 16) Quoted from Brun & Hersh, op.cit., p. 312, where additional lists of firms active in the East are presented.
- 17) Gunder Frank, op.cit., p. 196.
- 18) Estimates by Wladimir Andreff: Quelles strategies d'adaptations dans les economies nationales des pays de l'est? Paper for the VIth International Colloquium on the World Economy, Paris June 1984.
- 19) Mette Skak, op.cit., p. 7.
- 20) Andreff, op.cit., p. 24.
- 21) Tom Kemp: Historical Patterns of Industrialization, London 1978, ch. 11.
- 22) Tom Kemp: Industrialization in the Non-Western World, London & New York 1983, ch. 6.
- 23) This whole issue is of course tied in with the general conception one has of the Soviet society. See for example Hillel Ticktin: Towards a Political Economy of the USSR, in CRITIQUE No. 1, 1973.
- 24) Sverre Lodgaard: "On the Relationship Between East-West Economic Cooperation and Political Change in Eastern Europe", Journal of Peace Research XI, 4, 1974, p. 335.
- 25) Brun & Hersh, op.cit., p. 315n.
- 26) Deputy minister for foreign trade, A.N. Manshulo, Izvestia, February 1977, quoted from Brun & Hersh, op.cit., fn. 54.
- 27) Quoted from ibid., p. 302n.
- 28) Björn Hettne: Peace and Development: Contradictions and Compatibilities, Journal of Peace Research, vol. 20 no. 4, 1984, p. 338.
- 29) Björn Hettne: Strömfåra och kontrapunkt i västerländsk utvecklingsdebatt, Stockholm 1982, pp. 30-33.
- 30) Jan Øberg: At udvikle sikkerhed og sikre udvikling. Et essay om militarisme og fred, Gylling 1983, p. 14
- 31) Immanuel Wallerstein: Historical Capitalism, London 1983, p. 86.

- 32) Dieter Senghaas: Sozialismus - eine Interpretation aus entwicklungsgeschichtlicher und entwicklungstheoretischer Perspektive, in: Dieter Senghaas: Von Europa lernen. Entwicklungsgeschichtliche Betrachtungen, Frankfurt am Main 1982, pp. 277-321.
- 33) Put briefly, the concepts of core and periphery refer to the position of economies in a hierarchical world economic system, tied together by an international division of labour. Core (or centre-) economies are the highly industrialized countries in the top of the structure, while peripheries (most of the Third World) are at the bottom. A more thorough definitional discussion can be found in Morten Ougaard: Some Remarks Concerning Peripheral Capitalism and the Peripheral State, Science and Society No. 4, Winter 1982-83, pp. 385-405.
- 34) Senghaas 1982, op.cit., pp. 294-97.
- 35) Ibid., pp. 297-302.
- 36) Ibid., pp. 297.
- 37) Ibid., pp. 302-5.
- 38) Ibid., p. 304.
- 39) Quoted from Gunder Frank, op.cit., p. 180.
- 40) Quoted from loc.cit.
- 41) I owe this argument to the paper by Andreff, op.cit.
- 42) Figures from ibid. taken from national statistics. Reservations mentioned in fn. 14 apply.
- 43) Ibid., p. 3, cf. W. Andreff: Les économies planifiées du centre, cours photocopié, Maitrise Sciences économiques, Université de Grenoble II.
- 44) Andreff 1984, op.cit., p. 4. Measures as annual percentage variation in net productivity/fixed capital.
- 45) Ibid., p. 18.
- 46) Ibid., p. 5.
- 47) Gunder Frank, op.cit., pp. 229-35, Andreff 1984, op.cit., pp. 11-16.
- 48) Andreff 1984, op.cit., p. 15
- 49) Business Week, August 13, 1979.

- 50) Imre Vajda, in I. Vajda & M. Simai (eds.): Foreign Trade in a Planned Economy, Cambridge 1971, pp. XIII-IX.
- 51) Ibid., p. 110.
- 52) D. Senghaas, lecture, IPRA General Conference, Győr Hungary, September 1983.
- 53) Ekkehart Krippendorff: Internationale Beziehungen als Wissenschaft. Einführung 2, Frankfurt/New York 1977, p. 138.
- 54) Mette Skak, op.cit., p. 11. See also Valkenier: Development issues in recent Soviet scholarship, World Politics, No. 4, 1980, pp. 485-508.
- 55) Cf. Mette Skak, op.cit., pp. 10-16.
- 56) Ibid. p. 12. See also Reisner (ed.): Ekonomika razvivayuschikhsya stran: Teorii i metody issledovaniya, Moscow 1979, p. 208.
- 57) Quoted from Mette Skak, op.cit., p. 13.
- 58) Quoted from ibid.
- 59) Loc.cit.
- 60) Cf. Bjorkman and Zamostny in World Politics, op.cit.
- 61) Halliday, op.cit., pp. 97-105.
- 62) Robin Luckham: Militarisation and the New International Anarchy, in Third World Quarterly 6(2), April 1984, p. 353.
- 63) The events are scrutinized in detail by for example Fernando Claudin: Krisen i den kommunistiske verdensbevægelse (Crisis in the communist world movement) vol. 2, Viborg 1978.
- 64) Ibid., p. 434
- 65) See for example Ernest Mandel: Kritik des Eurokommunismus. Revolutionäre Alternative oder neue Etappe in der Krise des Stalinismus? Berlin 1978.
- 66) Cf. Halliday, op.cit., p. 41.
- 67) Peter W. Schultze: Übergangsgesellschaft und Aussenpolitik. Zum Problem des Zusammenhangs von proletarischem Internationalismus und Transformationsstrategien, in: Peter Hennicke (Hrsg.): Probleme des Sozialismus und der Übergangsgesellschaften, Frankfurt am Main 1973, pp. 141-82.

- 68) Cf. Halliday, op.cit., ch. 4.
- 69) Morten Ougaard: Crisis of Imperialism and the Second Cold War, mimeo, Aarhus University, January 1984, p. 13.
- 70) Mary Kaldor: Warfare and capitalism, in Thompson et.al. (Eds.): Exterminism and Cold War, London 1982, p. 274
- 71) Georg Sørensen & Hans Henrik Holm: The World System - Towards Dissolution? Paper for the 10th IPRA Conference, Győr, Hungary 1983.
- 72) Halliday points to a supposedly unique feature in the current great power conflict, namely that it is globalized, i.e. "it involves the whole world in its political and military dynamics. Whilst unable to control or programme much of world events, the major powers nonetheless tend to impose their own competitive logic upon them" (p. 31). However, a similar "globalization" characterized the conflict between the main capitalist states of the late 19th and early 20th century, and there is no reason to believe that other types of future international conflict will not exhibit a similar characteristic.
- 73) Cf. Johan Galtung: There are Alternatives! Four Roads to Peace and Security, Nottingham 1984.

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