



Oscar Sanchez-Sibony. *Red Globalization: The Political Economy of the Soviet Cold War from Stalin to Khrushchev.* New York: Cambridge University Press, 2014. XIV, 278 S. ISBN 978-1-107-04025-0.



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This book aims at nothing less than to turn Cold War Studies on its head. Oscar Sanchez-Sibony vigorously argues for a new understanding of the world economy after the Second World War firstly by claiming that the “Soviet economy was in large measure embedded in global economic structures at all time“ (p. 6). Secondly, he dismisses the idea of bipolarity between the United States and the Soviet Union which supposedly had structured the post-war world order. Even if in military terms bipolarity might have been the case, economy-wise it certainly was not. The Soviet Union was by no means anything like an economic superpower. Thirdly, he rejects the idea of Soviet autarky, dismantles notions of the Soviet Union actively pursuing partners for communism in the Global South, and thus relieves any suspicion that the Soviet Union might have had an imperialist agenda. For a first book, this is a bold enterprise. And Sanchez-Sibony did more than well.

Generally, Sanchez-Sibony concentrates on the consequences of the postwar order under US hegemony. He begins his analysis, however, in the 1920s with an attack on old conceptions of Soviet

autarky and its rationales. Sanchez-Sibony argues for a contextualization of the Soviet industrialization debate within the world economic crises which hit the Soviet Union as severely and as early as other mainly grain-exporting countries around the world. The Soviet Union, however, insisted on exporting grain while the conditions for export were growing worse. Ironically, the socialist Soviet Union believed more fiercely in the gold standard and the need for an austerity program than any capitalist European country. While most countries opted to default on their loans after 1929, the Soviet Union did not. Against all odds they continued to repay their debts and interest. As economies around the world were collapsing in the early 1930s, trade came to a standstill. Thus, Soviet autarky was not a conscious decision of opting out of the global market but rather the result of the economic crisis in 1929 and its ongoing reverberations throughout the 1930s.

Coming to the post-war order, Oscar Sanchez-Sibony is not shy at all to point out the ideological, anti-communist hard line the US developed quite early after 1945 against the Soviet Union. The

massive credits extended to Western Europe by the United States as well as the Bretton Woods System effectively excluded the Soviet Union from any participation in the newly emerging economic order. According to Sanchez-Sibony, it was this exclusion which ultimately enforced integration within the Council for Mutual Economic Assistance (CMEA) in Eastern Europe rather than the standard interpretation according to which CMEA was the Soviet response to the emerging bipolar order. The author furthermore stresses that the Soviet Union was the last to gain anything from this network and instead heavily subsidized the Eastern Bloc. Nevertheless, the Eastern European “satellites” did not accept the Soviet Union as the leading commercial partner and rather pursued their own agenda.

The Soviets’ strictly economic rather than ideological attitude toward the world market is the topic of Sanchez-Sibony’s third chapter. He demonstrates how the Soviets navigated through world-trade circuits under conditions which were not exactly encouraging. Western Europe suffered an acute dollar shortage throughout most of the 1950s. One of the means to overcome this shortage was trading with the Soviet Union sometimes on a dollar basis, more often in the currency of the European nation. This however was met with a suspicious eye by the United States which often intervened in those contracts. Nevertheless, West Germany together with Japan became the most important capitalist partners in trade – after the Eastern European countries. As soon however as the dollar shortage developed – especially in West Germany’s case – into a dollar glut, the Soviet Union lost rapidly in importance. Whereas earlier agreements were not met due to US intervention or fear of it, now the Soviets were reprimanded for the shabby quality of their export products which did not meet international standards. Within the Soviet economy this led to a stricter quality control for export products whereas those meant for CMEA countries or the Soviet Union itself remained of low quality. Sanchez-Sibony does not

explore this point, yet it is striking how much the Soviet Union’s quest for hard currency had an impact on its own production. What the Soviets in fact did was devalue their own ruble as a currency worth producing for. The Soviet consumer’s needs were relegated as secondary to capitalist consumers’ needs which were better cared for.

By exploring Soviet trade relations with decolonizing countries, Sanchez-Sibony deconstructs another common Cold War perspective. He argues against the idea that the Soviets would have initiated a “Communist crusade” (p. 127) in these countries, demonstrating that most of them approached the Soviet Union for trade arrangements and not vice versa. This perspective, which stresses the activity and initiative of the Global South, runs contrary to the widespread notion in Cold War studies which infantilizes societies of the Global South and stigmatizes their leaders as passive objects. Furthermore, Soviet trade relations with the south were valid only as long as the Western world did not show an interest in those emerging economies. As soon as developing countries (India or Egypt are his examples) had the chance to earn dollars, they switched to European, American or Japanese partners. Thus, the Soviet Union was reduced to being a gap filler and was repeatedly outplayed by the statesmen of the Global South.

In his last two chapters Sanchez-Sibony concentrates on the fate of Soviet world trade in the 1960s. Contrary to the belief in a conscious strategy of non-participation, Sanchez-Sibony demonstrates Soviet “accommodation and adaptation to the world economy” (p. 174). Moreover, he interprets Soviet participation in the world market as conforming and submissive. Although the Soviet Union was eager to buy and sell world-wide, it rarely succeeded in producing positive results for its own growth. In order to export products the Soviet Union lacked the necessary means of transport like ships. Such understaffing in crucial means for successful participation hardly nour-

ishes the myth of a bi-polar superpower fighting for a communist overhaul of the world order. The only successful export product was oil – after the switch from coal to oil as the main source of energy in the 1960s. Various more or less successful oil deals with capitalist partners, however, resulted in Soviet dependence on exporting the country's natural resources – a feature this “developed” socialist country shared with many emerging national economies.

Oscar Sanchez-Sibony raises many questions and answers most of them. Yet reading his portrait of Soviet performance on the world market one cannot help but wonder: Why did the Soviets continue to participate in a world market with “partners” who actually often were simply (and not surprisingly) competitors? Why was it that the Soviet Union was so idealistic about the terms of trade? And why didn't the Soviet Union opt for autarky? One of the less convincing arguments Sanchez-Sibony makes in his book is the role of personality. Although he vehemently argues in his second chapter against the idea that personality (the role of Stalin in particular) matters, in his conclusion he attributes continuity in the Soviet Union's approach to foreign trade to “Mikoyan's legacy” (p. 246). Such a statement in the conclusion is surprising considering not only the minor role Anastas Mikoyan played throughout the book.

Nevertheless, Oscar Sanchez-Sibony succeeded in deconstructing many long-lived ideas and presumptions about the nature of the Soviet Union's economic activity in the world market. One of the many merits of this book is that it demonstrates that economy matters irrespective of ideology. In an ironic twist Oscar Sanchez-Sibony shifts the classical role of the Soviet Union from ideologically informed world revolutionaries to those interested in hard economics and currencies whereas the United States appears blinkered in its ideological battle against communism. This picture might be too simple – not so much for

the seriousness of US anti-communism, but for the Soviets' interest in the world market and their more or less blind acceptance of its terms. The political economy of the Soviet Union and thus the reasons for economic decisions are poorly understood. But with economic history celebrating a comeback and Oscar Sanchez-Sibony as one of its enthusiastic promoters, those economic riddles might become fewer in the long run.

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