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In *The Soviet Union and the Construction of the Global Market*, Oscar Sanchez-Sibony focuses on the role of the Soviet Union in the construction of a European oil and gas market in the second half of the 1960s. The main argument of the book is that Soviet leadership engaged economic and political resources and bargaining power to overthrow the established postwar system of international trade. According to Sanchez-Sibony, the Bretton Woods system was meant to solidify the global power of the US dollar and the US government’s control over the system. However, the Soviet Union “actively helped dismantle the world of Bretton Woods and reconfigure how economic life was to be directed once Bretton Woods had moved on” (p. 9). Even more, the author argues that the dismantling of Bretton Woods by the construction of new material and financial infrastructures was a “victory of the socialist bloc,” since it gave the Soviet Union “access to capital the Soviet state had been fighting for ever since ... the 1920s” (p. 10).

The book adds to two fields of research. First, it contributes to the field of energy and infrastructure history. Here, the book adds another angle to detailed works about this topic, especially into the history of East-West energy relations in Cold War Europe since the 1960s and 1970s. Several scholars have published works in this area in the last decade.[1] Second, the book adds to the field of (alternative) globalization, including the so-called second and third world, that is, Eastern Europe and the former Soviet Union as well as postcolonial countries around the world.[2] Here, the main aim of Sanchez-Sibony is to provincialize the West and give the Soviet Union a constitutive role in the formation of a globalized and market-based capitalism that emerged from the 1970s. In doing so, the author tries to shake up the stereotypical thinking of the Soviet Union and the socialist bloc as passive and dysfunctional.

The book contains an introduction, a prologue, five country-oriented main chapters, and a
“coda,” an epilogue. The introduction starts with an extensive biographical passage of seven pages about “Lorenzo,” a Spanish economist who contributed to the fall of Bretton Woods. The benefit of this detailed opening, however, is unclear. The rest of the introduction covers the main aims of the book, briefly mentioned above. The author also describes the research gap his book tries to address, namely, the change from socialist autarky through the 1950s to an increasing engagement in the world economy from the 1970s. He notes that in this context, aspects of financialization were largely absent until now in analyses of this globalization process. Consequently, gas pipelines and the financing and underlying incentives to construct such massive infrastructure projects are the main focus of the book. Sanchez-Sibony summarizes that the Soviets “did not simply want to barter energy for things. What they wanted was not Western stuff to keep the people happy, but rather a new relationship with the West” (p. 14).

In the prologue, the author describes the Soviet grain crisis of 1963 and attempts to import large amounts of grain on the world market, mainly from Canada, the United States, and Australia. This “generalized blip on rising commercial momentum” serves as the chronological starting point of the book (p. 47).

The first chapter is devoted to the vehicle through which the Soviets finally broke through the financial dikes of Bretton Woods: gas exports including necessary transport infrastructure to Italy. This barter trade, which included the exchange of oil against pipes, is already well researched.[3] Sanchez-Sibony refutes the argument that the Soviets were interested in exports only to be able to import deficit goods in turn. Some sentences later, however, he states that “they leaned on their energy reserves, exchanging it for technology that aimed to resolve myriad social problems of Soviet economic life and aspirations, especially in food and consumer goods.” Nevertheless, this was a turning point, since “well before the United States became anxious ... about Western Europe’s dependency on Communist energy,” the Italians had allowed “the Soviets a significant weight in their energy balance” (p. 53). This was also the starting point for other large-scale endeavors, like the supply of an entire factory of the car producer Fiat. Italy’s motivation behind opening the door through which capital could enter the Soviet Union was to circumvent the power of US companies in Europe.

The second chapter addresses Great Britain’s role in the Soviet Union’s quest for destabilizing the Bretton Woods system. According to the author, Great Britain could not convince the Soviets to increase bilateral trade by the quality of its goods but could by its capacity as a global financial market. By entering this financial marketplace, the Soviets came closer to their goal. Sanchez-Sibony summarizes a bit exaggeratedly: “As capital broadened geographical horizons beyond geo-ideological alliances, that Cold War logic, such as it was, was interrupted beyond recognition. And the Soviet Union had been brought to the center of that interruption. The socialists had won a Cold War” (p. 90).

Austria is at the center of the third chapter of the book’s main part. In 1968, this neutral European state signed the first gas contract by a non-Communist nation with the Soviet Union. According to the author, the Soviets convinced hesitant Austrians to enter into this contract; “the Soviets were not looking merely for hard currency, or better pipe technology. They were looking for a new, durable, financialized relationship” (p. 109). This formulation fits the author’s argumentation well, but it neglects important political circumstances. At that time, Austria was aiming for acceptance into the European Economic Community. Instead of accepting this approach, the Soviet Union was offering gas.

The fourth chapter describes the Soviet Union’s gas relationship with West Germany. After stagnant years of bilateral trade following the
Western pipe embargo in 1962, West Germany finally entered the increasing East-West cooperation based on gas and pipe deliveries in the late 1960s. In doing so, West Germany accepted the Soviet Union's demand for fair trade conditions. The author argues that this step was due to West Germany's financial and industrial capacities and unrelated to political developments in that period. Again, Sanchez-Sibony overlooks the political dimension: the Soviet Union wanted to keep West Germany away from China by having a closer connection to West Germany. Besides, it was trying to facilitate the election of its favorite Willy Brandt as West Germany's chancellor.

The fifth and last chapter of the main part is devoted to France. As Italy, France, too, was searching for greater independence from the United States, but it developed its trade relationship with the Soviet Union more gradually. According to the author, the dynamic element in this relationship was the Soviet Union deliberately aiming for a liberalization of international energy trade by wanting to get rid of Bretton Woods.

Sanchez-Sibony ends his book by focusing on gas trade between the Soviet Union and Italy. In his conclusion, he writes that “market discourse had long been the medium the Soviets had used to manage relations with the West. The Italians, for their part, had in the past countered with a politicized discourse of Cold War risk. Now they joined the Soviets in using a naturalized mimicry of stock market analysis” (p. 218).

The strength of the book is its focus on the agency of the Soviet leadership, which “pushed the world toward greater liberalization and financialization” (p. 37). The picture of a leadership that only acted according to market rules, however, is one-sided and probably due to the sources Sanchez-Sibony used. An overwhelming share of the archival documents the book is based on stem from fond number 413 of the Russian State Archive of Economy. The author does not cite important additional sources, like documents from the Soviet Politburo, which is unfortunate since that might have altered the book's conclusions. The use of one archive source, however, is hidden behind the very generalizing expression “the Soviets,” constantly used in the book. Besides, provincializing the West by excluding non-Soviet archival sources further reinforces the impression of Soviet agency. Despite these shortcomings, the book is interesting reading for historians of this topic, since it reinterprets a well-known story in a dedicated way.

Notes


Falk Flade studied Slavic studies, East European history, and economics. His dissertation is on energy infrastructures in the Eastern bloc. His current fields of research are history of eco-
nomics and technology, Communist studies, and Central and Eastern European history.

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