

Alternative Forms of Globalization? The Council for Mutual Economic Assistance (CMEA) as Development Organization

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The online International Workshop „Alternative Forms of Globalization? The Council for Mutual Economic Assistance (CMEA) as Development Organization“ was held between 13. and 14. November at the University of Vienna and organized by Berthold Unfried and Claudia Martínez Hernández within the framework of the FWF/Austrian Science Fund sponsored research project „Entanglements between Cuba and the German Democratic Republic (GDR): mobilities, exchanges, circulations within the Council of Mutual Economic Assistance“.

In its introduction, BERTHOLD UNFRIED (Wien) highlighted that by admitting „underdeveloped“ („subdesarrollado“ by Cuba’s own self-definition) extra European states as members, the CMEA was confronted with the problem of massive economic inequality among its members on a global scale. The CMEA’s „Fundamental Principles of the International Socialist Division of Labour“ (1962) feature „aligning the developmental level of the CMEA countries“ as an objective. The integration of extra European members thus endowed this organization with a task of international development in the sense of achieving economic convergence. The main question line of the workshop was: How did the economic organization of the European Community of Socialist States emerge as a „development organization“ in the course of its „globalization“ into a (following its self-designation) „Socialist World System“. Thus, this event called the participants to identify instruments applied to accomplish such a „developmental“ task. Participants were also called to discuss the question to which degree, if at all, it is useful to speak of a „Socialist World System“ endowed with a European

center and an extra European periphery.

UWE MÜLLER (Leipzig) referred to actions of development aid, system transfers and business while describing the economic „East-South“ relations in what he called the „globalization crisis“ of the 1970s and 1980s. During the economic crisis of the 1970s, which was marked by the oil price crisis and the beginning of a new wave of globalization, the European socialist countries intensified their economic relations with some countries of the „Global South“. The six smaller European CMEA countries had – compared to the USSR – different prerequisites and interests in their relations with the Global South. They argued that a strategy focused on the promotion of small business would better match their own capacities and the needs of beneficiaries, while minimising the risks of default on loan repayments. At the same time, compared to the Soviet Union, they were much more dependent on imports of important raw materials. Müller assumed that hunger for raw materials led the CMEA states to behave like Western neo-colonialist companies, or at least, to pay less attention to the needs of industrial modernisation in developing countries. However, there are also indications that this crisis situation led the Eastern European CMEA countries to act more flexible and customer-friendly on the markets of the Global South. It was precisely the otherwise criticised lack of supranationality that made the CMEA an attractive partner for the communist and non-communist leaders of the Global South.

In his comments, Berthold Unfried remarked that the terminology of „Global South“, „East-South relations“ and „Third World“ was not used by the CMEA member-states because they oriented their policy along different categorizations. Developing countries were not treated as a unit because besides the extra-European „socialist“ countries there was a distinction between countries on a „non-capitalist“ or „socialist“ path of development and those on a „capitalist“ path of development. The former were treated differently and received more economic benefits for political considerations.

Moving to his own presentation, Berthold Unfried positioned Cuba in the Socialist World System by presenting Cuban-East Ger-

man entanglements in the framework of the CMEA on the levels of: (1) flows of economic resources: via Preferential Prices, Barter Trade, and „Scientific-Technical Relations“, (2) political interaction in building a „Socialist World System“ by joint action in Africa, Asia and Latin America, and (3) personal, physical entanglement: the encounter of ordinary Cubans and Germans at the workplace, at the university, in joint projects and in personal relations. He approached Cuba's position in the CMEA especially as a platform for the „Three Continents“ and discussed Cuba's outreach (Internacionalismo) to the fringes of the CMEA and the personnel flows which this policy set into motion. This presentation pointed to Cuba as a cohesive force of the „Socialist World System“ and as an example for the extraordinary role which a „peripheric“ state could play in the CMEA. The conclusion pointed to mixed results of the economic Convergence Policy of CMEA countries with Cuba.

Commenting on this presentation, MAX TRECKER (Leipzig) put his attention on the ideological struggle within the island during the 1960s, before the entry into the CMEA, and its repercussions on the theoretical economic discussion. He asked for divergences among GDR actors towards Cuba and emphasized the predominance of the political sector over the economic sector in the decision-making process. Particularities of the Cuban position as an extra European member, its capacity to shape beneficial agreements with its CMEA counterparts and the sources for research were core points of the generated debate.

CHRISTINA SCHWENKEL (Riverside/California) examined the moral and racial politics behind GDR infrastructure projects in the postcolonial South that aimed to technologically uplift countries in the throes of decolonization. Using the example of Vietnam, she argued that the strong visual imprint that East German modernization projects left on the North Vietnamese landscape served as material evidence of the GDR's goodwill in contrast to an „immoral“ capitalist West bent on destroying Vietnam. This iconography of benevolence and racial harmony touted the GDR's international-

ist values and policies of anti-imperialist solidarity. Underlying such developmental imperatives, however, were ideas of racial difference that challenged claims to horizontal solidarity and reinforced global inequalities.

In this occasion Berthold Unfried delivered his comments to highlight the line of mutual interest presented in labour migration agreements against a line which sees the workers only confronted with exploitation and discrimination blurring the workers' agency and interests. From his perspective, a politico-economic program was pursued with the sending of Vietnamese workers to the GDR but he put in doubt the racial content of this program. Additional observations were the distinction between the CMEA as a simple coordinator of bilateral actions or as a multilateral organization and the use of the notion „socialist mobilities“ instead of „temporary migration“.

Max Trecker focused on the 1980s and analyzed „East-South“ economic and financial relations based on East German, Soviet and CMEA documents from that decade. He showed that far from being a generous pro-bono endeavor, economic relations with Asian, African and Latin American countries were an integral part of the economies of the European CMEA countries. These served an intermediary position in the world economy of the 1970s and the 1980s by providing relatively sophisticated technology to the periphery on generous terms. The position of the European CMEA countries was increasingly under pressure from two sides in the 1980s: a) they found it increasingly difficult to maintain an edge in the technological ladder and to serve as intermediary between „West“ and „South“ and b) the debt crisis of the 1980s hit them harder than the periphery of the world economy. They did not manage to call in the huge debts of these countries but were sucked into the international debt crisis as debtors of „Western“ countries and financial institutions. By the end of the 1980s, most Communist regimes in Eastern Europe saw regime change, while most of their formerly close economic partners in the periphery of the Global South survived the 1980s politically. By looking at economic and financial relations in the 1980s and by uti-

lizing Wallerstein's World-Systems Analysis, Trecker asked for the reasons why this was the case. He launched the idea of the „Second World“ ending up as the periphery of the „Third World“.

ERIC BURTON's (Innsbruck) remarks called for a better understanding of trade relations involving socialist countries. In the first place, not all counterparts benefited from exchanges and some countries in the South did not profit at all. In the second place, the profit for those who participated was different or difficult to assess. He put forward the need to consider aspects other than financial and posed the question about the existence of a socialist business model.

CLAUDIA MARTÍNEZ HERNÁNDEZ (Wien) analyzed the transcontinental movement of people within the „Socialist World System“ and its economic organization, the CMEA, from the angle of the socialist approach to achieve development, considering the interactions among international, institutional and individual actors involved; as well as the different lines of exchange that were linked to these flows of temporary migration generated by the mutual interest of senders and recipients. She focused on the case of the Cuban young workers to be qualified in the socialist European countries between 1978 and 1990, particularly in the GDR, and how the organizations of the Communist Party of Cuba framed the sending, surveillance in the field and the return of these thousands of people. By showing situations of interaction, conflict and collaboration, Claudia Martínez Hernández pointed to the human capital intensity of socialist programs aiming at convergence among unequal partners. No other period in the Cuban history saw more people on the move under state-led migration programs than the period of its membership in the CMEA.

Comments on this presentation were made by INGRID MIETHE (Gießen) who agreed with the idea that cooperation among socialist countries was more labour than capital intensive. The decision taken by the Communist Party of Cuba in 1986 to end the sending of workers to the GDR for inter-cultural problems despite its economic importance showed the economic level of less importance within

these socialist relations. The political elements were paramount since the beginning. Miethé suggested to insert the analysis of Cuban workers into the context of workers from different nationalities in the GDR.

JUN FUJISAWA (Kobe) directed the attention to Mongolia, the first non-European member-state of the CMEA which is either totally neglected or mentioned as a mere adjunct. However, the membership of this country played a certain role not only for its economy but also for the organization itself. The contribution examined Mongolia's economic relations with the Soviet Union and Eastern European countries as well as its activities in the CMEA on the basis of Soviet archival documents. The only non-European country within the CMEA until 1972, Mongolia consistently demanded special treatment for its developing economy, which was stipulated in the „Comprehensive Program“ of 1971 and applied later to Cuba and Vietnam as well. However, in the end, the Eastern Europeans had neither the will nor the capacity to give assistance as large as the Mongols wished. In the end, the Soviet Union remained the largely predominant donor of aid. Yet for the CMEA itself, the membership of Mongolia as well as other non-European member-countries played a certain role in its final phase after 1989. The „global“ nature of the CMEA made it more difficult for the Soviets to adapt it to a new environment in Europe.

The presentation of this new topic of CMEA historiography was commented by BERTHOLD MOLDEN (Vienna). The participation of Mongolia in the CMEA and its relations with the Soviet Union are mostly unknown. Molden asked for the location and accessibility of archival material for such a research as this is important to other historians. Finally, Molden discussed the question of economic imperialism within the so-called „Socialist World System“.

ERIK RADISCH (Leipzig) offered a new interpretation of the first years of the CMEA within the Stalinist period. Before Stalin's death, Soviet governance in the CMEA was organized by an advisor system. Soviet CMEA advisors did have great influence on the Eastern European countries in this time, however they did not focus on questions of

economic integration. The reforms of the CMEA structure after Stalin's death did abolish the advisor system and led to an „internationalization“ and „institutionalization“ of the organization. Due to the renunciation of terror and the rise of China as a new center of the socialist world, the Soviet Union did never regain the same amount of influence. Thus, power relationships between center and periphery within the CMEA changed significantly after Stalin's death.

DAVID MAYER's (Wien) remarks on this contribution recognized the need to continue studying the early history of the CMEA and the ways it impacted upon or prefigured the subsequent development of that organization. He assessed the emphasis on the asymmetric relations of power within the CMEA as a particularly valuable aspect. The use of center and periphery and the concept of Empire however could in this context not be considered in Wallerstein's terms. The Soviet Union was a political hegemon without being an economic hegemon.

The final debate turned around the question in the workshop title: „Alternative Forms of Globalization?“, which was linked to a second question: Socialist World System? The historical proponents of this self-denomination defended the idea of a new world system by the transcontinental extension of socialism and claimed to have established ways of organizing the economy, the society and the political system alternative to the capitalist world system.

Arguments for and against such an independent socialist world system were resumed by Unfried, pointing to the dependence to the capitalist world market in prices first and the importation of technological cutting-edge products and to the limits of barter trade and preferential prices as socialist economic instruments.

On the other side, main arguments in favour of an independent socialist world system comprise the existence of distinctive economic, political and institutional features among the socialist countries, a certain cohesion present in the percentage of intra-system foreign trade and the interactivity either represented as „socialist mobilities“ or as „temporary migration“, with a focus on the per-

sonnel circulation within and at the fringes of the CMEA.

Conference overview:

Uwe Müller (Leipzig): Between development aid, system transfers and business. Economic East South Relations in the globalization crisis of the 1970s and 1980s

Comment: Berthold Unfried (Wien)

Berthold Unfried (Wien): Cuba in the Socialist World System

Comment: Max Trecker (Leipzig)

Christina Schwenkel (Riverside/California): GDR Development of Vietnam: A Moral Racial Project?

Comment: Berthold Unfried (Wien)

Max Trecker (Leipzig): Development as a Business Model: What were the Economic Benefits for the European CMEA Countries?

Comment: Eric Burton (Innsbruck)

Claudia Martínez Hernández (Wien): Organization, implementation and interactions of a system of temporary migration: Cuban Workers in socialist Europe

Comment: Ingrid Miethe (Gießen)

Jun Fujisawa (Kobe): Mongolia in the CMEA

Comment: Berthold Molden (Wien)

Erik Radisch (Leipzig): Center and Periphery in the CMEA

Comment: David Mayer (Wien)

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