STUDIA UBB SOCIOLOGIA, 65 (LXV), 2, 2020, pp. 125-128
DOI: 10.2478/subbs-2020-0012

BOOK REVIEW

***Red Globalization: The Political Economy of the Soviet Cold War from Stalin to Khrushchev,* by Oscar Sanchez-Sibony, New York: Cambridge University Press, 2014, 293 pages.**

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Red Globalization depicts the economic globalization of the Soviet Union. The primary merit of the book, I argue, lies in emphasis and counteraction of numerous misconceptions regarding economic policies of Eastern European socialist countries that followed the USSR's model. Presented in a temporal manner, the sequence of events is globally embedded at every turn, a timely and necessary act of historical contextualization that ultimately demonstrates international economic dependencies.

Starting from the early onset of industrialization, the book focuses on the struggles of re-structuring an existing reality via the consolidation of a new economic and social foundation. Prompted by agricultural mechanization, Soviet industrialization efforts were initially financed by grain exports, spurred by expanding rail infrastructure inland. In the post-war era, despite the Cold War's premise of equality between the two powers, the resource allocation necessary for economic reconstruction originated largely from the former and targeted the USSR among many other war-torn countries. Soviet leadership actively pursued US credit necessary for the import of goods and raw materials in a period when exports were absent. Trade steadily resumed with eastern bloc countries, and, despite the backdrop of military occupation, commercial exchanges were equitable, as numerous countries resisted Soviet domination.

Posited against isolationist perspectives, Sanchez-Sibony's writing underlines the diverse steps taken by Soviet planners in order to integrate domestic products into global value chains. In this regard, the USSR's export tendencies counteract the autarchic discourse voiced worldwide

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(including their elites). The author eloquently shows how eastern self-sufficiency was a product of the Cold War: a totalitarian, far-flung and ideologically opposed significant other on the one hand and capitalist imperial expansionism on the other. However, in economic terms, socialist countries posited comparable levels of foreign trade with western countries. Contrary to ideas of Soviet autarchic obtusity (Kornai, 1980, 1992; Turnock, 2006), Soviet planners actively sought western supply routes, importing certain products and offering significant concessions to obtain them. For example, following the Bretton Woods agreement, dollars – obtainable only via western trade – became increasingly sought after. Long-term trade agreements were maintained in diplomatic terms: government delegations established the exchange details and domestic producers on both sides fulfilled the required quotas.

In the Kruschev era, besides further agricultural modernization, the construction and chemical industries started receiving significant investments. Planners initiated renewed housing projects designed for increased comfort, a general desire to increase consumption ensued, all while the country's foreign trade volume surged. The previously established notion of industrial expansion funding via foreign trade was a recurrent event in socialist countries during the 1960's. Soviet trade consisted of western productive machinery imports in exchange for raw materials. Yet again, Sanchez-Sibony skilfully underlines the effects these agreements had on COMECON countries. Although, posited as a mutual aid act, Soviet trade with its socialist neighbours paled in comparison with western exchanges. On the upside, the latter did partially overcome these circumstances by exporting machinery and importing favourably priced raw materials.

Another pointedly remarkable facet of the USSR's trade practices lies in its ideology, or rather, the lack of it. In a lengthy passage, the author highlights the distinctly non-political role Soviet negotiators held in foreign agreements. Stemming from a position of inferiority induced by economic dependence, commercial policies inherently adhered to material pursuits. When ideological implications did exist – the case of West Germany involving the release of prisoners of war as part of commercial agreements – Soviet officials kept their composure.

In the third and final chapter, the focus shifts to a compelling intrigue: how Soviet products were integrated into global supply chains given their currency inconvertibility? The answer resides in the adaptation toward, and imitation of capitalist economic systems, despite these inconsistencies. Chief among these developments were product quality improvements and the mirroring global export trends. Numerous state decrees – exemplifying foreign corporate practices and research initiatives – were passed with the intent of rivalling western quality standards (especially for oil products). Imitating western export procedures meant that domestic products were shipped in opportune time frames. For example, the author mentions seasonal potato exports that maximized revenue and the re-allocation of surplus timber stocks initially destined for internal consumption. The mentioned monetary incompatibility was solved by offering convertible roubles, correlated with dollar exchange rates.

The USSR's economic relations with socialist countries, namely Cuba and Egypt, strayed from the structural advantage precondition, partly due to reduced interest when compared to western alliances. Cuba, on the one hand, largely disregarded export quantities, shipping significantly less than the agreed amounts. Soviet credit was provided in exchange, resources subsequently utilized to purchase other goods from fellow socialist states. Egypt, on the other hand, balanced its relationship both with the west and the east in a complex convolution of global affairs. On numerous occasions, Soviet trade agreements materialized only as a consequence of failed deals with the west.

As mentioned, the accentuation of socialist and capitalist trade dynamics is important for the re-conceptualization of the entire eastern bloc in terms of economic dependency and development models. Therefore, it enables numerous scientific inquiries of pre-existing socialist dynamics devoid of purely ideological normative limitations. For example, Romania's case mainly followed a path similar to the USSR in terms of foreign trade relations. Unlike autarchic perspectives, the country's path to industrialization was financed by western exports, with the dollar as the most coveted currency. Romanian planners imported significant amounts of fixed capital from western states, constantly expanding existing production capacities and founding numerous novel industries in a period known as the second wave of socialist industrialization (Ban, 2012).

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