

NUMBER 43

THE ENERGY CRISIS, WESTERN "STAGFLATION" AND THE
EVOLUTION OF SOVIET-EAST EUROPEAN
RELATIONS: AN INITIAL ASSESSMENT

William Zimmerman
The University of Michigan

Conference on the Impact of International Economic Disturbances
on the Soviet Union and Eastern Europe

Sponsored by
Kennan Institute for Advanced Russian Studies
State University of New York at Stony Brook
University of Windsor

THE ENERGY CRISIS, WESTERN 'STAGFLATION' AND THE
EVOLUTION OF SOVIET-EAST EUROPEAN
RELATIONS: AN INITIAL ASSESSMENT

As Western specialists are well aware, the scholarly dialogue in the Soviet Union, and even more so in such East European states as Hungary and Poland, has evolved in recent years in such a way that in an article, tsitatnichestvo (citationism) is often confined to an initial bow to an authoritative source and a conclusion which invokes a pithy aphorism from Lenin or Marx. In keeping with that spirit I begin with a quote from Soviet Premier Alexei Kosygin taken from his June 28, 1978 address at the Thirty-Second Meeting of the Council of Mutual Economic Assistance (Comecon). In his speech he makes reference to the global economic system where

the 1974-1975 economic crisis, the biggest since the war, opened up a new phase in capitalist development characterized by a declining tempo, growing instability and increasing disproportions. The difficulties caused by the energy, raw material and currency and financial crisis remain unresolved. A number of important sectors are in difficulties, in particular shipbuilding, machinebuilding, the chemical industry, ferrous metallurgy and the textile industry. The high rate of inflation remains and unemployment has reached massive dimensions. Countries such as Britain and Sweden have experienced prolonged stagnation or decreased industrial production and are unable to get back to the precrisis level. On the world market monopoly competition has increased and the trade and currency war has become fiercer. The purchasing power of the U.S. dollar and other capitalist currencies continues to fall.

Terminology aside, I doubt if many would object strenuously to Kosygin's characterization of what has transpired in the Western economy in recent years, nor would we disagree that these "negative trends taking place within the capitalist economy" are phenomena that "to a certain degree are affecting the economy of the world socialist system." Indeed, to what degree and in what manner this is so is the general theme of this conference.

My task here is to ask how these events, the immediate catalyst for which was the quadrupling of oil prices by the OPEC countries in the context of the October 1973 Arab-Israeli War, have affected the nature of Soviet-East European political relations.² It is not an easy task. Given the extent and manner in which socialist economies are institutionally insulated from external economic developments, it's difficult enough to specify the linkages between changes in the global economic system and the socialist economies -- especially when the changes in the global economy (i.e., inflation and recession) themselves represent a blend of somewhat cross-cutting tendencies and when the changes have occurred roughly simultaneously with other substantially unrelated but causally significant developments. (Almost any enumeration of such developments would include detente, the signing of the Helsinki agreement, and the growth of agricultural protectionism within an enlarged European Economic Community.)

It's still more challenging to assess the impact of an external economic shock on the nature of Soviet-East European political relations. Efforts by political scientists to analyze political linkages across systemic levels or between systems have not often been marked by great success.³ In studying Soviet-East European relations specifically, there exists little by way of formalized propositions pertaining to the impact of inputs originating outside the system.⁴ In studying Soviet-East European relations, data problems abound as well. What one wishes to know either does not exist or is to be found if at all in highly fugitive sources. To give but one example: one would dearly wish to have mass and elite survey data pertaining to East European attitudes toward the West prior to and after 1973 in order to be able to test the simple and

plausible -- but quite possibly erroneous -- proposition that the attractiveness of Western political and economic ideas and institutions to East European masses and elites has been fundamentally diminished by the post 1973 economic events; to my knowledge, such data do not exist, at least not in the public domain. It's a yet even more challenging task to add something on the impact of the global energy crisis, inflation and recession three years after Andrzej Korbonski did write "something new or original" on the "impact of East-West trade on the economic integration of Eastern Europe" and in light of recent work by Sarah Meiklejohn Terry, Paul Marer, and Peter Marsh.⁵ For all these reasons -- and since in addition my own research in this vein is not complete -- it bears stressing that the subtitle of my paper is not prompted by an excessive modesty but is intended literally.

Soviet-East European Relations 1956-73

These caveats having been dutifully, indeed earnestly, entered, let me turn now to the business at hand. The only way we can begin to make headway in assessing the impact of the global energy crisis and Western stagflation on the structure and character of Soviet-East European relations is to depict certain key features of those relations prior to 1973, describe as best we can how and if these features have changed since 1973 and attempt to assess the role of the putative causal variable, in this case the recent "negative events" in the Western economy, on those features of Soviet-East European relations which have altered.

This in turn requires, initially, a brief description of the essential attributes of Soviet-East European relations prior to 1973.

Those attributes are, I believe, most appropriately grasped if we characterize the nature of the relations which obtained in the late 1960s and early 1970s as that of a hierarchical regional system;⁶ i.e., regional inter-state system made up of a single great power, the regional hegemon, and a number of relatively small states.

Such a perspective is consonant with the evolution that took place in the post World War II period in relations among communist states. From 1948 to 1953 it had been largely appropriate to think of the communist states as a set as making up the Soviet bloc -- although the exclusion of Yugoslavia from the Cominform in 1948 testified to the fact that, virtually from the outset, not all communist states were a part of that bloc and indeed indicated that communist states created more or less in imitation of the Soviet model were highly capable of repulsing the imperial blandishments, short of actual armed force, of all states including those by the Motherland of Socialism herself. The emergence of China as a significant force in the 1950s, the re-emergence of interstate relations among the European communist states after Stalin's death in 1953, and Khrushchev's secret speech at the Twentieth CPSU Congress suggested the transformation of communist relations from those of a bloc to those of an international system constituting a potential world system. The 1960s in turn lent little support to the idea widespread at the beginning of that decade that there would emerge by the end of the 1970s an international order dominated by the Soviet Union and governed by "scientific socialist" norms or that it made sense to set off relations between communist states and non-ruling communist parties from the general international system. Changes in trade and transaction flows, the evolving

pattern of organizational memberships and, most notably, the failure of the communist states to contain conflict within the set of communist states all served to undermine the utility of postulating a general communist international system. Increasingly, instead, it seemed appropriate to define Soviet-East European relations in regionally specific terms, to differentiate between relations between these states and other states, whether the latter be non-communist or communist. Institutionally, the "boundaries" of that regional system were defined by membership in the Warsaw Treaty Organization and Comecon, each of which in the 1960s was almost exclusively East European in composition. (Mongolia did have membership in Comecon.) Trade patterns among the East European states, with the exception of Romania, in the 1960s and early 1970s were distinctive from those of other states, capitalist or communist. The trade of the USSR and the other East European states was overwhelmingly with each other and remarkably constant throughout the period, as Table 1 shows (see following page). Viewed from the perspective of norms for behavior, similarly, it was increasingly evident that "proletarian internationalism" had clear behavioral consequences only for Soviet-East European relations and not for relations with other communist states, much less non-ruling parties. Finally there was a growing propensity for communist elites themselves to confine references to the concept "socialist community" to the USSR and Eastern Europe.⁷

Conceiving relations among the Soviet Union and Eastern Europe as a hierarchical regional system has, moreover, several advantages. Emphasizing the hierarchical nature of the system summarizes the general pattern of asymmetry that has characterized Soviet-East European relations

Table 1
EAST EUROPEAN INTRA-COMECON TRADE 1960-1972
AS A PROPORTION OF TOTAL TRADE

	1960	1972
Bulgaria		
Turnover	80	80
Imports	80	80
Exports	80	80
Czechslovakia		
Turnover	63	66
Imports	64	65
Exports	63	66
German Democratic Republic		
Turnover	67	67
Imports	66	63
Exports	69	65
Hungary		
Turnover	62	64
Imports	64	63
Exports	61	65
Poland		
Turnover	56	59
Imports	58	58
Exports	55	60
Romania		
Turnover	67	46
Imports	68	45
Exports	66	47

Source: J. T. Crawford and John Haberstroh, "Survey of Economic Policy Issues in Eastern Europe," in Joint Economic Committee, Reorientation and Commercial Relations of the Economies of Eastern Europe, p. 41.

throughout the period since the communist takeovers at the end of World War II, and this conveys some sense of the distinct limits on the behavior of the small states while still allowing for some independent behavior on the part of all the states in the system. (It also incidentally provides an immediate structural distinction between the position of Yugoslavia,⁸ a member of a far less stratified global bi-polar system, vis-a-vis the Soviet Union and that of the various East European states and the Soviet Union.) That asymmetry has been such an essential aspect of Soviet-East European relations as to warrant somewhat greater detail.

Assuming, for instance, as first approximation that gross national product summarizes the power of a state, one can employ a measure suggested by James Caporaso⁹ to describe more specifically the inequality of the Soviet-East European system. Caporaso's equation is

$$\text{Con} = \sqrt{\frac{N \sum P_i^2 - 1/N}{1 - 1/N}} \quad \text{where concentration is represented by Con,}$$

P_i stands for the proportion of GNP of each state in the total gross product of the regional system, and N is the number of actors in the system. Higher system inequality will result in scores that are nearer to unity. Using Caporaso's measure, it turns out, not surprisingly, that the Soviet-East European regional system (here defined as the members of the WTO and the European members of Comecon) is somewhat less unequal than the Western hemispheric system (i.e., the Organization of American States) and somewhat more unequal than the North Atlantic community (NATO). More interestingly, it appears that interstate inequality in the Soviet-East European system was actually increasing slightly in the period from the Twentieth CPSU Congress to 1973, a trend which, inter alia, runs counter

to some of the more glowing claims advanced for the "international relations of a new type" putatively associated with socialism (cf. Table 2).

Table 2
INTER-STATE INEQUALITY IN REGIONAL SYSTEMS

International Organization	Year	1957	1965	1972
OAS		.882 (.891)	.877	.867 (.877)
NATO		.618 (.616)	.615	.584 (.485)
WTO		.685 (.678)	.712	.717

Source: GNP figures are drawn from Bruce Russett et al., World Handbook of Political and Social Indicators (New Haven: Yale University Press, 1964), Charles L. Taylor and Michael C. Hudson, World Handbook of Political and Social Indicators, second edition (New Haven: Yale, 1972) and U.S. Arms Control and Disarmament Agency, World Military Expenditures and Arms Trade, 1963-73, (Washington: GPO, 1974).

Figures in parentheses for the OAS and NATO are the inequality scores for the seven members with the largest GNP from each alliance; that for 1957-WTO includes Albania.

The asymmetry in Soviet-East European relations was also reflected in the extent to which the East European states were penetrated by the Soviet Union. In the years of high Stalinism, the East European states, like the republics of the Soviet Union, were national in form and socialist in content; they were totally penetrated systems that were little more than transmission belt organizations. As in the Soviet Union,

controls were exerted primarily by the informal mechanisms of the party, the secret police, the military and by Stalin himself.

The death of Stalin and the ramifications in East Europe of the 20th CPSU Congress produced important changes in the penetration of the East European states. The most obvious forms of penetration were eliminated. After 1956 Soviet citizens were no longer members of the Polish Central Committee, and East European budgets in the 1960s and early 1970s were much less directly correlated with "the Soviet pattern of social expenditures" than they had been in the 1950s.¹⁰

After 1956, too, there were ranges in the degree of penetration. Constitutions adopted in Eastern Europe in the 1960s and early 1970s varied in their evidence of deference to the Soviet Union from the 1965 Romanian Constitution to the 1971 Bulgarian Constitution. The former made no reference to the USSR by name and noted simply that Romania "maintains and develops relations of friendship and fraternal collaboration with the socialist countries"; the Bulgarian Constitution, by contrast, referred to "developing and strengthening friendship, cooperation, and mutual assistance with the Soviet Union and the other socialist countries."¹¹ Poland negotiated a genuine military status of forces agreement in 1956 and Romania in the 1960s successfully purged the Romanian CP of putatively pro-Soviet elements. Our knowledge, however, of the overall penetration of the East European parties, economy, and society by the CPSU and, as Christopher Jones¹² stresses, the Soviet military through the WTO, in the post 1956 period, leaves considerable to be desired.

One can, nevertheless, obtain a reasonable approximation of the evolving overall Soviet presence in Eastern Europe by focusing on the degree of cultural penetration by the Soviet Union. Here, moreover, there are readily available data for the period from Stalin's death to 1973. Thus one can utilize translation data compiled by UNESCO to derive a sense of the Soviet presence in Eastern Europe by comparing the expected frequency with which East European states translate books from Russian and English, were that a chance occurrence, with the observed pattern of translation for 1973 (Table 2). The equivalent figures for Austria, Finland, and Sweden were also compiled to indicate that the subject is politics not geography; Table 3 provides an indication of the extent of Soviet cultural presence twenty years after Stalin's death. (In this table and in Tables 4 and 5 following, the Soviet presence is somewhat understated since the figures are for Russian, not for all languages of the Soviet Union.)

Viewed longitudinally, however, the picture is quite different. Table 3 depicts Russian translations as a proportion of all translations for the various East European countries (along with Albania and Yugoslavia). The data reveal two things: major changes in Soviet-East European relations or in the domestic political situation in an individual country without fail find their reflection in the proportion of Russian books translated in particular years and that there has been a steady decrease in the Soviet cultural presence in Eastern Europe over time. The latter proposition is further suggested by Table 5 which displays, in somewhat more abbreviated fashion, translations as a proportion of all books in Eastern Europe, Albania and Yugoslavia and books translated from Russian as a percentage of all books published.

Table 3

OBSERVED AND EXPECTED FREQUENCY OF TRANSLATED RUSSIAN AND ENGLISH WORKS IN EAST EUROPEAN COUNTRIES, 1973

	TOTAL ^a	ALBAN	BULGAR	CZECH	GDR	HUNG	POLAND	ROMANIA	YUGOS	REST OF WORLD EX- CLUDING USSR	AUSTRIA	FINLAND	SWEDEN
Russian observed	3006	8	182	349	745	120	160	53	106	1283	5	30	19
Russian expected ^b	3006	3.7	30.3	75.0	149	34.0	55.1	19.7	59	2560.4	38.1	79.4	156.4
English observed	17879	18	30	176	297	118	226	85	307	16622	260	522	1068
English expected ^c	17879	22.2	181.4	449	891.9	203.7	330.4	118.1	353.5	15326.6	226.9	472.6	930.6
TOTAL	20885	26	212	525	1042	238	386	138	413	17905	205	552	1087

Source: UN, Statistical Yearbook, 1976.

The USSR translates a large number of books from Russian into some other language. Soviet published translations are excluded from the table. The figures given by the UN for total Russian and English work translated in the world during 1973 are 5113 and 18350 respectively.

Expected frequency of Russian translations = Individual country's total translation x 3006/20885.

Expected frequency of English translations = Individual country's total translation x 17879/20885.

Table 4

PERCENT RUSSIAN LANGUAGE BOOKS OF THE TOTAL NUMBER OF BOOKS
TRANSLATED IN EAST EUROPEAN COUNTRIES

	ALBANIA	BULGARIA	CZECHOSLOVAKIA	GERMAN DEMOCRATIC REPUBLIC	HUNGARY	POLAND	ROMANIA	YUGOSLAVIA
1954	NA ^a	66	64	NA	59	70	NA	7
1955	NA	69	52	NA	48	57	47	21
1956	NA	63	47	NA	40	47	53	23
1957	NA	63	31	NA	16	30	32	10
1958	57	50	24	NA	27	22	43	10
1959	44	49	26	NA	25	20	44	10
1960	61	54	26	NA	30	23	44	10
1961	48	57	24	NA	23	26	49	13
1962	39	51	24	NA	30	27	37	9
1963	34	53	23	NA	22	23	34	13
1964	58	46	16	NA	20	23	24	13
1965	26	43	16	NA	16	23	11	NA
1966	16	37	11	NA	13	25	9	11 ^b
1967	26	33	12	NA	15	23	8	11
1968	19	34	15	NA	13	20	8	12
1969	25	37	8	NA	10	19	5	8
1970	28	39	9	NA	11	21	10	13
1971	17	36	13	41	10	19	5	12
1972	7	44	18	73	11	17	10	8
1973	10	44	24	42	11	16	6	7

^aNA=not available

^b1965-66 combined

Source: UN Statistical Yearbooks

Table 5

PUBLICATION OF BOOKS AND TRANSLATED WORK AMONG EAST
EUROPEAN COUNTRIES, 1954-73

	ALBANIA	BULGARIA	CZECHOSLOVAKIA	HUNGARY	POLAND	ROMANIA	YUGOSLAVIA
TRANSLATED WORK AS % OF TOTAL BOOK PRODUCTION							
1954	--*	24.8	29.7	--	--	--	14.9
1955	--	17.4	33.5	12.9	14.8	12.6	14.4
1959	14.1	17.8	17.1	5.9	10.4	--	16.8
1964	16.3	18.3	19.8	16.1	8.8	12.7	20.3
1969	--	16	17.6	19.8	8.7	10.2	11.6
1973	--	10.2	16.7	14.2	8.9	--	14.6
TRANSLATED RUSSIAN WORK AS % OF TOTAL BOOK PRODUCTION							
1954	--	16.9	19.1	--	--	--	1.09
1955	--	12.1	17.5	6.6	8.5	5.9	0.8
1959	6.2	8.7	4.4	1.4	2.0	--	1.7
1964	9.4	8.4	3.3	3.2	2.0	2.9	2.5
1969	--	6.2	1.4	1.9	1.6	0.53	0.98
1973	--	4.5	4.0	1.5	1.4	--	1.0

* --: not available

Source: UN Statistical Yearbook, 1957, 1958, 1962, 1966, 1971, 1972, 1975, 1976.

The inequality in the power of the states' members of a hierarchical regional system and the concomitant penetration of the lesser states has often led specialists to regard the exploitation of the Eastern European states as an essential feature of Soviet-East European relations. One man's exploitation is another's mutually advantageous sharing of resources, know how, or capital: perceptions and frame of reference are crucial. The consensus of specialists, however, is that while in the early post World War II period the Soviet Union used its pre-eminent political and military status to exploit its East European clients economically (paying particular attention to disadvantage what became the GDR), it was at least an open question who was exploiting whom in Soviet-East European relations, 1956-1973.¹³ If one employs the criterion most favored by the dependency theorists -- terms of trade -- the general disposition of the economists has been that it was the developed, manufactured-goods producing East European states which were the exploiter states, a situation which provoked largely ineffectual protests by the USSR. These protests involved arguments by the Soviet Union that the East European states ought to invest in the Soviet Union and that in setting prices consideration ought to be shown the raw material exporting states, in view of the longterm trend in world prices favoring manufactured goods. Soviet objections, however, were evidently not too strenuously advanced since the situation, economically disadvantageous as it was to the Soviet Union, was compensated for in considerable measure by such political gains as bloc loyalty and cohesion. The manifestation in the Warsaw Treaty Organization context of the free rider¹⁴ problem -- that expenditures per capita on a free good, defense, decrease as size of the

member in the alliance also diminishes -- seemed also similarly to indicate that a good case could be made for the proposition that under socialism, as under capitalism, the great and the politically powerful can be exploited by the weak.

Just as emphasizing the hierarchical nature of the regional international system emphasized the essential asymmetry in Soviet-East European relations, there are distinct advantages to defining these relations as a regional international system. Specifically, it is a perspective which prompts an attention to the ways in which linkages between the dominant international system and the regional system can influence the capacity for maneuver by the states members of the latter.

The effort by decision makers of states members of a regional system to exploit the linkages between the regional and dominant international system in order to enhance their capacity for maneuver I have elsewhere called "the politics of system boundaries."¹⁵ Generally, for instance, the regional hegemon is disposed to and pursues policies that seek to maintain or increase the barriers -- system boundaries -- which separate the regional system from the outside world. The Soviet Union in particular has traditionally cared intensely about maintaining the distinctions between Soviet-East European relations and all other relations.

At the same time it must be borne in mind that by the 1960s and early 1970s the USSR was no longer a mere regional great power but had become a world power as well. This had consequences for Soviet behavior. The Soviet leadership found itself increasingly torn between regional system and dominant system goals -- thus giving rise to the

possibility that the USSR might for instance trade off a diminution of intra regional system cohesion for gains elsewhere. (In the mid 1960s Soviet economists began encouraging East European states to seek some of their raw materials elsewhere; i.e., in sharp contradiction to standard Soviet practice, actually encouraging the East European states to reduce their dependence on the Soviet Union.) Similarly concern with events outside the region prompted the USSR to view the regional system as a resource to be mobilized against an extra-regional rival by expanding the scope of hitherto regionally specific organizations. (It is for instance relatively well settled that in 1969-70 the Soviet Union sought to secure Warsaw Treaty Organization support against the Peoples Republic of China; the Romanians responded by stressing that the WTO was a European organization.)

The lesser states within the regional system also have the option of pursuing policies that increase or maintain the barriers that separate the regional system from the outside world or to reduce the salience of the regional system boundaries. For the 1960s and early 1970s, for instance, it turns out that in Eastern Europe (and in Latin America) those relatively small powers, the regimes of which had not sought to achieve a sense of legitimacy in the eyes of key social groups by engendering in them a sense of participation in the political system, were most likely to be ones which defined national security in a manner similar to the regional hegemon. Like the regional hegemon, they tended to emphasize the distinctions between the regional system and the outside world. Thus, for instance, Walter Ulbricht's German Democratic Republic and Todor Zhivkov's Bulgaria. As Zhivkov put it, "A small country can play an

important role" if it contributes to "the unification of fraternal countries." Otherwise "it will give valuable support to the activities of imperialism in the international arena. That is our interpretation of the role of small countries."¹⁶ Other small powers, by contrast, will seek to alter the foreign policy environment in which they operate by reducing the salience of a regional system's boundaries. Archetypically, the small states in a hierarchical regional system drawn to such policies are either those that are attempting to achieve a basic legitimacy vis-a-vis society by approximating a pluralist or conciliationist model or those that attempt to accomplish the same task through more typically totalitarian, mobilizational methods. In the Soviet-East European hierarchical regional system, Czechoslovakia in 1968 and Romania in the 1960s were the prototypes of such regimes and such boundary reducing strategies. Both the Czechoslovakian and Romanian stories are oft-told tales and need not detain us here. For our purposes what is most notable is that: 1. Romania managed, over approximately a decade, to accomplish a dramatic reorientation in its trade patterns and international institutional affiliation, even joining the International Monetary Fund in 1973. 2. It achieved considerable success in implementing its claims that it was a member of the socialist camp and a developing country. 3. It received formal recognition in the 1971 Comecon Comprehensive Program that East European integration would proceed on the basis of respect for national independence and sovereignty and had "reaffirmed the commitment of Comecon to equalize economic development levels as a precondition of full integration."¹⁷

Peter Marsh asserts, moreover, that in the late 1960s and at the very outset of the 1970s, economic reform "prompted all the major [Comecon] industrial states to challenge in greater and lesser degrees the rigidity of [the system] boundaries..."¹⁸ This, it should be stressed, they did, in contrast to Romania, while giving precious little evidence of foreign policy deviance in such external environments as the United Nations General Assembly. Table 6 summarizes the incidence with which Bulgaria, Czechoslovakia, Hungary, Poland, and Romania -- the United States and Yugoslavia are included by way of comparison -- voted with the USSR in the Plenary Sessions and overall (including the committees) of the General Assembly in the years 1970-72; William Potter¹⁹ has shown the same pattern of voting for earlier years.

Table 6

VOTING AFFINITY BETWEEN THE USSR AND ITS
EAST EUROPEAN ALLIES, 1970-72, IN PERCENTAGES*

Country	Year		1971		1972	
	1970 Plenary	Overall	Plenary	Overall	Plenary	Overall
USSR	N=67	157	126	249	110	220
Bulgaria	98.5%	94.9%	100%	98.3	100%	98.1%
Czechoslovakia	100	96.1	98.4	97.1	97.2	94.0
Hungary	98.5	96.8	99.2	98.3	97.2	97.7
Poland	94.0	91.7	99.2	98.3	97.2	96.8
Romania	80.5	77.0	84.1	80.7	74.5	73.1
Yugoslavia	70.1	64.3	70.6	65.0	59.1	57.2
United States	14.9	17.8	28.5	28.5	32.7	30.4

*These figures understate somewhat the degree of consensus. They do not include instances when the voting was unanimous. Affinity was taken literally; if the USSR voted aye and the other state abstained or was absent that vote counted as evidence of nonaffinity.

Thus Hungary both before and after 1968 engaged in such policies. Economically it sought to implement its New Economic Mechanism by becoming increasingly integrated with the world economy. More broadly, from 1965 to 1973, Hungary's foreign policy was prompted by the motif that the class principle did not exclude geographical considerations, that its "identity references" -- in Sarah Terry's²⁰ felicitous term -- could extend across regional system boundaries, that it could be both socialist and Danubian. In like fashion, a dramatic reversal of attitude toward the world economy occurred in Poland with the accession to power of the technocrat, Edward Gierek, following the December 1970 workers' riots and the ouster of Wladislav Gomulka.²¹ (The reassessment and initial stages of the re-orienting of Polish trade were much facilitated by the improvement in Soviet-West German relations and Polish-West German relations following the Soviet invasion of Czechoslovakia in 1968 and by the USSR's decision greatly to increase its own trade with the West in order to create the "material bases" for detente.) Even less developed Bulgaria began to emerge from its hitherto almost exclusively intra-socialist community orientation; in 1970-72, for instance, it signed twenty treaties (eleven of which were economic) with the various developed capitalist states and only six with its confreres in Comecon.

The Energy Crisis and Western Stagflation: Consequences for Soviet-East European Relations

So in broad canvass stood matters with regard to Soviet-East European relations by 1973. The hierarchical nature of the relationship and the notion that there were limits on East European behavior were well established by the Hungarian and Czechoslovak events of 1956 and 1968

respectively as was the notion that Soviet-East European relations were separable from other relations along many dimensions -- most notably institutions, trade patterns, "rules of the game." At the same time there were increasing signs of the permeability of the system. The member states, to some extent and in some instances with Soviet encouragement, enhanced their contacts with the external world. So too was there strong evidence that within the regional system the USSR did not have the leverage or the will to affect the evolution of economic integration within Comecon or intra regional prices to its exclusive preference, even while it was equally clear that the East European countries (excluding Romania) and the Soviet Union continued to muster a common front when presenting themselves in broader communist or general international fora.

Viewed historically, 1973 will be regarded as a crucial year in the history of global North-South relations. The OPEC oil price jump set into motion highly disequilibrating tendencies in the Western economy, the reverberations of which will be felt into the 1980s. The effects of the Western inflation and subsequent recession produced almost immediate direct effects on the Soviet and East European economies. An economically open and heavily trade oriented state like Hungary, which is not a major producer, much less, exporter of raw materials suddenly found it enormously more expensive to import from the West and, simultaneously, in view of the Western recession, more difficult to sell their products on Western markets. The Soviet Union, by contrast, found itself a largely accidental beneficiary of the radically altered terms of trade; as a result it could more easily pay for its much needed technology and wheat imports, given the new world

prices for oil, natural gas, and gold. The more profound economic impact on Soviet-East European relations was less a direct result of the energy crisis and Western stagflation and more a consequence these developments had on the propensity of the Soviet Union to sell on the socialist rather than on the global market and, closely related, the prices of goods within Comecon. The gap between world prices and prices in Comecon, as a Soviet economist put it tersely, "reduced the material interest of exporter-countries in increasing deliveries,"²² a situation which was altered in January 1975 (a year before the new five year plans) with the adoption of a radical revision of intra-Comecon prices and the general pricing mechanism itself. How much credit one gives the Soviet Union for the solution adopted -- that in 1975 and in the future prices would be changed annually on the basis of a five year moving average²³ -- depends on several things. The attractive dimensions of dealing with "questions of prices or the satisfaction of growing requirements for energy...in our own way, in a socialist way,"²⁴ as Brezhnev put it in March, 1975, are somewhat diminished when framed against claims such as that made by an East German trade union official in early February 1975 -- by which time the decision to alter prices had already been taken -- that "A sudden price rise in oil prices such as happens in the West could not happen here. We have treaties with the Soviet Union"²⁵ or against the Polish Premier Piotr Jaroszewicz's January 1974 statement that Poland finds itself "in a good fuel situation in that we buy 75 percent of our liquid fuel from the Soviet Union. The price of Soviet oil will remain unchanged until the end of the present five-year period!"²⁶ The more attractive side -- the side that does provide "testimony to the growing political sophistication" side of the coin of a Soviet leadership

"apparently willing to pay the price of being the leader of a political, military, and economic alliance"²⁷ -- was that the blow was considerably softened by adopting a decision rule that had the effect of spreading the bulk of the price increases over two or three years, by somewhat off-setting price rises for products that East European states export to the USSR, and by Soviet extension of credits.

The combination of these direct and derivative economic consequences of the energy and Western stagflation provided a context which facilitated important additional changes in Soviet-East European relations. It is common ground for instance that the changed external environment: 1. accelerated the developing practice of intra-Comecon coordination of overall plans; 2. prompted the burgeoning of long-term coordinated projects in specific areas, specifically energy; and 3. greatly increased the disposition of East European states to invest in the Soviet Union -- most particularly but not exclusively in the Orenburg gas pipeline -- and on a more modest scale in Outer Mongolia, and Cuba.²⁸

In short, the altered terms of trade and the cost to Eastern Europe of guaranteed supplies in an era of shortages have accelerated intra-Comecon institutional developments which are indicative of greater integration on terms quite favorable to the Soviet Union. What warrants more exploration here is the extent these developments have spilled over into a still larger context -- have they in particular altered the overall nature of Soviet-East European relations. Are the defining features of Soviet-East European relations essentially what they were prior to 1973? Has the hierarchical cast to the relationship been altered substantially? Has the degree of integration progressed to such an extent as to raise the issue

whether it is still appropriate to view the set of relations as an international system? Has the increased plan coordination produced evidence of increased Soviet penetration of East European politics or society? Are outcomes the result of a pulling and hauling among more or less independent states? Should the new phenomenon of substantial East European investment in the Soviet Union be properly regarded as a new higher stage of hegemonic exploitation? Have the rules of the game for the regional system been altered so fundamentally that those elites that in the past have advocated an increase in system boundary permeability are now seeking a system more marked off from the external environment? Has the dramatic evidence that, as Marxist Leninists have always stressed, capitalism is in the post Keynesian era still characterized by boom and bust and enormous distribution problems resulted in efforts by communist elites to insulate the Soviet-East European regional system -- to increase, in the terms used here, the salience of the system's boundaries -- still further from the external environment?

The last section of this paper musters some of the available data and evidence for the post 1973 period in Soviet-East European relations which address these questions and allow for comparison with the pre-1973 period; for a variety of reasons further evidence will become available over the next year or two that will permit more definitive answers. To address the question of the impact of the jump in world oil prices and Western inflation and recession on the overall hierarchical configuration of Soviet-East European relations in a fairly systematic fashion would require that we be able to extend a measure

of system inequality (such as employed above to describe the period 1957-72, Table 2, p. 8) for several years after not only 1973 but 1975 when the derivative impact began to have its full impact on the East European economies. At this juncture, all that can be reported are estimates for the years 1973-76. (See Table 7)

Table 7

INEQUALITY IN SOVIET-EAST EUROPEAN RELATIONS: 1970-76

Year:	1965	1970	1971	1972	1973	1974	1975	1976
WTO	.678 (.712)	.713	.697	.702 (.717)	.707	.709	.707	.703

Source: CIA, Handbook of Economic Statistics, 1977 (Washington: CIA, 1977), 31.

Note: The figures in parentheses are from Table 2 above, p. 8. The estimates for the various states' GNP differ in this Table and Table 2 since the CIA estimates of GNP employed by ACDA in 1974 and those employed by CIA in 1977 have changed --hence producing slightly different scores.

About the most that can be said on the basis of this data is that the trend toward slightly greater concentration noted in 1957-72 has not persisted. Instead no basic change in the concentration of the system has occurred during the 1970s. Judged by this indicator and assuming the trend persists, the conclusion seems warranted that the redistributive consequences for Soviet-East European relations of the energy crisis and the shift in global terms of trade have not been substantial.

Other evidence, however, is necessary for such a statement to have much content. Conceivably, for instance, the proliferation in recent years of Comecon bureaucracy, the emergence of what appear to be relatively parallel economic institutions intermediate between the enterprise and the ministry in several East European countries and in the Soviet Union, and the greatly increased stress on plan coordination could make comparisons of "inter-state" concentration irrelevant. There is, for instance, something to the argument that analogies to Gosplan and the like are beginning to appear in the Comecon context. In the mid-1970s, moreover, Soviet publications appeared which stressed the relevance of the Soviet solution to the nationality question to the socialist community³⁰ and invoking such phrases as the developing intra-Comecon economic "complex"³¹ -- the word used to characterize individual national economies. These developments have prompted speculation that we might be witnessing the reemergence of the early post World War II situation in which all the East European states were independent in name only -- nationalist in form and Soviet socialist in content.

Such wonderings, I believe, may be largely dismissed at least for the 1980s. Even Soviet sources that invoke the relevance of the Soviet handling of the nationality question are quite explicit about the differences in the situations: to wit, that one involved harmonization of interests on a federal basis, while the other is a matter of harmonizing inter-state relations.³² An appreciation of what has changed and what has not changed is rather vividly revealed by the text of the 1978 Comecon communique: "The expansion of the scale and the deepening of the content of cooperation among the CEMA countries require the further improvement of the mechanism, forms and methods of CEMA's activity. The session, guided by the fundamental instructions

Table 8

BOOKS TRANSLATED FROM a) RUSSIAN AND OTHER LANGUAGES
OF THE USSR AND b) ENGLISH AS A PERCENTAGE
OF TOTAL TRANSLATED 1971-76

	1971	1972	1973	1974	1975	1976
Bulgaria	48.5% [36]	51.3 [44]	55.9 [44]	55.7%	58.3%	N.A.
Hungary	16.3 [10]	17.9 [11]	13.9 [11]	16.5	18.6	N.A.
Poland	23.1 [19]	21.6 [17]	22.0 [10]	20.1	20.9	20.1
Yugoslavia	13.6 [12]	9.6 [8]	12.0 [7]	10.3	12.5	10.1

BOOKS TRANSLATED FROM ENGLISH AS PERCENTAGE
OF TOTAL TRANSLATIONS

Bulgaria	8.2%	8.2%	7.3%	7.7%	6.3%	N.A.
Hungary	18.1	20.2	12.3	16.0	15.8	N.A.
Poland	24.3	30.0	22.0	25.6	28.4	23.6
Yugoslavia	26.2	26.0	30.0	25.3	29.0	32.4

¹ It bears stressing that Table 8 is not quite comparable to Table 4, above, p. 11.

² For Bulgaria, English equals U.S. and U.K. and excludes the occasional translation from, for instance, Australia. Table 4 includes only Russian language books. Unfortunately UNESCO will not provide its usual translation data for 1974 and 1975 prior to 1979. For comparative purposes therefore the numbers in brackets are Russian translations for 1971-73 taken from Table 4.

Sources: For Bulgaria, B'lgarski knigopis for relevant years; for Hungary, Statistical Yearbooks; for Poland, Rocznik Statystyczny; and Yugoslavia, Statisticki godisnjak.

of the Central Committees of the communist and workers' parties and the governments of the CEMA member countries,...³³

Similarly, one can ask whether Soviet penetration of Eastern Europe has extended in the period since 1973 or 1975. Again, much of the data which served to illustrate Soviet-East European relations prior to 1973 has not been collected past 1975 or 1976. Nevertheless, if intra-Comecon integration has sharply increased Soviet penetration of East European society, one would expect that the measure of cultural penetration based on Russian book translations as a proportion of all translations employed above (Table 4, p. 11) -- which was so highly sensitive in the years 1954-75 to overall changes in Soviet-East European relations, as well as to specific disturbances -- would produce a similar change after 1973. Using incomplete data, the evidence does not seem to bear out such a statement for Soviet-East European relations generally. Bulgaria in the 1970s seems to be becoming more integrated socially and culturally with the Soviet Union. Hungary and Poland, by contrast, do not evidence any clear cut change. In Hungary -- as in Yugoslavia -- the number of translations of books from the Soviet Union has essentially leveled out while in Poland the trend of some twenty years of a slow decrease in the proportion of Russian (Soviet) books may be continuing.

Another area where one might look to find evidence of an increased disposition to follow the Soviet lead would be in the area of resource allocation. Once again the trends after 1973 are somewhat mixed. It certainly would be difficult to make the case that the East European states as a whole have increasingly assumed a greater share of the burden of defense for the alliance. (See Table 9) Bulgaria in the 1970s has increased slightly

Table 9

DEFENSE EXPENDITURE BY EAST EUROPEAN STATES, 1970-76
AS PERCENTAGE OF GNP, DOMESTIC CURRENCIES

	1970	1971	1972	1973	1974	1975	1976
Bulgaria	2.4	2.6	2.7	2.7	2.8	3.0	3.0
Czechoslovakia	3.9	3.9	3.7	3.6	3.6	3.5	3.8
German Democratic Republic	4.5	4.4	4.4	4.4	4.3	4.3	4.4
Hungary	2.8	2.7	2.4	2.2	2.3	2.4	2.4
Poland	4.0	3.8	3.4	3.2	3.0	2.9	3.0
Romania	2.1	2.0	1.9	1.7	1.7	1.7	1.7

Source: Thad P. Alton, et al., "Defense Expenditures in Eastern Europe, 1965-76," in Joint Economic Committee, East European Economics Post-Helsinki (95th Congress, 1st Session) (Washington: GPO, 1977), p. 270.

its contribution to defense procurements. Czechoslovakia and the GDR have kept their budget shares for defense constant. Hungary, Poland, and Romania have reduced the proportion allocated for defense-- in the Polish case rather substantially. Detente has apparently allowed Poland to find in its defense allocations some of the funds with which to buy the consumer goods, the importing of which has been made more difficult by Western inflation, the importance of which has become crucial in the evolving pattern of Polish elite/mass relations.

Yet another indicator of penetration is provided by constitutions the East European states have adopted since 1973. Just as prior to 1973 one could witness divergent dispositions on the parts of elites in Bulgaria and Romania to make explicit their commitment to the USSR, so are there differences to be noted after 1973. The 1974 East German Constitution affirms that the GDR is "forever and irrevocably allied with the USSR... [and] is an inseparable component of the socialist community of states."³⁴ Similarly, it was initially proposed that the 1975 Polish Constitution contain a phrase making reference to Poland's "unshakeable fraternal bond with the Soviet Union." Protests by elites with an aspiration to see Poland less explicitly linked to the USSR, however, resulted in a final text which "simply states that 'Poland strengthens its friendship and cooperation with the Soviet Union and other socialist states'."³⁵

It takes little thought to figure out why the GDR might be more disposed to memorialize its relationship to the Soviet Union than is Poland. The point here is that the energy crisis, and whatever increased leverage it may have given the USSR vis-a-vis Poland, does not appear to have fundamentally shaped the outcome of the Polish

constitutional dialogue. Indeed this finding seems consonant with the overall drift of our discussion about the penetration of East European societies. There is not a lot of evidence thus far that the external shock of the energy crisis and Western stagflation or the enhanced intra-Comecon integration that has been accelerated by these external shocks have profoundly altered the (already substantial) Soviet presence in Eastern Europe.

It is therefore excessive to assert that changing patterns of Soviet-East European relations are unlikely to "serve any interest wider than that of the Soviet Union."³⁶ Doubtless, the bargaining position of the East European states, with the exception of Romania, in relation to the USSR has been acutely and adversely affected by the altered prices for imported Western manufacturing goods and for imports of primary products regardless of origin. The industrialized East European states have lost much of the leverage in relation to the USSR which stemmed from their economic might; they have not lost the leverage that derives from their fundamental political weakness. It's been twenty years since Thomas Schelling stressed the power -- i.e., the capacity to affect outcomes -- which the weak have that stems from the threat to collapse.³⁷ Whether East European elites have consciously used their weakness as a bargaining tool is perhaps a moot point. (Were I Gierak and I wished to have things go my way sometimes when I talked with Brezhnev, I would want a strong, politically conscious, and fractious proletariat crowding me.) In any event, Soviet elites must act with the vulnerability of the East European regimes and economies in mind. The elites, even the most compliant of them, of the East European industrialized states have, moreover, certainly continued to bargain. In 1976, for

instance, Czechoslovak Prime Minister Lubomir Strougal chose "to emphasize the demand" publicly that "the extent of expenditure in relation to the real economic possibilities of the interested states should be evaluated..." and to assert that

In our view, the advantage stemming from integration projects can also be enjoyed...through the building and developing of a production...through the purchase of production facilities and licenses and through developing the required base. I have in mind the building and developing of factories for the production of equipment of nuclear power plants...or for the production of special pipes...and other necessary technological equipment. Goods supplied by these plants should be considered equivalent to supplies of fuels, energy, and raw and other materials.³⁸

Similarly, the bargaining has produced differentiated outcomes in the bilateral arrangements worked out by the various East European states and the USSR. Thus the prices for oil established in 1975 -- and even the principle on which 1975 prices were based -- varied for the individual East European states. The side payments (which served somewhat to offset the burden imposed by the increase in oil and gas prices) agreed to in each bi-lateral deal also varied and there were divergences in the proportion of total investment funds which individual East European states committed to investment in the Soviet Union -- all of which bespeaks of negotiation under duress and in asymmetrical conditions, but negotiations nonetheless.

Having stressed the point that the East European states are not completely without resources, it certainly ought also to be asserted that, since the 1973 OPEC price increases, it is much more difficult to feel sorry for a primary goods exporting country like the USSR. It is no longer possible to contemplate the exploitative consequences of the terms

of trade and the historical advantages which redound to the benefit of states that manufacture and export processed goods as they are manifest in Soviet-East European relations. Not only have the terms of trade shifted in the favor of the Soviet Union, thus undermining a dependency-theory based argument about East European exploitation of the Soviet Union -- but the improved bargaining position of the USSR has allowed it to insist on higher quality products. As a result, the petty exploitation of the USSR in which the East European states have long engaged by shipping goods they could not sell on the world capitalist market has also been reduced. Except in the important sense that one may speak of the weak "exploiting" the strong (to which reference has already been made), therefore, it is no longer possible to speak of East European exploitation of the Soviet Union.

The argument that the tables have been (once again) reversed and that it is the Soviet Union which is now, as it did in the immediate post World War II years, exploiting the East European states turns largely on one's assessment of East European investment in the Soviet Union. Certainly there is something charming about the notion that the difference between inter-state relations in a "capitalist" hierarchical regional system such as the United States-Latin American relationship and those in the Soviet-East European hierarchical regional system is that under capitalism the multinational corporations of the industrial-goods exporting regional hegemon invest in the peripheral states whereas under socialism, the manufactured-goods exporting peripheral states invest in the primary-goods exporting hegemonic power. That investment, as we have seen, has been something long desired by Moscow; it took the global jump in commodity

prices to produce substantial East European commitments -- something on the order of 9 billion rubles in the 1976-1980 five year plans -- to invest in the Soviet Union. Indeed there is an additional wrinkle: lacking capital, Bulgaria has made its contribution in labor -- most notably³⁹ in timber felling in Komi (on the basis of an arrangement dating from 1967), the paper and cellulose combine at Arkhangelsk, the Azovstal metallurgical combine in Zhdanov, and the Kursk Magnetic Anomaly.³⁹

Needless to say, the Chinese and Albanians have not missed the opportunity these developments have provided. Peking has charged that the USSR was "forcing East Europeans to work in parts of the country where Soviet workers refused to go" and Albania has stated that the "Soviet revisionists exploit Bulgaria's manpower, as well as that of the other revisionist countries, for their own economic ends...The new Russian bourgeoisie compels the Bulgarian workers to labor under very difficult conditions."⁴⁰

Pleasant as it is to engage in anti-Soviet slanders, however, I would suggest that it is at least premature to side with the Albanians and Chinese in this respect. The East European states will be "required to divert an important section of [their] industry to the production of equipment" and will make "diversions from hard currency reserves for purchases of components" for the ventures in the USSR. By and large, however, they have gotten a rather good deal: for "raw material source dependence" they get security of market and supplies and will pay for some of the products, cellulose for instance, "very reasonable prices."⁴¹ In the event, however, the derivative impact of the global jump in commodity prices has been to render the East European states more dependent on the USSR.

In the past, such an increase in dependency would have been accompanied by an increase in the barriers -- system boundaries -- that separate Soviet-East European relations from the outside world. Things do not seem to have worked out this way in the mid 1970s. First, as Korbonski, Marer, and Terry⁴² have suggested might happen, the trade data do not bear out the proposition that in the trading patterns of either East Europe or the USSR since 1973 there has been a substantial turning inward, except perhaps by Bulgaria, toward the regional system. (See Tables 10 & 11) Soviet writings have maintained that socialist integration and the expansion of Western ties are compatible.) Indeed I find remarkable the limited extent to which the energy crisis and the West's pattern of boom and bust prompted voices advocating national or region-wide autarky. Obviously, as K. Suvorov's December 1975 article in Pravda⁴³ and the polemical tone of other writings, suggests they exist but they have thus far come nowhere prevailing in Soviet or East European discussions. (See Tables 10 and 11)

Also, the gap between the imports from and exports to the West by the East European states has remained large as it has become increasingly difficult, given Western inflation and recession, for East Europeans to export to the West, with the result being growing East European indebtedness to the West. The derivative effect of the jump in global energy prices has been to increase East European dependence on the Soviet Union; the direct effect of stagflation has been to increase East European dependence on the West.

There are several ways, moreover, in which the conditions that the USSR exacted from the East European states in return for energy source

security imply the necessity of intensive trading with the outside world. Directly or indirectly, a lot of what the East European states will pay the Soviet Union with will consist of goods imported from the West, hard currency earned by exports, or goods which are indistinguishable from those which the East European states would sell on the world market. (This outcome, needless to say, constitutes a kind of squaring the circle for the USSR. It much reduces the need to make hard choices as between selling goods to Eastern Europe -- encouraging alliance cohesion and stability -- and selling them for hard currency to the developed market economies and achieving the flexibility and high quality technology that valuta allows.) In like fashion, the intra-Comecon pricing mechanism adopted in 1975, primarily at Soviet behest, reduces the extent to which the conditions of Soviet-East European trade are distinctively separable from those that obtain in the world market.

Viewed institutionally, moreover, developments in Comecon make it seem that the regional distinctiveness of Soviet-East European relations is actually diminishing. Admittedly, the linkage between membership increment and energy crisis and Western stagflation is diffuse (Cuba became a Comecon member before 1973); but the fact is that during the 1970s Comecon has begun to evolve as a global rather than a regional organization. The arrangements worked out with Iraq, Finland, and Mexico aside, it is difficult to think of Comecon as institutionally separating off Soviet-East European relations now that Mongolia, Cuba, and Vietnam (the latter as of June 1978) are members; if Angola and Ethiopia become full members, rather than occupy the observer role they, along with Yugoslavia and North Korea, enjoyed at the 1978 meeting of the Comecon Council, "Eastern Europe"

Table 10

IMPORTS, 1968-1977, OF EAST EUROPEAN STATES FROM DEVELOPED MARKET ECONOMIES
AND FROM EAST EUROPE

	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	
Bulgaria	19.8	15.5	19.9	17.7	15.6	16.9	23.9	24.4	19.7	16.4	a. from developed market economies
	72.9	76.7	72.8	74.2	71.0	75.1	65.7	68.9	73.6	76.8	b. EE/USSR
Czechoslovakia	23.1	23.5	27.3	28.0	26.4	28.4	31.6	28.1	25.0	26.1	a. from developed market economies
	67.5	67.4	63.6	63.9	65.5	63.1	59.1	64.7	65.2	65.2	b. EE/USSR
GDR	19.9	21.5	23.2	25.5	27.7	26.8	30.0	31.0	NA	NA	a. from developed market economies
	76.4	69.0	66.0	65.0	63.0	61.3	56.0	NA	NA	NA	b. EE/USSR
Hungary	26.7	29.0	30.9	29.6	29.7	31.7	36.8	28.4	35.0 ¹	32.0 ²	a. from developed market economies
	65.8	64.2	61.7	63.2	63.0	60.3	54.0	63.0	50.8 ¹	49.6	b. EE/USSR
Poland	30.2	29.2	27.2	29.5	35.4	46.1	52.3	50.8	50.4	NA	a. from developed market economies
	61.1	62.8	65.7	64.1	58.0	49.3	42.1	43.6	44.8	NA	b. EE/USSR
Romania	45.3	44.2	41.4	42.0	43.3	45.6	51.4	44.7	42.3	NA	a. from developed market economies
	46.0	46.2	48.2	46.2	44.9	40.0	32.0	36.9	39.6	NA	b. EE/USSR
USSR	28.5	26.7	26.0	25.4	27.9	31.6	35.6	39.3	40.7	36.2	a. from developed market economies
	60.0	58.2	56.5	58.2	57.9	52.1	45.7	42.4	42.5	46.0	b. EE/USSR

Table 11

EXPORTS 1968-1977, OF EAST EUROPEAN STATES TO DEVELOPED MARKET
ECONOMIES AND TO EAST EUROPE

	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	
Bulgaria	16.7	15.7	15.3	15.2	14.7	14.5	13.8	10.7	11.7	14.2	a. to developed market economies
	74.9	75.8	75.6	75.6	76.8	76.1	71.4	74.8	76.2	75.2	b. EE/USSR
Czechoslovakia	22.5	25.1	24.2	23.9	22.8	25.2	28.3	23.7	20.3	23.0	a. to developed market economies
	64.1	62.4	64.5	64.0	66.6	65.2	61.1	65.7	68.7	65.7	b. EE/USSR
GDR	19.0	19.2	21.4	21.1	20.9	21.0	25.5	22.1	NA	NA	a. to developed market economies
	71.3	67.0	68.4	69.2	71.1	69.3	64.1	NA	NA	NA	b. EE/USSR
Hungary	24.2	27.5	30.5	26.8	27.0	28.8	28.8	23.6	28.5 ³	31.1 ⁴	a. to developed market economies
	67.5	64.1	61.6	64.7	65.6	64.0	63.0	67.7	55.4	56.0	b. EE/USSR
Poland	28.8	28.4	29.9	31.5	31.9	35.4	37.8	33.3	33.9	NA	a. to developed market economies
	61.4	61.7	60.3	59.3	60.5	57.9	52.8	56.7	56.8	NA	b. EE/USSR
Romania	32.2	33.0	35.2	37.7	37.3	38.5	45.1	37.2	37.0	NA	a. to developed market economies
	52.1	51.5	50.1	47.9	47.5	45.2	36.2	38.4	38.0	NA	b. EE/USSR
USSR	22.4	21.7	21.1	22.3	21.3	25.8	33.4	28.8	31.2	29.8	a. to developed market economies
	53.0	53.2	52.8	52.4	52.8	46.7	42.0	49.4	46.8	45.9	b. EE/USSR

Sources for Tables 10 and 11: UN Yearbook of International Trade, 1976, and Monthly Bulletin of Statistics, June 1978.

1. The Yearbook reports 5.9% imports 1976 "not distributed."
2. Derived from the data provided in the Monthly Bulletin for countries which the year previously had sent 99% of Hungary's developed market economy imports.
3. The Yearbook reports 8.8% exports as not distributed.
4. Extrapolated from the data in the Monthly Bulletin as in 2.

will have become the world. More to the point, the enlargement of Comecon suggests that the Soviet Union is increasingly attracted to a strategy (which it attempted unsuccessfully to employ using the WTO in 1969-70) of using the putatively regional economic organization, Comecon, as a form of collective mobilization through which it can encourage the East European states to share in shouldering the white (socialist) man's burden. The East European states in this way are being called upon to provide aid to third world, pro-Soviet socialist states and as a weapon against the Soviet Union's global rivals. Already, for instance, Vietnam's membership in Comecon has been invoked⁴⁴ to illustrate the benefits of siding with the USSR rather than China.

This in turn suggests that at the end of the 1970s there is somewhat more reason to think of the possibility of there ultimately emerging a global international system of socialist states headed by the USSR than there was at the beginning of the decade. For the first time at least, the term 'socialist commonwealth' (which has been around for decades) bears some analogy to its British namesake. On the whole, however, I tend to view the expansion of Comecon more in terms of the USSR's short run and instrumental purposes. The crucial points which would indicate that Soviet-East European relations had really become submerged into a larger system of socialist international relations would be if a) Soviet decision makers began to assert that proletarian internationalism applied to all Comecon members; and b) if the USSR implied its commitment to preserve socialism from external or internal threat were as great for Vietnam and Cuba or other potential future members of Comecon as it is for Eastern Europe.

The likelihood of such an occurrence is small. The Warsaw Treaty Organization is still and will remain a regionally specific organization. There is no evidence that in this respect the Soviet leadership has obfuscated the crucial distinction between the norms that govern Soviet-East European relations and all other relations.

What has, however, happened is that in the context of the more or less parallel occurrence of detente, the minimization of Soviet security concerns in Europe, and the reversal of the long term trend in global terms of trade between manufacturing goods and raw materials, Moscow seems to feel less cross pressured between political security concerns and economic priorities. With its security greatly enhanced, the current Soviet leadership seems to feel less acutely the tension between its dominant-system role and its regional-system role and finds that there is some point short of maximum regional system boundary rigidity where it can maximize its goals in both the regional and general international system.

Concomitantly, it remains the case that elites in three East European countries, Romania, Poland, and Hungary, have persisted in efforts aimed at reducing the salience of the regional system boundaries to an extent greater than the Soviet leadership would prefer. (The impact of the global jump in commodity prices and western inflation and recession on Romania has primarily been a direct one since Romania does not import oil from the USSR.) Romania has continued to maintain, at virtually every opportunity, its claim to simultaneous status as a socialist state allied with the Soviet Union and as an independently oriented developing country and to insist that universal norms, such as peaceful

coexistence, ought to apply in all relations, i.e. including Soviet-East European relations. At the same time, it has moved to "concretize" its status as a developing nation by redirecting its trade from the global West to the global South (and not to the East). Whether Romania achieves its goal of having 30% of its foreign trade with the third world by the end of the 1976-1980 five year plan is open to doubt, but the shift already accomplished is impressive:

Table 12

ROMANIAN IMPORTS AND EXPORTS TO DEVELOPED MARKET ECONOMIES AND DEVELOPING MARKET ECONOMIES IN PERCENTAGES, 1971-76

Developed Market Economies	1971	1972	1973	1974	1975	1976
Imports to Romania	42.0	43.3	45.6	51.4	44.7	42.3
Exports from Romania	37.7	37.3	38.5	45.1	37.2	37.0
Developing Market Economies						
Imports	5.9	6.4	7.6	12.0	12.3	NA
Exports	7.0	7.5	8.1	13.1	18.1	NA

In 1968 a typically Polish perspective was that, in Wieslaw Iskra's words:

"Forces have appeared...which strive to...maintain separatist positions, to expand continuously economic relations with capitalist countries. It is now impossible to deny that Yugoslavia has been the carrier of these tendencies for a long time, and Rumania for some time now. Recently, revisionist and counter-revolutionary forces have tried to push Czechoslovakia on the same road; in keeping with their plans, she was consequently to adopt the bourgeois system."⁴⁵

Ten years later it seems anomalous that such a statement issued from a Polish pen. Following Gierek's accession to power, Poland, despite all the external shocks, has accomplished a re-orientation in trade direction only

paralleled by Romania in the early 1960s. The underlying motif of this policy was well summarized by a Polish Central Committee member who in 1976 said, in words faintly echoing the 1968 Czechoslovak Action Program, "We Polish Communists have an ambition to play an important role in Europe, creating a mode of socialism acceptable to everyone, including comrades in both directions." The response to Western inflation has not only been the general East European pattern of increased indebtedness to, and dependence on, the West but an increase in Western economic penetration.⁴⁶ The energy crisis has produced talk about the necessity of man living in harmony with nature and to some proclivity to identify with elites on the basis of industrial capacity and energy endowment rather than by political system.⁴⁷

As the most open economy among the East European states, Hungary felt most acutely the direct impact of Western inflation and recession. As one of the most energy deficient countries in Eastern Europe, the derivative impact on Hungary was also quite appreciable. Nevertheless Hungarians have also persisted in defining themselves as part of overlapping groupings of states, to act as though both class and geography were relevant in determining their foreign policy. In May 1977, for instance the Hungarian Foreign Minister, Frigyes Puja,⁴⁸ wrote that "Hungary is a small country and our attention should in the first place be concentrated to countries and areas that are important for us":

For almost 400 years, Hungary and Austria belonged to the same empire and the German working-class movement and West European social democracy played an important role in the development of the workers' movement in Hungary. We can and we should make use of what is positive in these traditions

--after which he referred to the "Hungarian-Soviet relationship." Furthermore, the response of Hungarian commentators to Western economic difficulties has

been to a substantial degree, one of reaffirming, indeed stressing, Hungary's foreign trade orientation -- with public references to increasing foreign trade as a "civic duty"⁴⁹ -- and emphasizing the commitment to market solutions, despite the Hungarian government's initial recentralizing thrust. Evidently, it is the leaderships of small states which are most committed to mobilization or conciliation policies domestically that remain, even in the context of Western economic troubles, most committed to reducing the barriers which set off the Soviet-East European regional system from the general international system.

Conclusion

A long paper merits a short conclusion. One can readily identify the ways in which the Soviet Union has utilized the opportunity presented it by the OPEC catalyzed jump in oil prices and the attendant Western inflation and recession. The East Europeans are now locked into investing in the USSR to a degree that would not have been imaginable prior to 1973. The price ratios and methods for computing prices of goods between states have been altered. The coordination of long term specific projects has been accelerated. The notion that Eastern Europe might have the economic might to exploit the Soviet Union may now be safely dismissed. The capacity of the East European states to "exploit" the Soviet Union out of weakness, however, ought not be dismissed out of hand -- as the persistent operation of the free rider principle, etc. illustrated. At the same time, Soviet behavior versus the East European states has not, at least as yet, warranted a conclusion of Soviet exploitation -- exacting unequal exchange -- of its East European client states. The energy crisis and Western economic weakness has not

prompted a vast resurgence in attitudes favorable to national or regional autarky among Soviet or East European elites. These external trends, occurring as they did in conjunction, chronologically, with detente, did alter the Soviet Union's disposition toward regional system boundary rigidity. The current Soviet leadership seems to have concluded that some reduction in the salience of regional system boundaries can produce an overall increment in the achievement of Soviet values. The energy crisis and global inflation have not altered the substantial commitment of elites in some East European states to the reduction of the barriers separating the regional system and the dominant system. Romania has continued to act in larger non-communist and communist arenas in ways which set it off from the modal East European state, while the others are much closer to the mean. Table 13 shows that the proportion of votes cast against the USSR by the East European states has not changed significantly since 1973:

Table 13

VOTING AFFINITY OF SELECTED COMMUNIST STATES WITH THE USSR,
1970-75, IN THE GENERAL ASSEMBLY (including Plenary
and all Committee Votes)

	1970 N=157	1971 249	1972 220	1973 197	1974 190	1975 199	1976 160
USSR							
Bulgaria	94.9%	98.3%	98.1%	98.0%	100%	96.0%	100%
Czechoslovakia	96.1	97.1	94.0	98.0	98.4	95.5	91.9
Hungary	96.8	98.3	97.7	100	98.9	99.0	99.4
Poland	91.7	98.3	96.8	98.5	100	99.5	95.5
Romania	77.0	80.7	73.1	78.9	85.8	68.3	75.6
Yugoslavia	64.3	65.0	57.2	67.0	80.0	77.9	72.5
Albania	28.0	31.7	32.7	41.6	60.5	78.9	39.4
China					62.1	80.4	51.9

Poland and Hungary have continued in more modest and less overt ways to assert an identity which is other than socialist as well as socialist. Indeed, all things considered, what one is drawn to in conclusion is how little impact on the general cast of Soviet-East European relations, aside from the substantial effects on the program of Soviet-East European integration, has resulted from the 1973 oil price rise and the subsequent western inflation and recession.

Footnotes

1. As cited in FBIS, Daily Report, Soviet Union, June 30, 1978, p. CC3.
2. By East Europe I have in mind the European states which are full and active members of the Council for Mutual Economic Assistance and the Warsaw Treaty Organization: Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania. I exclude Albania and Yugoslavia.
3. For statements of the problems which such theorizing entails, see James N. Rosenau, "Theorizing Across Systems: Linkage Politics Revisited" in Jonathan Wilkenfeld, ed. Conflict Behavior and Linkage Politics (New York: David McKay, 1973), pp. 25-58.
4. But see Sarah Meiklejohn Terry, "External Influences on Political Change in Eastern Europe: A Framework for Analysis" in Jan F. Triska and Paul Cocks, eds. Political Development in Eastern Europe (New York: Praeger, 1977), pp. 277-314.
5. Andrzej Korboniski, "Detente, East-West Trade, and the Future of Economic Integration in Eastern Europe," World Politics, 28, 4(July), 1976, pp. 568-589. Terry, "External Influences..." and "The Implications of Interdependence for Soviet-East European Relations: A Preliminary Analysis" (Cambridge, Mass.: Russian Research Center, 1977, unpublished). Among the several articles by Paul Marer, I found most useful for this purpose, "Prospects for Integration in Eastern Europe" in Triska and Cocks, eds., Political Development, pp. 256-274, and "Has Eastern Europe Become a Liability to the Soviet Union -- the Economic Aspects" in Charles Gati, ed. The International Politics of Eastern Europe (New York: Praeger Publishers, 1976), pp. 59-81. Peter Marsh, "The Integrational Process in Eastern Europe, 1968-1975" Journal of Common Market Studies, 14, 4(June), 1976, pp. 311-335.

6. "Hierarchical Regional Systems and the Politics of System Boundaries," International Organization 24, 1(Winter), 1972, pp. 18-36.
7. As the Chinese put it, "Since the Soviet revisionist renegade clique holds that for the 'defense of the socialist gains', the 'limited sovereignty' of the individual members of the 'community' should be subordinated to the 'highest sovereignty' of the clique, what then is there to prevent it from demanding...that countries outside the 'community' place their sovereignty under its control and from even sending its aggressor troops to countries outside the 'community' and occupying their territory?," 'Theories of Limited Sovereignty' and 'International Dictatorship' are Soviet Revisionist Social-Imperialist Gangster Theories," Peking Review, 12, 13 (March 28, 1969), p. 24.
8. On Yugoslavia, see my "The Tito Legacy and Yugoslavia's Future," Problems of Communism, 26, 3(May-June) 1977, pp. 33-49 and "Yugoslav Strategies of Survival: 1948-1978," delivered at the Conference on the Thirtieth Anniversary of the Yugoslav-Cominform Break, Stanford University, June 2-3, 1978.
9. "Methodological Issues in the Measurement of Inequality, Dependence, Exploitation" in Steven J. Rosen and James R. Kurth, eds. Theories of Economic Imperialism (Lexington, Mass.: D. C. Heath, 1974), pp. 91-93.
10. Valerie Bunce and John Echols, "Aggregate Data in the Study of Policy Change in Communist Systems," AAASS Annual Meeting, October 8-11, 1975.
11. For an elaboration, see my "Dependency Theory and the Soviet-East European Hierarchical Regional System: Initial Tests" Slavic Review, December 1978, forthcoming. Much of this discussion draws from that paper.

12. "Soviet Hegemony in Eastern Europe: The Dynamics of Political Autonomy and Military Intervention" World Politics 29, 2(January) 1977, 216-241.
13. See especially Edward Hewett, Foreign Trade Prices in the Council for Mutual Economic Assistance, (London: Cambridge University Press, 1974).
14. Harvey Starr, "A Collective Goods Analysis of the Warsaw Pact After Czechoslovakia," International Organization, 28, 3(Summer) 1974, pp. 521-532.
15. "Hierarchical Regional Systems..."
16. As translated by Radio Free Europe, Hungarian Press Survey, No. 2019 (July 9, 1969), p. 4.
17. Marsh, "The Integration Process...", p. 325.
18. Marsh, "The Integration Process...", p. 315.
19. "Continuity and Change in the Foreign Relations of the Warsaw Pact States," (The University of Michigan, 1976, unpublished dissertation), p. 51.
20. "External Influences...", p. 307.
21. Korbonski, "Detente, East-West Trade..."
22. I. Iakovets, Voprosy Ekonomiki, 6(June), 1975 as abstracted in Current Digest of the Soviet Press, 27, 41(1975), p. 14.
23. Except for the Hungarians and for 1975, for which a three year moving average was adopted.
24. Pravda, March 19, 1975 and condensed in Current Digest of the Soviet Press 27, 11(April 9) 1975, p. 3.
25. Reported by Craig R. Whitney in the New York Times, February 11, 1975 and cited in Harry Trend "Some Effects of Comecon's Revised Price System" RFE Research, RAD/22 February 20, 1975, p. 3.

26. In his January 19, 1974 speech to the Sejm as reported by Warsaw radio and cited in RFE Research, Polish Situation Report, January 29, 1974, p. 10.
27. Korbonski "Economic Integration..." pp. 585-86.
28. Marsh, "The Integration Process..."
29. Arthur J. Smith, "The Council of Mutual Economic Assistance in 1977: New Economic Power, New Political Perspectives and Some Old and New Problems" in Joint Economic Committee, 95th Congress, 1st Session, East European Economies Post-Helsinki (U.S. Government Printing Office, 1977), pp. 152-173, is one of the best discussions of this subject.
30. See for instance A. M. Alekseev, et al., Sotsialisticheskaiia integratsiia i ee preiumushchestva pered kapitalisticheskoi (Moscow: Nauka, 1975), pp. 198-202; V. Razmerov, "Sotsialisticheskie mezhdunarodnye otnosheniia" Mirovaia Ekonomika i Mezhdunarodnye Otnosheniia, 12(December) 1974, p. 6.
31. For one of many references to an emerging "complex" see, Iu. Shiriaev, "Sotsialisticheskaiia integratsiia i mezhdunarodnoe razdelenie truda" MEMO, 1(January) 1975, p. 19.
32. Thus, for instance, Alekseev, Sotsialisticheskaiia integratsiia, p. 234.
33. FBIS, Daily Report, Soviet Union, July 5, 1978, p. CC7. The formulation in the text is evidently a compromise between the Romanian and other positions. The Romanian phraseology was more explicit: "Collaboration in planning activity sets out from the basic guidelines of economic and social development mapped out by the communist party in each country and from the provisions of our national plans." FBIS, Daily Report, Eastern Europe, June 30, 1978, p. AA8.

34. Cited in Zimmerman, "Dependency Theory...", p. 17.
35. RFE Research, Polish Situation Report, January 30, 1975, p. 5.
36. Arpad Abonyi and Ivan J. Sylvain, "CMEA Integration and Policy Options for Eastern Europe: A Development Strategy of Dependent States," Journal of Common Market Studies, 16, 2(December) 1977, p. 153.
37. The Strategy of Conflict (Cambridge, Mass.: Harvard University Press, 1960).
38. Rude Pravo, July 1976, as cited in Harry Trend, "An assessment of the Comecon Council 30th Session," RFE Research, Background Report/183, August 23, 1976, p. 4.
39. J. L. Kerr, "Gastarbeiter in Eastern Europe," RFE Research, Background Report/169, December 4, 1975, p. 8.
40. Kerr, "Gastarbeiter...", p. 5.
41. Smith, "The Council of Mutual Economic Assistance...", p. 156. Italics his.
42. Korbonski, "Detente...", Marer, "Prospects...", Terry, "The Implications..."
43. Pravda, December 18, 1975, and condensed in Current Digest of the Soviet Press, 27, 51, p. 5-6. For commentary on Suvorov's article see Marshall I. Goldman "Autarchy or Integration -- the U.S.S.R. and the World Economy" in Joint Economic Committee, 94th Congress, 2nd Session, Soviet Economy in a New Perspective, pp. 85-86. Suvorov's article is quite something. Not only does it assert that Stalin delivered the report of 14th CPSU Congress, it stresses that the decisions were "of a long-term nature" and were aimed "to ensure the economic independence of the U.S.S.R. from the world capitalist economy and to achieve the complete victory of socialism." Finally, it dismisses as "typical Trotskyist

idiocies" the view that the Soviet Union should "remain an agrarian country that exported agricultural products and in return imported industrial equipment and goods from abroad. This line was aimed at ... countenancing and strengthening the country's dependence on the world capitalist system. All this meant essentially a rejection of socialist construction."

44. "Under conditions in which the Vietnamese people are having to bear heavy pressure from Peking and are being subjected to attacks and blackmail from those quarters, the decision of CEMA to accept Socialist Vietnam into its ranks once again demonstrates convincingly that the fraternal socialist countries are the loyal and dependable friends of Vietnam." FBIS, Daily Report, Soviet Union, July 6, 1978, CC6. Vietnam, it is worth noting, is a member of the IMF as well.
45. PAP, September 9, 1968 as reported in "The Problems of Comecon," Radio Liberty Dispatch, December 27, 1968.
46. The most striking illustration of this was Poland's decision to allow "the full examination of its records and the resources of its copper industry by American specialists" in order to obtain a \$240 million loan from the Chase Manhattan Bank to further the development of its copper industry. See Thomas E. Heneghan, "Polish Trade and Polish Trends, Economic and Political Considerations," RFE Report, November 13, 1975, p. 13.
47. See the excellent discussion in Terry, "The Implications..."
48. FBIS, Daily Report, East Europe, May 13, 1977, p. F1.
49. Gyula Kovacs (Deputy Foreign Trade Minister) on Radio Budapest, May 10, 1975, as reported in "Survey of East European Developments," RFE Research, RAD Background Report/116, p. 22.