
UNIT 32 : GLIMPSE OF THE POST-WAR WORLD

Structure

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32.0 OBJECTIVES

This is the last Unit of the course. It explains to you the possibilities in the realm of politics and economy that existed in Europe at the end of the War. After reading this Unit you will:

- learn something about the immediate Post-war situation in Europe;
- discover the nature of economy and politics in the various European countries in the post-war period; and
- understand the nature and extent of influence that forces outside Europe, like the USA exercised over European developments.

32.1 INTRODUCTION

In Units 30 and 31 of this Block, you must have learnt about two vital aspects of the world wars. One, it is possible to interpret the two world wars as one long war that started around 1914, had a long period of truce in between and culminated in 1945 with decisive winners and loser. Some of the unresolved aspects of the first war (or first phase of the war) were resolved, decisively and conclusively in the second. Two, the war may have been fought primarily on European territory and had European countries as major participants (except, of course, Japan and U.S.A.). But it was truly a global war because the major forces fighting the war were aspiring for a domination of the total world, not just Europe. Previously, in Block 7, you learnt about the triple ideological division of Europe into forces of liberal democracy (represented by Britain and France in the main), fascism (represented mainly by Germany under Hitler and Italy under Mussolini) and the socialist world (represented by the USSR). It was precisely these three forces which competed with each other for a total domination of the earth. In the decisive phase of the war the forces of liberal democracy and socialism got together to defeat and eliminate the third force, fascism.

This was the essence of the World War. The post-war period witnessed fierce competition between the two remaining forces (liberal democracy and socialist) although without a war.

32.2 POST-WAR SCENARIO

As economic inter-connections became trans-continental, a war of domination within Europe became the first truly global war in history. For that reason, the history of Europe after the War can not be read independently of events outside Europe, especially since these inter-connections became ever more potent and complex. Consequently, certain non-European forces were of great significance within Europe until the end of the 1980s. These were, for example, the preponderance of American influence in European affairs, the dominance of the dollar in the global financial system, and the sustained hostility between the two militarized politico-economic blocs that emerged after the war.

32.2.1 Immediate Priorities

Some of the priorities were the following. 1) Domestically, within in each country, the social and economic dislocations caused by the War had to be rectified. 2) Continentally, the political map of Europe had to be redrawn substantially since the existing hierarchy of nation-states was no longer valid. 3) Regionally, affecting only West Europe, arose the problem of withdrawing from the colonies. 4) In the course of settling these issues, the systemic conflict between capitalism and socialism became pan-European: it added a further dimension to the traditional political, economic, and cultural division between East and West Europe, and it affected in many ways the trajectory of European developments over the next forty years.

The first three processes noted above now merged with and were expressed through the bipolar or East-West division of Europe. Within Europe, the balance of power had shifted decisively to a more assertive Soviet Union, which sought to establish full control over its strategic sphere of interest in East Europe. During the War the Soviet Union and the Anglo-American alliance had divided Europe into such spheres of interest and agreed not to interfere in each others areas. The West European powers, especially the United Kingdom, had been financially depleted by the war and been displaced from their great power eminence; they now opted, with varying degrees of reluctance or enthusiasm, for a subordinate relationship with capital-surplus USA. European countries, which had the freedom to do so, or which fell outside the pale of the strategic calculus, assumed intermediate positions ranging from diplomatic neutrality to pragmatic ambivalence. The fate of Germany alone was decided through inter-bloc conflict. This was perhaps inevitable. It culminated in the creation of two states, West Germany or the Federal Republic of Germany (FRG), and East Germany or the German Democratic Republic (GDR). For long they did not even acknowledge each other's existence.

The political and economic consequences of the war were uneven across Europe. With the exception of Britain and in part the Soviet Union, new patterns of national politics and new international territorial disputes emerged. During the War, politically oriented armed resistance groups were organized throughout the territories occupied by Germany; at the same time, national governments-in-exile, representing these territories, functioned as pressure groups lobbying with the allied powers. These were often riven by conflict, usually ideological, but occasionally also ethnic, as in the case of the ethnically plural Yugoslavia. Within France, the Maquis, dominated by the communists, organized resistance against the Germans; outside France, the Free French and its French National Committee operated from London, and developed eventually into the provisional government before the inauguration of the Fourth French Republic.

32.2.2 Yugoslavia

Inevitably, intense rivalry over post-War arrangements tended to develop between left-wing resistance factions and liberal or right-wing governments in exile. In Yugoslavia, the situation was complicated by the presence of two distinct pressure groups, the communist National Liberation Front led by Josip Broz Tito on the one hand, and on the other, the nationalist and royalist Chetniks under Draza Mihailovich. More often than not, the solution to such fundamental internal conflicts within national politics entailed external intervention. In East

Europe it happened through swift semi-military settlement: in West Europe it was done through institutional arrangements to exclude rival claimants from effective power, supplemented where necessary by military aid. The nature of the settlement in East Europe merely deferred the eruption of the inevitable crisis, which finally occurred in the 1980s; and the West European solution led to frequent crises of government, and occasionally of the system itself. Yugoslavia was exceptional for the communists having seized power without the assistance of the Red Army; it was therefore able to join the Soviet Bloc and leave it subsequently of its own volition. Ultimately however, it shared the fate of its more dependent neighbours in terms of ethnic division and system disintegration.

32.2.3 Poland

Poland had been bifurcated during the war and occupied by both Germany and the Soviet Union; the initial resistance was therefore bound to be both anti-German and anti-Soviet. The nationalist Home Army worked in co-operation with the exiled government in London, but it was decimated by the Germans after the failure of the Warsaw Uprising in 1944. In Soviet-occupied Poland, the communist-led Polish Committee of National Liberation managed to seize the initiative with the help of the advancing Soviet Red Army. Given the destruction of the Home Army, it was able to dominate the Provisional Government of National Unity that was formed by the merger of the two rival provisional governments based in London and Soviet-held Poland.

32.2.4 Greece

In Greece, on the other hand, the process of resolution was protracted and uncertain because the resistance was divided between the communist-led National Liberation Front and the right-wing republican National Democratic League. The Government of National Unity under Georgios Papandreou and sponsored by the British, sought to disband the communist-led National Liberation Front in 1944. But it led to civil war, which was suspended by the Varkiza truce of 1945. A manipulated election and plebiscite then returned royalists and royalty to power. It triggered off another round of civil war and American intervention against the communists. Thereafter Greece saw a succession of unstable governments, frequently in conflict with the monarchy, followed by prolonged military dictatorship until the mid-seventies.

However, not all of Europe followed this pattern. Unlike so many other cases, the resistance movements in Denmark, the Netherlands, and Norway were relatively unified. They posed little difficulty for post-War national political revival. Stable multi-party coalition arrangements emerged to assume office and implement the "social democratic consensus" of extended social welfare, fiscally engineered income transfers, and a moderate and gradualist socio-economic reform, to which electoral opinion here, as elsewhere, had decisively swung.

Whatever the specific mode of resolution of immediate post-war problems, the bi-polar division into an east and a west bloc came to dominate thinking and acting by the end of the 1940s. This was evident, not merely in the rhetoric of international and domestic politics, but equally in the fundamental premisses of much influential scholarship and journalism. It tended therefore to distract attention from other divisions, oppositions, and unities simultaneously at work. Germany and the neutrals were to a certain degree the exceptions. Such overarching categories can often be misleading; but bloc affiliation and tension did exert significant influence on the international diplomatic stance of nations and on crucial aspects of their domestic policy. They also contributed to the emergence of supra-national projects, whose very evolution, paradoxically enough, tended sometimes to reveal the extent of intra-bloc differences. These were more pronounced and transparent in the case of the non-Soviet bloc.

32.2.5 The Two Germanis

The most significant and perhaps the most peculiar of such supra-national projects was the making of the two Germanies. The Allies had arrived at no agreement on Germany and indeed competed for the control of Berlin in what is known as the "Race for Berlin". It led to the partition of Germany into four zones, one under each occupying power. The delay over the final settlement only revealed the difference of opinion within the western bloc over the extent to which Germany's military and economic reconstruction could be permitted. But it

also mirrored and magnified post-War strategic rivalry to the point of two separate states being set up over the decade.

The initial Franco-US agenda, overriding British objections, proposed to de-industrialize Germany. It expected that output would be limited to the minimum necessary, and that excess equipment available in Germany would be shipped out as reparation for war damage. Given the deepening hostility between the US and the Soviet Union, these projects were altered. The US shifted perspective from the relatively isolationist "America First" stance to the pursuit of an unambiguously interventionist one described as the "leadership of the Free World." From this now flowed the Truman Doctrine and the Marshall Plan. The Truman Doctrine announced its support for "free peoples who are resisting attempted subjugation by armed minorities or by outside pressure"; and the Marshall Plan, known officially as the European Recovery Programme, set out to revive and reconstruct Europe, including West Germany. The Marshall Plan was set within the framework of the new monetary and trading system based on the supremacy of the US dollar and the dismantling of trade barriers. The latter were envisaged by the Bretton Woods institutions (World Bank and International Monetary Fund or IMF) and the General Agreement on Tariffs and Trade (GATT).

Accordingly, a sweeping agenda for the recovery of West Germany was set afoot. The Level of Industry Plan of 1946, which had limited production to half the level of 1938, was now abrogated. A major political reform now instituted multi-party elections, imposed strict controls on trade unions, and eliminated "undesirable" political tendencies. A currency reform replaced the old reichsmark with the new deutsche mark. Consensus having been arrived at, the French, British, and American zones were merged in 1949 to create the Federal Republic of Germany (West Germany). However, sovereignty was granted to the Federal Republic only in 1955 after its defences were secured by a limited remilitarization and its induction into NATO. The zone of Soviet occupation, or East Germany, went through the same process of being restructured to ensure integration with the Soviet power structure. The new state was established in 1949; the Communist Party's domination was then secured, popular unrest quelled, and a replica of the Soviet pattern of development confirmed, before the country was declared sovereign in 1954. Berlin, the capital of undivided Germany, having been likewise divided, continued to remain the focus of hostilities, from the Blockade of 1948 to the building of the wall in 1961.

Given the hostility between the two blocs, supra-national projects were regularly devised within each bloc in order to consolidate it further. Cominform was established in the east in 1947 to co-ordinate communist activity in Europe. But because it reached into West Europe also, it was finally disbanded in 1956 as a gesture of goodwill. The Council of Mutual Economic Assistance (COMECON) was set up in 1949 for greater economic integration, while the Warsaw Pact was established in 1955 for military co-ordination. Such bodies were more numerous in the West. They reflected different alignments and brought together different combinations of countries. The North Atlantic Treaty Organization (NATO) was established in 1949 as a trans-continental military body, and the European Coal and Steel Community appeared in 1951 with the specific economic concerns that the name suggests. On the other hand, the European Economic Community of 1957 and the European Community of 1957 had larger objectives that prompted apprehensions of loss of national sovereignty, notably in Britain. In response, Britain initiated in 1959 the European Free Trade Association (EFTA). Reconstruction, undertaken amidst such acrimony, relied to a great extent on such agencies and instruments.

Check Your Progress 1

Note : i) Write your answer in the space given below.

ii) Check your answer with the answers given at the end of this Unit.

1) Describe the process through which Germany was divided into two nation states.

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- 2) Write five lines on the immediate priorities of the European countries after the war.

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32.3 ECONOMIC RECONSTRUCTION IN POST-WAR EUROPE

The War had damaged the economies of nearly all the European countries. The immediate task therefore was to recover the losses incurred and somehow restore the pre-war levels of economic development. The next step was to attain new level of economic prosperity. This process of economic recovery and development followed different trajectories in the liberal democratic and the socialist world. Let us first see what happened in the liberal democratic part of Europe.

32.3.1 Recovery and Boom : Economy in Capitalist Europe

The first phase of economic recovery, from 1945 to 1947, was effected through bilaterally negotiated US loans and grants and the food aid disbursed through the United Nations Relief and Rehabilitation Agency (UNRRA). These sufficed to avert the general collapse of the economy that industrial dislocation and poor harvest threatened; they were adequate even to raise industrial output to pre-war levels. Longer-term American objectives however required first, a monetary and trading system permitting the unrestricted movement of capital and commodities, and second, a bloc of politico-military partners whose defence did not have to be permanently subsidised. But Europe was burdened by a payments deficit with the US and a scarcity of dollars. Neither of the American aims could be pursued without further economic expansion.

During the next phase of recovery, 1948-1951, European countries willing to participate in the US-sponsored recovery programme received 13 billion dollars. This was supplemented by a 1 billion dollar loan from the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (World Bank). The largest beneficiaries of this programme were Britain, France, Italy, and West Germany. It established an international body of recipient nations, the Organization for European Economic Co-operation, to which each nation submitted a national plan every four years. These aid-receiving nations were required, under the "counterpart" clause, to make available a fund of domestic currency equal to the aid received and to be spent in ways approved by the US. They had to agree to use the aid to finance food imports only from the US whether or not cheaper alternative sources were available. They had to also employ the services of US shipping and insurance for 50% of aid-financed purchases, besides also ensuring preferential treatment to American oil interests.

Between 1947 and 1951, the West European economies saw the restoration of financial discipline. Although performance and policy emphases varied across Europe, the following features were common: state management of the economy, nationalisation of key sectors like energy, transport, and banking, and deflationary policies (that is, restricted government spending and credit) that increased unemployment. It led on to a long economic boom that lasted until the mid-1970s. Although the deflationary policies created some employment, they also led to the economic boom. As a result the period after the 1970s witnessed a near full employment. It yielded a "new capitalism" of near full employment, high productivity, high wages, and extensive social welfare. All these combined to blunt class antagonism and to generate consensual politics. Ambitious social welfare programmes, of the kind outlined by

the Beveridge Report in the UK and similar manifestoes elsewhere, entailed a dramatic increase in government expenditure, unlike the frugal years of 1947-1951. Such expenditures sustained demand and fuelled investment; at the same time, they led to higher tax revenues in the interest of balanced budgets. Industrial and agricultural activity expanded; exports rose, leading to reduction in the trade deficit with the USA; and accumulation mounted.

However, the results were uneven across West Europe. Less developed countries like Ireland, Spain, and Portugal were less affected by the quantitative and qualitative transformations achieved by the more advanced economies. Growth and the standard of living varied between countries, and so did income distribution patterns within them. As may be expected, there were wide variations in the specific mode of economic management, the degree of state intervention, the role and sophistication of planning, the proportion of state to private enterprise within each economy, the relation between state, employers, and unions, and in the mechanism and extent of social welfare. Likewise, within the European boom, individual European countries, at different times and with different frequencies, experienced brief economic crises like annual recessions, trade imbalances, poor harvests etc. Nonetheless, between 1950 and the early 1970s, Europe made astonishing advances in productivity and standard of living. It induced the belief that a new form of managed capitalism had been established: that it would transcend the notorious cyclical tendencies and internal crises of capitalism, and that government intervention would ensure general social welfare.

However the long boom came to an end in 1973 with the first oil shock, when oil-producing countries unilaterally and dramatically raised the prices of oil. European economies suffered inflationary pressures, output decelerated, and unemployment rose. They immediately led to restrictive policies within the parameters of the existing system of economic management, and more gradually, to a change of economic perspective. From the late 1970s, in country after country, the social democratic consensus broke down. New political programmes proposed to restrict social welfare to the minimum necessary. They repudiated government intervention and demand management. They denounced institutionalized trade union bargaining as obstacles to the free play of market forces. All these led to the privatization of nationalized industries, extensive deregulation, and the adoption of monetarist and supply-side policies. In France, for example, state intervention and planning had been by far the most pronounced in Europe; and the Socialist government's Interim Plan of 1982-1983 had carried out an expansion of the state sector and a series of rationalization schemes by the mid-eighties. But these were reversed by Jacques Chirac's right-wing government between 1986 and 1988 through extensive privatization. The successor Socialist government committed itself to "neither nationalization nor privatization". In effect, in most of capitalist Europe, a new "free market" economic consensus had emerged.

32.3.2 Economy in Socialist Europe

In the Soviet bloc, reconstruction was hindered by the relatively lower capacity of the leading power, the Soviet Union. External capital was in short supply, except on terms that were unacceptable to the Soviet system. Capital for the industrialization programme therefore had to be internally generated. Soviet recovery itself required the continuation of reparations from its ally, the German Democratic Republic (GDR) and Austria until the mid-1950s. In the newly sovietized countries, nationalization permitted rapid expansion in heavy industrial capacity. Radical agrarian programmes of farm collectivization and nationalization on the Soviet model soon plunged the agricultural sector into turmoil and led to food shortages. East Europe was thus preoccupied with the problem of adjusting to a new system of production and stagnation in the very sectors whose boom was the basis of West European prosperity.

The plan-driven economies of the eastern bloc, with the exception of the USSR, began with a very low industrial base. Albania and Bulgaria were predominantly agricultural, and Poland's manufacturing base was confined to Silesia and Warsaw. Since investment priorities were largely determined by the state, national plans focussed excessively on developing heavy industry. The resulting imbalance led to chronic shortages of consumer goods. As in the West, there were significant variations on this general pattern. While private activity in agriculture was drastically curtailed by the introduction of collective and state farms, Polish agricultural output was predominantly produced on privately owned farms. In short, the collectivization model in Poland in the 1940s and the early 1950s had failed. In Yugoslavia, industries were not state-owned but given over to Workers' Councils to be run for profit.

In the initial stages, trade and economic relations were confined to the region, that is, the eastern bloc. However, the shortage of capital and of agricultural product, especially wheat, led to a parallel dependence on western countries. Poland and Romania borrowed extensively from the West in the 1970s to finance their industrialization programmes; but servicing these debts demanded austerity measures and higher food prices to reduce subsidies on food. In Bulgaria and Hungary, the shortage of consumer goods and misallocation of investment led to reforms designed to decentralize planning and stimulate investment. These were however withdrawn in Bulgaria following the Soviet invasion of Czechoslovakia.

By the early 1970s, the USSR was compelled to import grain from the USA. Food grain and light industrial imports from the hard currency areas (the West) without corresponding exports resulted in a combined balance of payments deficit of 10 billion dollars by 1975. These were financed by borrowings from western banks. Imports were cut back and the deficit was eliminated; but, by 1982, East bloc debts stood at 81 billion dollars and its debt-service ratio stood at 100 percent, that is, it was borrowing money solely in order to pay back debts. Soviet export earnings deteriorated with the collapse of world oil prices in the mid-1980s. Further import restrictions were hindered by domestic compulsions; the trade deficit was therefore financed through the sale of gold. Of the east European economies, Poland was the largest debtor, with loans to the tune of 35 billion dollars. East European economies made rapid advances in heavy industry; but their deficiencies in the provision of consumer goods and in agrarian production, compounded by the diversion of investment to military requirements, resulted in stagnation and domestic crises by the mid-1980s. The final consequence was, as in the West, the repudiation of the statist paradigm and the replication of its free market model.

Check Your Progress 2

Note : i) Write your answer in the space given below.

ii) Check your answer with the answers given at the end of this Unit.

1) Write five lines on the phases of economic development in the Capitalist Europe.

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2) In what ways was the economic development of Socialist Europe different from its capitalist counter-part? Answer in five lines.

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32.4 POLITICS IN POST-WAR EUROPE

As you are now aware, one major feature of the Post-war Europe was its division between the two victorious forces of the War. Europe now came to be sharply divided between a socialist bloc and a capitalist bloc, or geographically speaking, East-European bloc and West-European bloc. This division of Europe was as marked in economy as in politics. In the previous section you learnt something about the different economic trajectories being

followed in the eastern and the western blocs. This section will inform you about the different political trajectories followed in the two blocs.

In the political sphere, western Europe was distinguished by a plurality of polities, ranging from electoral democracies to dictatorships. The eastern bloc was more uniform and regimented, with common ideological orientations and control by fraternally associated communist parties; but they also exhibited some variations in practice and witnessed occasional "deviations" and frequent dissent.

32.4.1 The Capitalist Europe

In west European countries which adopted the "social democratic" consensus, the nominal distinction between parties of the left, centre, and right were retained; but the distinction in substance and programme was narrowed to the point where their ideological differences indicated pre-war predilections or signified differences of emphases. As early as 1953, even so staunch an exponent of conservatism as Winston Churchill was compelled to accept, following the Conservative Party's acceptance of the mixed economy, that "party differences are now in practice mainly those of emphasis."

The idea of the "social democratic consensus" itself is valid only in post-war terms. It was based on a substantial and pragmatic dilution of the pre-war programme of social democracy to accommodate fundamental tenets of conservatism (the sanctity of private property) and of liberalism (the limited state). Social Democracy thus conceded the possibility of the gradualist reform of capitalism. The conservative acceptance of this reconstructed social democratic agenda was an equally pragmatic recognition of prevailing social and international circumstances: the first available opportunity was therefore seized to dismantle the edifice based upon it.

This consensus allowed stable coalitions of right-centre and left-centre groupings: occasionally, in the immediate aftermath of bitter electoral conflict, even "grand coalitions" of the left and the right were possible. Except for Britain in West Europe, the predominant tendency was towards the formation of coalition governments even where the electoral system was not based on proportional representation. Such government formation was often preceded by complex post-electoral bargaining on policies and priorities and on the suitable distribution of office. Scandinavian coalition governments were stable because the social democratic parties were firmly entrenched within national politics. However, the exact content of consensus did vary. In Britain, where the limiting circumstances of coalitional politics did not operate, Tory or Conservative rule from 1959 to 1964 saw the beginnings of the attack on universal welfare in favour of a more discriminatory welfare. Similarly, while continental social democracy had worked out a fairly stable relationship with labour, in Britain the Labour Party's relationship had an unstable element, beginning as early as 1951 with the rise of the Bevanite opposition within the party.

Among the electoral democracies, the Italian polity was exceptional for its extreme instability of government and a very strong communist presence. In this respect it was like the Fourth French Republic which was dissolved in 1958 with de Gaulle's establishment of the Fifth French Republic. Government in Italy was dominated by the Christian Democratic Party, itself a broad spectrum entity that accommodated a range of tendencies, from clerico-fascism on the far right to Catholic communism on the left, but whose centre of gravity was its moderate conservative faction. But it was helped by the division of the left between the communists and the socialists.

Of the major European countries outside the Soviet bloc, Spain, Portugal, and Greece witnessed prolonged dictatorships: it was not until the 1970s that electoral democracy was restored. In Greece, after the American-aided defeat of the communists, a succession of unstable coalitions assumed office until 1967. The military then seized power; but mass unrest and the threat of civil war finally forced it to restore civilian rule. On the Iberian peninsula, both Spain and Portugal, more or less unaffected by the war, continued with their pre-war dictatorships and pursued relatively autarchic and isolationist policies. The long dictatorship of Francisco Franco in Spain ended with his death in 1975 and the restoration of the constitutional monarchy. In Portugal, the intervention of a radicalized section of the

army led to a series of revolutionary events before an elected civilian government headed by the Socialist Party was installed.

In former imperial countries, decolonization engendered political crises, either directly or indirectly. In France, the Indo-China and Algerian wars provoked so severe a crisis that the volatile Fourth Republic, in whose twelve years of existence no less than twenty-three governments were formed, was dissolved in 1958 and the new, the Fifth Republic, fashioned largely by the executive, was instituted. Belgium was already troubled by the north-south Flemish-Walloon divide and the conflict over the future of the monarch, Leopold; but the independence of the Congo induced austerity measures which contributed to strike waves in 1960-1961. In Portugal, the independence wars of Guinea-Bissau, Angola, and Mozambique furnished the context for the military coup against the "New State" dictatorship, continuously in power from the 1930s. Even Britain, which had relinquished its colonial territories rather more tamely, witnessed the resignation of prime minister Anthony Eden, following the adventurist protection of residual interests in the Suez Canal in 1956.

32.4.2 The Socialist Europe

By contrast with the West, communist parties generally monopolized power in the eastern bloc. Hence differences of opinion were contained, within permissible limits, within the party; and intense power struggles were conducted therein. The degree of autonomy from the USSR however depended on a host of factors, including the extent of popular mobilization that could be achieved. In Poland, the initial phase of communist rule was marked by the assertion of national independence under Wladyslaw Gomulka to the extent of his expulsion from the party. In 1956, the anti-Soviet riots in Poznan enabled the purge of Soviet sympathizers, the return of Gomulka, and some relaxation from rigid controls. By the 1960s, these relatively liberal trends had been reversed. The Polish regime was frequently troubled by dissent in various forms. These included workers' riots over working conditions and mass demonstrations against the rise in food prices when subsidies were reduced in order to finance further industrialization. All these led to the replacement of Gomulka by Edward Giersek. The 1980s saw further strikes against rising food prices. A new factor in Polish politics now emerged, the independent trade union called Solidarity, after government conceded to striking workers the right to unionise independently of party controls. The momentum of opposition that Solidarity could sustain contributed eventually to the demise of the communist party regime.

In East Germany, Czechoslovakia, and Hungary, early attempts at relaxing social controls and establishing some autonomy from the Soviet Union were curbed through repression. Anti-Soviet riots in East Germany were quelled by Soviet forces in 1953. Hungary carried out sweeping economic and political reforms after 1953. They first provoked the removal of the premier, Imre Nagy in 1955; then an armed revolt that brought him back at the head of a new revolutionary government in 1956; and eventually intervention by Soviet troops to install Janos Kadar in power. The Czechoslovak attempt to introduce similar reform under Alexander Dubcek, who replaced Antonin Novotny, led to a similar invasion by Warsaw Pact troops in 1968. Romania and Bulgaria were relatively more autonomous, despite the latter's dependence on the Soviet Union for investment and basic raw materials. By the 1960s, Bulgaria had introduced some degree of local and private initiative in the economy; but, after the Czechoslovak invasion, these reforms were withdrawn. By the 1970s, Bulgaria had established trade relations with the West, and in 1980, opened the economy to foreign investment. Romania adhered to the basic Soviet model of course; but, from as early as the 1960s, began to pursue a foreign policy that was remarkably independent of the Soviet Union. It not only expressed disapproval of the invasion of Czechoslovakia, but also established commercial relations with west European countries, from whom capital and oil were procured. In 1962-1963, both Bulgaria and Romania opposed a Soviet proposal to set up a supra-national authority in COMECON to ensure the compulsory specialisation of its member states in sectors in which they possessed the greatest potential.

Albania and Yugoslavia, although part of the European communist world, were as different from it as they were from each other. Albania, initially part of the Soviet sphere, began gradually to drift out by 1958; by 1968 it had been expelled from both the COMECON and the Warsaw Pact. It withdrew into complete isolation and autarchy, hostile to both the east and west blocs until the 1990s. By 1948 Yugoslavia had offended Moscow to the extent of

being expelled by Stalin from the "family of fraternal Communist Parties". After 1953 however, diplomatic and economic ties were renewed. As a result of its political independence, Yugoslavia's political and economic system was the most decentralised in all of the east bloc: and internationally, it enjoyed the freedom to pursue non-alignment as its foreign policy.

By the close of the 1980s, domestic crisis had reached the point that the traditional instruments of repression were no longer effective. In part, the reforms within the Soviet Union contributed to the amplification of dissent in the rest of the unreconstructed Communist bloc, besides also depriving them of armed assistance, should this have become necessary. Beginning with Romania in 1990, the existing political edifice in the east bloc collapsed, to be replaced by new systems based on multi-party elections. National boundaries were extensively redrawn as multi-ethnic countries disintegrated under the pressure of separatist assertions; and, at the other end of the spectrum, the German Democratic Republic was absorbed into the Federal Republic of Germany.

Check Your Progress 3

Note : i) Write your answer in the space given below.

ii) Check your answer with the answers given at the end of this Unit.

- 1) Write five lines on the nature of politics as it evolved in the Western European countries.

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- 2) In what ways was the politics in eastern bloc different from West? Write in five lines.

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32.5 LET US SUM UP

Europe in the 20th century had been divided among three major forces (liberal democracy, fascism, socialism) that were both different and distant from one another. The final phase of the war witnessed a grand alliance between two (liberal democracy and socialism) against the third (fascism). Once the third force was eliminated in the war, the alliance between liberal democracy and socialism broke down and was replaced by fierce rivalry and competition for a greater share in the new world. This rivalry has generally been referred to as the 'Cold War'. The 'Cold War' period witnessed the consolidation of different kinds of economic and political formation in eastern and western Europe. In the economic sphere the eastern European countries (socialist bloc) concentrated on building heavy industries under state control and collectivisation of agriculture, with minor variation from one country to another. The economic development of the Western European countries (capitalist bloc) on the other hand, was financed and monitored by the USA. Their economies, after a phase of recovery from the war, witnessed an unprecedented boom which brought about general prosperity to these countries. In the political domain, The western countries represented a plurality of politics, ranging from electoral democracies to dictatorships. The eastern countries, on the other hand, were more uniform and regimented with varying degrees of control exercised by USSR, their leader. They invariably followed a single party system as against a multi-party compromise that existed in western Europe.

It was thus that the 'triple ideological division' of Europe during the pre-war period was replaced by a phase of 'Cold War' in which the two forces competed with each other without resorting to an actual war. The two 'systems' competed with each other for economic political and military superiority for almost fifty years. Around the end of the 1980s the Cold War had a sudden end after the socialist bloc failed to successfully compete with the capitalist world and collapsed.

32.6 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

- 1) See Sub-sec. 32.2.5
- 2) See Sub-sec. 32.2.1

Check Your Progress 2

- 1) In your answer you should emphasize the role played by the USA. deflationary policies adopted initially leading to economic boom and finally the emergence of an economic consensus in the capitalist Europe. See Sub-se. 32.3.1.
- 2) In your answer you should emphasize the following points :
 - a) different role played by the USA and USSR in the two bloc respectively;
 - b) attempts at a collectivisation of agriculture in the socialist blocs; and
 - c) advances made by the socialist economies in heavy industry and military investment. See Sub-sec. 32.3.2

Check Your Progress 3

- 1) See Sub-sec. 32.4.1
- 2) See Sub-sec. 32.4

SOME USEFUL BOOKS FOR THIS BLOCK

A.J.P. Taylor, *The Struggle for Mastery in Europe*.

A.J.P. Taylor, *The Origins of the Second World War*.

David Thomson, *Europe since Napoleon*.

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APPENDIX

MAJOR EVENTS IN EUROPEAN HISTORY

Seven Years' War	-	1756 to 1763
The War of American Independence	-	1776
Industrial Revolution in England	-	1760s
The French Revolution	-	1789 to 1815
Rule of Napoleon Bonaparte	-	1799 to 1815
The Congress of Vienna	-	1814 to 1815
The Concert of Europe	-	1815 to 1825
The July Revolution	-	1830
The February Revolution	-	1848
Metternich's Era	-	1815 to 1848
The Crimean War	-	1853 to 1856
Napoleon III and the Second French Republic	-	1848 to 1870
The Paris Commune	-	1871
The Third Republic	-	1875 to 1914
The Unification of Italy	-	1850 to 1870
The Unification of Germany	-	1850 to 1871
New Germany	-	1871 to 1918
Rule of Bismarck	-	1870 to 1890
Rule of Kaiser William	-	1888 to 1918
German Republic	-	1918 to 1932
Russia	-	1815 to 1917
Czar Alexander I	-	1801 to 1825
Nickolas I	-	1825 to 1855
Alexander II	-	1855 to 1881
Alexander III	-	1881 to 1898
Nicholas II	-	1894 to 1917
Balkans Wars	-	1912 to 1913
First World War	-	1914 to 1918
Peace of Paris	-	1919
Treaty of Versailles	-	1919
The Bolshevik Revolution in Russia	-	1917
The League of Nations : Locarno Pact, 1922, Geneva Protocol-1924, Kellogg-Briand Pact- 1928, Disarmament, 1932.		
Rule of Mussolini	-	1922 to 1943
Rule of Lenin	-	1917 to 1924
The Economic Depression in Europe	-	1929 to 1933
Hitler and Nazi Germany	-	1919 to 1939
Stalin and Russia	-	1928 to 1953
Rome-Berlin-Tokyo-Axis	-	1937
The Munich Pact	-	1938
The Third Reich	-	1933 to 1939
Kamal Pasha (Turkey)	-	1919 to 1939
Second World War	-	1939 to 1945
Beginning of Cold War	-	1947
Truman Doctrine	-	1947