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The failing Soviet System

During the Cold War, the Soviet Union was a closed political and economic system. From the late 1960s, it was clear the economic performance of the USSR was failing; during the 1970s its industry stagnated and its agriculture regularly failed. Technological advances in the West – especially in the field of electronics – also left the Soviet Union and its Allies lagging behind, impacting on many areas of life, especially military affairs.

For nearly 40 years the leaders of the Soviet Union and many of the countries in Eastern Europe seemed, from the West's point of view, to be 'backward-looking' and caught in the trap of Soviet ideology. One explanation was that these leaders were simply too old: 3 successive Soviet leaders – aged respectively 76, 80 and 83 – had died in office in the 3 years between 1982 and 1985.

Change did come, however, in 1986 when a new Soviet leader was elected.

What led to the end of the Cold War and the start of a new world order?

Competing economic systems

USSR had a centralised state-run economy (Socialist / Communist) with an autocratic one-party governance system.

Central Planning: The co-ordination and control of all economic activities are under the authority of the government, operating in a 'closed system'.

It relied on a bureaucracy that was in charge of setting all national goals – especially important were economic ones.

Weaknesses: this approach was inefficient and needed extensive on-going subsidies to keep the system going.

It was also very slow to respond to personal choice, destroying initiative and entrepreneurship.

Results of this system:

National economic performance suffered due to inefficiency.

Investment in new infrastructure declined together with investment in research.

The quality of life for citizens in the USSR and in Eastern Europe fell further behind that experienced in the West. Led to economic and political reforms in the USSR.

Changing relations with the West

Importantly for Gorbachev and the end of the Cold War, the market approach to economic management was supported by two Western leaders who played an important role in the ending of Communism: Britain's Prime Minister, Margaret Thatcher (1971), and US President, Ronald Reagan (1981).

Their elections reflected the significant change both in economic and political thinking that had taken place worldwide (i.e. the shift towards free economic policy). Both were also suspicious of Communism and, initially, of Gorbachev. The two superpower leaders met several more times and each meeting marked another step towards ending the hostilities that had divided them for 40 years.

The symbolic importance of the Berlin Wall

The Cold War was characterised by a number of crises, each of which brought the Superpowers close to a nuclear war.

The first occurred in Berlin, Germany, which was divided at the end of the Second World War into 4 zones, controlled by victorious wartime powers: the US, Soviet Union, France and Great Britain. But the start of the Cold War, and the alliance between the British, French and Americans, meant that the city was effectively divided into two – one half was in the West; the other half was in the East.

The division of the city led to constant quarrelling, and in 1961 the East German government began building a wall between the two halves, which would eventually stretch for 155 kilometres. With the obstacles of concrete, barbed wire, armed guards and their dogs, over the years many people tragically lost their lives trying to cross the wall from East to West.

'The Wall' became a metaphor for the global Cold War conflict between East and West, and was a symbol of the global divide.

Although Berlin's famous Brandenburg Gate was located in the East German side of the wall, it was used by Western leaders to protest what they thought was wrong with Communism and to praise Western Capitalism. In June 1987 Reagan challenged the sincerity of Gorbachev's proposed reforms at this gate.

Southern Africa

Gorbachev's political shifts did echo in Southern Africa.

November 1986: Gorbachev met with the then president of the African National Congress (ANC), Oliver Tambo, who was accompanied by Thabo Mbeki.

In this first ever meeting between the ANC and the leader of the Soviet Union, Gorbachev made it clear that the Soviet Union was strongly opposed to supporting revolutions.

This signalled an entirely new direction in the Soviet Union's foreign policy, which would alter the direction of the region enormously in the years to come.

Gorbachev's many challenges

Communism created four urgent challenges for Gorbachev:

Great need to change the thinking in the Soviet Union, especially in the bureaucracy, which was fixed and rigid.

Eastern Europe and the Soviet Union were closely linked: they all faced both economic stagnation and social and political failure.

Due to Cold War rivalry, the Soviet Union could no longer support revolutionary movements in the Third World. The war in Afghanistan (invaded in December, 1978) was too costly for the USSR.

Gorbachev had to gain the support of the Soviet military to end the war.

Gorbachev initiated reform at home through two policies:

The two new policies were intended to support each other:

through glasnost, people were encouraged to speak about the economic changes which had been brought by perestroika.

glasnost and perestroika were not aimed at bringing an end to Soviet Socialism BUT to make it stronger.

If successful, Gorbachev hoped the Soviet Union and its allies would have the same economic success that was enjoyed in the West. Although Gorbachev hoped that the one policy could build upon the other INSTEAD the two policies together

→ ended the entire system of Soviet Socialism.

Many events occurred worldwide that led to the end of the Cold War.

1 The USSR is dissolved:

As Gorbachev's policies were implemented, and hardship followed, civil unrest broke out between various groups in the Caucasus and, later, in the Baltic region.

As old forms of nationalism emerged in these countries, the demands for independence from the Soviet Union grew. Following Gorbachev's attempt to establish a Federation of States, in 1990, several of the Soviet states (including Russia, then under the leadership of Gorbachev's bitter rival, Boris Yeltsin), declared their independence from the Soviet Union.

2 Eastern Europe:

Perestroika and glasnost also created demands for change in Eastern Europe, which was under much of the same kinds of stress that the Soviet Union faced.

Eastern Europe's economy was under great pressure: This included a weakening manufacturing performance, agricultural failure and an inability to keep up with changing technology. This had an important impact in Poland, where new political problems had developed. Poland had a difficult history with Russia: in the past, Russia had been invaded twice through Poland, while the nationalism of the Poles always threatened the unity of the Soviet Bloc too.

In 1978 the election of a Polish Pope, John Paul II, and his visit to Poland the following year, helped to change the political debate in Poland and elsewhere in Eastern Europe. Debate spread about issues like whether Polish Nationalism could survive in the Soviet Bloc and if democracy was possible within the Soviet Bloc.

Along with this interest in Polish politics came increased strikes in the country, highlighting worker's rights and the recognition of trade unions. In 1979 strikes drew attention to the trade union Solidarity and its leader (an electrician called Lech Walesa), who were both defended throughout the West.

Faced with this pressure, the Polish Communist Party: granted rights to trade unions removed press censorship

released dissidents

provided access to the state-controlled media to the Catholic Church.

In return the strikers agreed to recognise the authority of the local Communist Party and Poland's alliance with the Soviet Union. Also, Solidarity had become a mass-movement and began to act like a party in opposition to the Polish Communist Party. Importantly, the power of Solidarity had largely broken the hold of Communism over

the Polish political system - although temporarily, Poland was still firmly within the Soviet Bloc.

●● But days after an agreement on the recognition of Solidarity was signed, the Polish government changed its mind. A national strike was called and, as it grew, the Soviet Union warned that the "pillars of the socialist state" in Poland were under threat. Then, the armed forces of the Warsaw Pact gathered on Poland's borders to supposedly restore the authority of Communism in an East European country.

●● A few months later Poland's leadership changed when a military man, General Wojciech Jaruzelski, became the country's Prime Minister. Concerned about a possible invasion by the Warsaw Pact, the Prime Minister, the leader of Solidarity and a Catholic Cardinal, Josef Glemp, met. WHY? to discuss a way forward for Poland, but couldn't reach an agreement.

In December 1981, Jaruzelski declared a state of emergency, arresting 6 000 people, including the Solidarity leaders.

For the next two years, he tried to prevent a Soviet invasion. The state of emergency ended in 1983. Jaruzelski didn't want to move away from the principles of Communism.

Yet the country remained locked in political crises with further demonstrations and riots called by Solidarity.

This instability remained until Gorbachev came to power in the Soviet Union - it was clear that the Polish people were ready for the kind of changes that Gorbachev wanted to make both in the Soviet Union and in Eastern Europe.

●● Months before the Berlin Wall came down, Jaruzelski won a general election by a small margin, but the Socialist era in Poland was over.

●● With the wider collapse of Communism throughout Eastern Europe, Jaruzelski resigned the presidency, paving the way for the election of Lech Walesa to Poland's highest office.

The Fall of the Berlin Wall:

The German Democratic Republic (GDR), or East Germany, was one East European country that strongly resisted Gorbachev's reforms.

Why did GDR resist Gorbachev's reforms?

East Germany enjoyed the highest standard of living in the Soviet Bloc, because the West German government supported the growth of infrastructure and development in its eastern neighbour.

The GDR also enjoyed a strong relationship with the Soviet Union. i.e. The leaders who would dominate politics in East Germany were trained in Moscow. Another reason was that the president of the GDR, Erich Honecker, was a dedicated Communist.

As a result of Honecker's softer approach, exchanges began to take place between politicians on both sides of the German divide. It was in this atmosphere that perestroika and glasnost became policy. As Gorbachev's reforms reached East Germany, demonstrations began in the streets of Leipzig, Dresden and East Berlin. Honecker wanted to quash the demonstrations but would not do so without Soviet approval. This would not happen under Gorbachev's leadership. In the late-summer of 1989, many East German citizens began to leave the country through Hungary's open border with its neighbour, Austria.

Only a month before the Berlin Wall fell, Honecker resigned his office. He was briefly succeeded by the leader of the East German Communist Youth, the 52-year-old, Egon Krenz.

Communist ideology was replaced with new understandings and explanations of the world. With this, the old ways of doing things were gone forever.

The idea that the Berlin Wall had fallen changed understandings in almost every corner of the world. Undeniably, an event of global significance had taken place. In a speech on 19 December 1989 delivered by Helmut Kohl before more than 100 000 people in the East German city of Dresden, he promised that he would seek unification of the country and also funding for East Germany.

The Battle of Cuíto Cuanavale:

It was clear that events in the wider region, following the fall of the Wall, were moving in interesting new directions.

The consistent pressure that America had put on South Africa because of its illegal occupation of Namibia had moved negotiation forward on a 70-year-old conflict. But what had shifted to enable apartheid's leaders to respond positively to this pressure?

Outcomes of the Battle of Cuíto Cuanavale

These circumstances pushed the apartheid government to seek peace in Angola and to grant independence to Namibia.

Apartheid officials met with representatives of the US, then with Cuban representatives, and then with the Angolan government → in an effort to seek an

agreement on the future of the Cuban troops in Angola and over the future of the disputed territory: South West Africa (Namibia).

In the end, the Cubans agreed to withdraw from Angola, which was seen as a Cold War victory, especially for the USA.

SA also agreed that its own forces would be withdrawn, which saved the apartheid government from growing embarrassment and enabled it to focus on the need to reform at home.

Also, the apartheid government agreed to the independence of Namibia. A Peace Accord reflecting these understandings was signed in New York on 22 December 1988 – 11 months before the Berlin Wall fell – and the independence of Namibia was granted on 21 March 1990.

As Nelson Mandela has said, Cuito Cuanavale “was the turning point for the liberation of our continent – and of my people – from the scourge of apartheid”.

5 FW de Klerk as a reformer:

SA's official representative at the Namibian Independence celebrations was the man who would formally end apartheid: SA's new president, FW de Klerk who had only succeeded PW Botha a few months earlier.

Because De Klerk came from a family that had a history in National Party politics, there was not much in De Klerk's background to suggest that he was a reformer.

Experience suggests that leaders who have strong links to a party, like De Klerk and Gorbachev, can often make the biggest changes in a society. This is because citizens trust them more than they do other politicians.

Shortly after he became president in September 1989, he changed his Cabinet by removing hardliners who had been strong supporters of the Cold War-thinking that had been behind the policies of his predecessor.

De Klerk then allowed a number of protest marches to take place despite the state of emergency.

The first of these, held in Cape Town on 13 September 1989

Witnessed a number of anti-apartheid leaders –including Archbishop Desmond Tutu marching for peace.

Globalisation

What was the nature of the post-Cold War world?

Many argued that the end of the Cold War represented a new beginning in international politics.

Since both the Soviet Union had broken up and the Soviet Bloc collapsed, there was a belief that the West had 'won' the Cold War.

For the 40 years during the Cold War people understood the world as divided into East and West, Communist and Democratic.

The American-Japanese thinker, Francis Fukuyama, offered a solution. He suggested two things would become important to people after the Cold War:

The right to participate in a market-based economy – he believed that an economic policy which supported the market contributed towards the end of Communism.

Fukuyama's thinking on the end of the Cold War influenced the course of events for more than ten years.

The right to exercise democracy: citizens all over the world would want the right to elect the governments that would rule them.

Fukuyama's thinking reinforced the neo-liberal view that markets – rather than states – should be the primary factor in determining all economic relationships.

So, while states were still central to the way in which the world was organised, internationally, another way of organising social relationships was necessary. This was to be through the market → called **Globalisation**.

Globalisation

Globalisation argued that all social relationships could take place across the world. States as political entities were no longer thought to be essential.

It meant the end of the Cold War and the victory of the US over the USSR.

Led to increased trade between countries as trade restrictions were removed.

Electronic communication, e.g. the internet, the world wide web and e-mail led to globalisation.

Impact of electronic communication

The impact of electronic communication was far-reaching, for example, money could be immediately transferred and traded without the consideration of working hours.

Time was no longer a limitation in trading either in products, finance or services.

It certainly seemed like the world became 'smaller'.

The change in international relations

After the Cold War, the experience of the United States and its Western allies was of victory.

3

Unit

The revival of The North Atlantic Treaty Organisation (NATO)

While its Cold War opposite, the Warsaw Pact, was disbanded at a meeting of East European defence and foreign ministers in July 1991, NATO did not disband. NATO had been established in 1948 to defend the interests of North America and Europe.

Former members of the Warsaw Pact, though not all of them, ended up joining NATO.

Its revival suggested how the global 'balance of power' had changed: no longer was the world caught in a 'balance' of Cold War power. INSTEAD it had become dominated by a single country.

Effectively, all power – political, economic, military and cultural – turned around a single country, the USA. This had serious implications for the Third World (or the Global South) countries: following the Bandung Conference of 1955, the Non-Aligned Movement (NAM) was formed, suggesting that – despite the intensity of the Cold War divide – it was possible for there to be a third position in international relations.

The term 'Non-Alignment' captured this position: they were not aligned either with Communism or Capitalism. Although NAM undoubtedly had an impact on the ending of the Cold War, unfortunately a series of crises weakened the movement and it failed to influence the nature of international relations after the Cold War.

SO: the world remained unipolar with the US as the leading power. But the impact of this across the world was significant because it seemed that Third World countries started to settle disputes.

The African context

South Africa – The ending of the Cold War drove a process of accommodation and reconciliation. By the time Nelson Mandela became president of SA in 1994, Southern Africa, after decades of conflict, was at peace.

Rwanda – As Mandela was taking the oath of office, Africa's worst ever genocide was taking place. Between April – June of 1994, an estimated 800 000 Rwandans were killed. Most were members of the Tutsi tribe, with much of the violence perpetrated by the Hutus. The genocide caused deep trauma throughout the world, with the United Nations failing to intervene.

Mozambique – It had a long-standing association with the Soviet Bloc, but after the Cold War, had to rethink both its foreign and economic policies. The growing importance of markets ended the state sponsorship of many areas of its national life, including health, education and welfare. The importance of democracy as a way to attract foreign investment and development aid, put pressure on the FRELIMO government to seek ways of accommodating its long-term rival, RENAMO. Eventually, its first-ever democratic elections were held in 1994, which were won by FRELIMO.

Zambia – It also experienced its first-ever multi-party democratic election, where Kenneth Kaunda, who had been Zambia's head of state since 1964, lost power after 27 years in power.

Elsewhere in southern Africa – demands for multiparty democracy were on the move. In neighbouring Malawi, the first multiparty elections held in the country for 30 years saw the defeat of the country's long-time president, Hastings Kamuzu Banda.

North-South relations

After the Cold War ended, North-South relations were instead determined by the belief that markets were the best way to guarantee economic development.

Global capitalism and resistance

Since the Second World War, the international economic system had been organised around the Bretton Woods institutions – the International Monetary Fund (IMF) and the World Bank (officially known as the International Bank for Reconstruction and Development).

By the time the Cold War ended, they were enthusiastic supporters of neo-liberal, market-centred economic thought and strong supporters of globalisation.

The Bretton Woods institutions and globalisation

The IMF and World Bank developed policies that allowed market forces to determine political and economic outcomes. Their approach freed up the constraints on trade by removing national barriers, especially at the national level.

It also encouraged individual countries to free up markets.

The World Trade Organisation (WTO) played an important role in this opening up of global markets.

Established in 1995, the WTO was responsible for making the rules of trade between countries and for the settlement of trade disputes between them. The WTO's policies enthusiastically supported the idea of globalisation, which made it the target of mass demonstrations from anti-globalisation groups. These groups were concerned that the process of globalisation increased the power of rich states and weakened the position of the poor.

They also believed globalisation was destroying cultural diversity in the world, as the language of globalisation was English, with American culture in particular spreading throughout the world via television, leaving local culture unable to compete.

The frequent anti-globalisation demonstrations suggested that the idea of neo-liberal globalisation, although it was seen to be the 'logical' way to run the world after the Cold War, was not accepted by everyone.

Instead, it was viewed as a destructive force, increasing the power of the rich and weakening the power of the poor.

New forms of capitalism: The rise of emerging markets

Some countries even resisted efforts that encouraged them to embrace globalisation. Increasingly the following countries have been called 'emerging markets': places where economic growth is underway when, in the Global North, growth was slow and falling.

Malaysia - In 1997 the government went against advice from the IMF who said that their approach would make their economic problems worse. In the end, however, the Malaysian government was shown to be correct.

China - Saw a different approach to the link between liberal democracy and economic growth. The Communist Party government promoted free market policies to improve the country's economic performance, but it resisted any efforts that encouraged the development of liberal democracy. There was a brutal crackdown on pro-democracy demonstrators in Beijing's Tiananmen Square in June 1989, with many killed, but despite this, the Chinese government soon resumed economic relations with the major world powers. The Chinese model of globalisation has changed the direction of the country's economic fortunes.

India - Regarded as one of the great economic success stories of the post-Cold War period. The lifting of government restrictions on trade, and especially on industry, ended a long period of socialist planning. However, India's government has continued to support the development of roads and its educational system. The incomes of India's people have increased overall but so has the gap between the rich and the poor.

Russia - Here, policies that supported economic liberalisation were strongly promoted, But the Russian economic experience with neo-liberalism ended largely in failure: corruption was high and the gap between the rich and poor increased. Nevertheless, the country is rich in natural resources and the promises of its economic success have kept the Russian economy alive.

Brazil - It, too, has had to carefully steer a path between opening up the country to market forces, while at the same time balancing government concern for the health, education and welfare of its people. Brazil is a country very rich in resources, but the divide between the country's richest and poorest people is a cause for great concern. Fortunately, its efforts to bring democracy to the country have been a great success.

Challenges facing the 'new' South Africa

The discussions around the best economic system to adopt after the end of the Cold War affected SA too.

In the years immediately after Nelson Mandela's inauguration on 10 May 1994, South Africa's attention was focused on other issues: most importantly - how to bring previously conflicting groups together in order to build a united country.

The idea that SA was a 'Rainbow Nation' - a country that embraced all colours (races) - was a powerful metaphor in the process.

However there were particular challenges:

Reconciliation

Economic reconstruction.

Reconciliation: The Truth and Reconciliation Commission (TRC):

Established in 1994 the TRC was led by Archbishop Desmond Tutu.

The country's new Constitution reinforced the reconciliatory policy of President Mandela: → the establishment of the TRC went some way both to explaining what had happened during apartheid and finding a way to bring people to confront what had happened to them.

It reported terrible cases of torture and killing by apartheid forces: was able to grant amnesty to people, from all sides, who had committed crimes that were politically motivated.

Although it was strongly criticised, the TRC is considered to have contributed to the country's way forward.

Economic reconstruction

It was far more difficult to decide on a policy that would address apartheid's core legacy of white wealth and black poverty.

Historically, both the ANC and the National Party had embraced Socialism.

But from the 1970s onwards the National Party had moved towards freeing up certain areas of the country's economy. This move quickened in the 1980s when, wishing to get close to the Cold War-thinking of both

Margaret Thatcher and Ronald Reagan, the apartheid government embraced the idea of neo-liberal economics.

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