

The US Victory in the Cold War: Economic Strength, Foreign Policy Triumph or Both?

Written by David Sykes

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DAVID SYKES, JUL 15 2010

Throughout the Cold War the United States of America saw economic prosperity and a dramatic improvement in its standards of living. This gave the US a huge degree of power in the international arena, but to what degree did this power help it to claim victory in the Cold War? This essay will weigh up the ways in which the economic supremacy of the US led to their victory in the Cold War against the ways in which its foreign policy may have helped. These views will then be criticised and evaluated to conclude that each was important in different ways due to it being the economic power that enabled the US to pursue financially intensive foreign policies such as the arms race and enabled it to negotiate from a position of strength with the USSR in the 1980s.

Based on the initial positions of the two superpowers in 1948 and using only information that was known at the time, John Gaddis predicted that the US had a 78% probability of winning the Cold War against Russia peacefully. This information suggests that it was due to the advantageous economic position that the US held in the beginning of the war and continued to have throughout that the US was destined to victory from the outset[1]. However the primary theories of international relations, realism and liberalism have contrasting views about how the war was won and how the different approaches to foreign policy the US pursued impacted on the progress toward peace.

An argument for the economic position can be identified in the liberal school of thought. The liberals at the end of the war such as Francis Fukuyama believed that it was due to the superiority of the liberal democratic system that the US was able to claim victory. They argued that the system appeared very attractive to the impoverished and oppressed peoples of the Soviet ruled states of Eastern Europe and around the world and that this undermined the authority and legitimacy of the authoritarian communist governments that could not guarantee the same liberties as those that are enshrined in the liberal democratic system. The liberals point to the considerably more efficient capitalist system which was able to generate the vast amounts of wealth necessary to sustain the investment in weaponry, technology and international operations that the USSR was unable to match, and in its attempts to keep up with the US and finance a war against them the USSR was unable to combat the extreme poverty that many of its people faced. Many liberals argue that when left to their own devices peoples from around the world will form interconnections based mainly on trade and this will lead to peace. They argue that the main barrier to this are the actions of the nation state, and based on the evidence of the failures of the Cold War foreign policies it is not difficult to see how this may be the case[2]. In a great many cases the actions of the US arguably delayed the resolution of the conflict, interventions in Vietnam for example arguably hindered the US position and the US' hostile actions in the 1940s can be seen to have even begun the war, which may not have been as unavoidable as was thought at the time by those in office.[3]

There is a great deal of evidence to support this view that the economic inferiority of the USSR was a major factor in its collapse. In the 1980s the Soviet economy was in a critical condition. The structural weaknesses that were inherent in the inflexible command economy that rewarded gross output of goods rather than productivity as well as producing disincentives to innovation in management and production led to a failure to modernise at the same rate as the west. Central planning in agriculture and in industry stifled production and made the economy vulnerable to stagnations such as that of the 1980s after a serious decline in harvests in the late 70s and a slowdown in production in various key industries.[4] The Soviet economic inferiority had a great impact on its ability to sustain its defence spending and military investment. The problems in the economic system also meant that the USSR was far behind

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the US in weapons technology, particularly in the area in which the war was likely to progress: The Russians were behind the US in the technological areas of target acquisition, tracking, sensors, and computer hardware and software which were the fundamental technologies behind the US' concept of the SDI (Strategic Defence Initiative) which threatened to render all of the USSR's previous military technology and weaponry obsolete. These areas would require heavy investment in order to catch up with America and Japan if the USSR was to continue as a world power, but due to the economic problems of the Soviet Union, millions were without food, shelter or basic commodities[5].

Very similar to the liberal attitude, the neo-conservative approach became the orthodox policy and took a much more foreign policy oriented perspective. The neo-conservatives tend to view the world as containing states, individuals and philosophies that can be identified as good and evil, with the communism being the latter due to its perceived relentless expansionistic aims and its denial of human rights[6]. Domino Theory identified communism as a very serious threat to the west as it was able to spread from one nation to the next. Believers in domino theory argued that communism was capable of rising in nations that were facing economic and political difficulty and communist supporters, inspired and aided by the Soviet Union, would instigate revolution against the state. The orthodox theorists and politicians saw the Soviet Union as an essentially expansionist state that saw global domination as an objective, thus utilising the domino effect as well as its own military power to spread across the globe[7]. This philosophy inspired the faith in the Truman Doctrine that pledged the US to support anti-communist regimes to protect them from falling to the communists. From this perspective, the interventionist foreign policy of the US in preventing the spread of communism was crucial to US victory in the Cold War. The Truman Doctrine and the domino theory were used throughout the Cold War by each president (at some point in their time in office) and was the ideology that guided much of US foreign policy. The Truman Doctrine was established in March 1947 with President Harry S. Truman's pledge that 'it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures', clearly identifying communism as the enemy, which he labelled as 'a way of life... based upon the will of a minority forcibly imposed upon the majority...(that) relies upon terror and oppression, a controlled press and radio, fixed elections, and the suppression of personal freedoms.'[8] The doctrine was used to legitimise countless interventions in the political affairs of other states in numerous ways, from the peaceful economic incentives used to both bribe nations into adopting capitalism or used to support the struggling European states in the aftermath of the Second World War, to the interventions in Greece in 1947, Korea in 1950, Vietnam in 1959 and the various interventions in South America to name a few.

The Realist explanation of how the Cold War came to an end can be seen as taking the middle ground in the debate as to whether economic forces were more influential than foreign policy in bringing about the end of the war. Unlike the orthodox theorists, Realists viewed the Soviet Union as a dangerous but cautious adversary, with values that run counter to Western society, as well as an economic system that was grossly inefficient. They viewed the USSR not as an essentially expansionist state, but an opportunistically expansionist state, that only seeks expansion when the opportunity arises. The realists therefore see the victory of the Cold War as being partly due to the careful use of power at the end of Reagan's time in office which involved interventions and negotiations and *détentes* only in cases in which a discernable benefit to the US was to be had and the use of the US' economic strength to back up and reinforce the US' actions. [9]

The Reagan period can be described as one of 'crisis-avoidance precluding crisis-management'; one of cautiousness in the use of foreign policy[10]. Fundamental to the victory of the Cold War in the eyes of realists was the US' victory of the arms race, particularly with the advent of the concept of the Strategic Defence Initiative that emerged in 1983 and continued to grow in importance, the very idea of which gave the US a great advantage over the USSR. The missile shield threatened to render all of the Soviet arsenal useless and due to the weakness in the Soviet economy and its lack of research and development in the field of computer and satellite technology, it gave the US a huge advantage over the USSR in negotiations as it was unlikely given the state of the USSR's economy that it would ever be able to finance anything like it for itself without its citizens suffering even greater deprivations. This edge gave the US the power to force the USSR into changing its stance toward arms-control and may have forced Gorbachev into adopting his more western-friendly approach and breaking down the iron curtain as it gave Reagan the power to negotiate from an advantageous position. Realists therefore see the victory of the Cold War as being due to a combination of capitalisation of US strengths such as its economic and technological superiority as well as

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considered foreign policy that brought the war to a close. [11]

While there is ample evidence to support the case that the economic forces were the major factor in the resolution of the war, it can be seen to ignore the impact that crucial foreign policy developments negotiations had on the relationship between the two states as well as the US superiority in military capability and its bargaining success against the USSR.

The view that victory was due to foreign policy equally has many holes. The almost unrestricted and careless missions the US undertook based on the Truman Doctrine and the domino theory were frequently damaging to the US position and arguably extended the longevity of the war as liberals would point to the fact that it was only once the US stopped its interventionist and aggressive campaign against Russia and allowed it to fall apart on its own that the war drew to a close. One has only to look at possibly the most disastrously ill-fought war of the Cold War, Vietnam, to see the shortcomings of the neo-conservative approach. The Vietnam War damaged US power and reputation in the international arena, the conflict fragmented US society; sparking anti-war and anti-nuclear protests and, in the case of the Cold War as a whole, McCarthyite witch-hunting. The extreme cost of the war damaged the US economy, plunging it into recession and it demonstrated the limitations to American power. [12] Realists would also argue that the neo-conservative approach was similar to that of a state that has fallen into the trap of 'hubris', leading it to pursue a resource consuming and self-harming 'moral crusade'. [13]

The foreign policy dominated view overlooks the impact that the disparity in quality of living between the Eastern bloc and the West which the communist regime was unable to hide from its people, especially at the end of the Cold War when Gorbachev felt the need to undertake political reform in the struggling state including economic reform (perestroika) which brought market oriented forces into the system in order to breathe life back into the economy, and the social and political change brought about by Glasnost. Glasnost, or 'openness' permitted the spread of knowledge regarding life in the Soviet Union, removing the restrictions on the press, radio, television and film industries allowing them to critically discuss the health of the system. The growing freedom of the press enabled the citizens of the Soviet Union to compare and contrast their quality of life to that of the west of the world and the government was no longer able to hide how badly it was failing its people. This fracturing of Soviet politics encouraged the many millions of unwilling members of the Soviet empire to demand independence from Moscow. There were mass demonstrations in Estonia, Latvia, Lithuania, Armenia, Azerbaijan, Georgia and Ukraine[14].

There does not appear to be a clear-cut answer to the question of whether the US economic strength played a greater part than its foreign policy in bringing the war to an end although the view that the foreign policy was to thank for the US victory is marred by the numerous counterproductive interventions that the US pursued. Also, Reagan's initial hard-line approach toward the USSR had little effect; it was only when he 'softened up' that things began to change. It seems to be that it was only the more cautious and considered aspects of foreign policy that bypassed the Truman dogma that plagued the earlier years of the war that relations improved between east and west. However both the foreign policy oriented view and the economic argument suffer problems as at other times during the war, the factors which are argued to have brought the war to a close were present. In early years of the Carter administration for example, there were attempts at negotiating arms reductions and to create a detente with the USSR and though he made some small gains initially such as the Russian agreement to the Helsinki Accords of 1975 and the progress toward the SALT II Treaty, the Soviet Union actually became more aggressive and more adventuresome, perhaps seeing Carter's withdrawal of nuclear weapons from South Korea and his attempts as conciliation and diplomacy as a sign of weakness and the USSR and US pressed on with the arms-race and the USSR invaded Afghanistan (much to Carter's annoyance)[15]

However, the two perspectives are not necessarily diametrically opposed. The economic strength of the US alone was not enough to secure victory, and the US foreign policy was frequently counter-productive. But when the disparity in economic strength was utilised by the US foreign policy it enabled the US to have a clear advantage over its enemy; and this is what happened during the Reagan administration, when the US was able to negotiate from a position of strength in order to force an increasingly desperate Russia into agreeing to US demands. The arms race that was fuelled by the superior US economy that gave the US an enormous power over the USSR and made them eager to resume discussion on arms reductions, as well as the successful détentes and negotiations that led to

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glasnost and perestroika and the breakup of the eastern-bloc, can all be seen to have been successful acts of foreign policy because they took advantage of the economic power of the United States of America.

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Written by: **David Sykes**
Written for **Dr Mark Garnett**
Written at: **Lancaster University**
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