

Is there a new cold war?

Martin Upchurch

Over the last few months there has been speculation that the world has now entered a new period of Cold War. Serious mainstream journals such as the US-based journal *The Nation* have referred to the escalating nuclear arms race, the expansion of NATO territory to Russia's borders, Putin's successful annexation of Crimea, internet hacking accusations, and the expulsion of Russian diplomats following the poisoning of ex-spy Sergei Skripal and his daughter as reasons for concern at the territorial ambitions of both Trump and Putin. Writing in the UK-based *New Statesman* Professor of War Studies Lawrence Freedman develops an additional argument that Cold War 2.0 is essentially a product of the internet age, offering some continuity with Cold War 1.0, but ratcheted up by the power of propaganda and (dis)information through the web. In pursuing his argument Freedman presses the point that 'Western governments are never going to be much good at state-sponsored information campaigns. It is worth noting, however, that the Russians are convinced that the West is quite brilliant at undermining governments this way, citing as examples the Arab Spring of 2010/11, demonstrations against Putin in Moscow in 2011, and the uprising in Ukraine in 2014 (indicating their difficulty in believing that popular movements can develop without substantial help from foreign agents).'

Others have been dismissive of the 'New Cold War' claims. In the American magazine *Foreign Policy*, Harvard Professor Stephen M. Walt emphasises that the Cold War was a time-specific period in which two super powers, the USA and USSR, engaged in ideological and

territorial manoeuvres designed to suppress or destroy the other. The Soviet Union's demise in 1991 after the fall of the Berlin Wall in 1989, Walt argues, ended this fundamental divide and universalist ideological stand-off. The bi-polar nature of Cold War competition contrasts to a multi-polar world in which we now live. It follows not only the break-up of the Soviet Union but also the rise of alternative centres of global or regional power such as Japan in the 1980s, the 'soft' economic and normative power of the European Union, and now China. The journal *Foreign Affairs*, published by the US Council on Foreign Relations appears to agree, with another Harvard Professor, Odd Arne Westad, describing attempts to classify a new era of Cold War as 'terminological laziness'.² While such distinguished professors of international relations beg to differ, we are also mindful of the question of President Trump's state of mind when making key foreign policy decisions. Is he behaving rationally, why does he keep changing his mind, is there some grand master plan, or is he simply shooting from the hip?

A sober analysis must be mindful of the major political and economic change of the last three decades. The (actual) Cold War began at the end of the second world war and lasted until the collapse of the Soviet Union on December 25th 1991. The USA was experiencing its 'Golden Age' of consumer spending and established its hegemony within the western sphere not through territorial expansion (as in the era of European colonial imperialism) but by economic pressure filtered through agencies such as the World Bank and the International Monetary Fund. Should trouble ensue, it was perfectly

willing to use its military power to force its hand. Competition from the USSR was real as growth rates in the USSR in the 1950s outstripped those of the West (albeit from a lower base). The USSR had also launched the first space satellite, Laika the dog and then Yuri Gagarin into space, ahead of the USA. The military strategy of the USSR was constructed to keep satellite states in control, and invasions of others' territory were confined to cementing its own sphere of influence. The resultant economic and military competition led to an escalating arms race, at first terrestrially and then in space

The Soviet bloc seemed bound together by a rhetorical belief in a Communist state, reinforced within the west by Communist Parties who remained loyal to the old Stalinist methods of the USSR and a corrupted belief in 'Socialism in One Country'. The USA and its allies were cemented by an equally mischievous rhetoric of 'democracy and freedom'. This did not prevent it giving covert and sometimes overt support to right wing dictators abroad and witch-hunting 'anti-democratic' communist sympathisers on the home front. Prominent dissenters in the Soviet bloc were offered asylum status, while numerous spy exchanges confirmed the bargained nature of the Cold War status quo. The double-sided rhetoric was constructed upon a Soviet model which was designed to protect the interests of the Soviet ruling class and the borders of the Soviet Union, rather than to support genuine workers' unrest either at home or in the west by encouraging socialism from below. An example was the offer by the large French Communist Party to de Gaulle in exile in 1968 to hold new elections, a lifeline to him which ended the unrest in the factories and on the streets.

However the division was not without territorial and ideological problems. A major point of contention in the early years was the efforts by Tito and the Yugoslav League of Communists to support Greek Communist partisans fighting US and British forces in the aftermath of WW2.³ Stalin needed to preserve the gains of the Yalta Agreement, signed by him, Churchill and Roosevelt in 1945.⁴ The Agreement was designed to consolidate a Soviet sphere of influence in post War Eastern Europe in exchange for allied control in Western Europe. Poland, Hungary and Czechoslovakia as well as the Eastern Balkan states fell within the remit of Stalin,

while Italy and Greece were to be in the western sphere. Tito's offer of help to the Greek communists upset the consensus and was duly rejected by Stalin leading to the Tito-Stalin split of 1948.

Churchill had anticipated the coming nature of this divide in his 'Iron Curtain' speech, made in the USA in 1946. In his speech Churchill paid tribute to his 'wartime comrade, Marshall Stalin' and the strength of the Soviet Union, but berated Tito for 'hampering' the arrangements agreed for Italy and Greece by his support for the communists. He warned of internal difficulties ahead with the existence of communist 'fifth columns' in western Europe which 'constitute a growing challenge and peril to Christian civilization'.⁵ The territorial carving up of Europe was thus imbued with an ideological tinge, however inaccurately coloured that tinge may have been. In the west, the discourse on democracy continued to be belied by the successive US invasions of recalcitrant regimes in 'backyard' countries such as Cuba, Grenada, Panama and Haiti, as well as covert support for anti-government forces in Nicaragua, Chile and elsewhere. The USA and USSR never clashed directly, hence the 'Cold' nature of the war, but proxy wars were undertaken in hot spot areas, most notably on the Korean peninsula and in Vietnam as well as Cambodia and Laos. The Soviet Union, for its part, invaded both Hungary (in 1956) and Czechoslovakia (in 1968) to punish citizens who had dared to challenge Soviet authority from below.

The threat of cold war becoming hot war was real, as nuclear tensions gathered and troops amassed either side of the German divide. At its height the USSR and its satellites placed almost half a million troops in the former East Germany with over 4200 tanks (suppressing the uprising there in 1953), while the US alone had more than 300,000 troops in West Germany. The divided city of Berlin, with its Wall and networks of spies, thus epitomised the realities of the Cold War, and the fall of the Wall in 1989 was the nail in the coffin of Soviet hegemony.

Few, if anyone, had predicted the end of the Cold War, but its end came as Soviet President Gorbachev gave up on believing a now struggling economic bloc could afford to compete either militarily or economically with the West. His introduction of *Glasnost* (open government) and *Perestroika* (restructuring) followed

US President Reagan's ratcheting up of his expensive 'Star Wars' programme in 1983, designed to out-strip Soviet capabilities from space. In East Berlin, the Communist leader of the GDR, Erich Honeker, had come to rely on the assumption that the thousands of Soviet tanks and troops based in the GDR would suppress any new uprising. This, he assumed, would be the holding line of the wave of revolt and revolution already infecting the communist states in Poland and Hungary. When Gorbachev visited East Berlin on the 7th October 1989 for the 40th anniversary celebrations of the East German Republic he disarmed the East German Communist regime by stating 'life punishes those who come too late.' Soviet troops stayed in their barracks and one month later the Wall came tumbling down. Things would never be the same again as Communist leaders from Moscow to Sofia jumped from state capitalism to market capitalism to save themselves and join the global economic elites. By the end of the year the dominoes had also fallen throughout communist eastern and central Europe, and in 1991 the Cold War, as so conceived, ended with the dissolution of the Soviet Union into separate states.

The period since 1991 has been characterised by a boost to neoliberal globalised capitalism. Neoliberal capitalism, and its associated globalisation of the economy, predated the end of the Cold War. Its origins can be traced to the search for new product markets and sources of cheap labour as demand for 'western' consumer goods and profits stagnated. By the end of the 1960s investment in capital in the west had created a web of 'capital-bias' in manufacturing enterprises that blunted corporate profitability. The living labour of workers, from which surplus value and profit could be extracted, had been increasingly replaced by the dead labour of capital, which rather than create new value simply passed on its existing value. The breaking down of tariff barriers, the opening-up of new markets, the end of currency controls, and the creation of a new work force outside of the older advanced economies was a way forward for the western corporations. The Soviet bloc, with its own trading arrangements of COMECON, was increasingly encircled by a new wave of western-inspired and controlled economic activity that threatened its own ability to compete. For the Soviet ruling elite, by the end of the 1980s, the idea of opening-up their economies to

this process seemed an opportunity rather than threat. Many of the old *nomenklatura* were enriched in the process, as former state-owned industries and primary production such as oil and coal transferred into their private pockets. Indeed, the former Communists of states from Russia to Hungary to Estonia lapped up the opportunity in a neoliberal orgy of privatisation, and the 'oligarch' was born.

For many liberal commentators such as US-based Francis Fukuyama this marked the 'End of History', as a new wave of democracy and freedom across the world would begin. He wrote: 'What we may be witnessing is not just the end of the Cold War, or the passing of a particular period of post-war history, but the end of history as such: that is, the end point of mankind's ideological evolution and the universalization of Western liberal democracy as the final form of human government'.⁶

He was wrong. Rather than heralding a benign atmosphere we witnessed instead a world of increasing instability and unpredictability, which began with the implosion of Yugoslavia in the 1990s, and was riven with new territorial conflicts in the Middle East and elsewhere as states jockeyed for position in a new multi-polar world. Sub-regional ambitions began to emerge, leading to western invasion and enforced regime change to remove Saddam Hussein in Iraq and Gaddafi in Libya. Rather than see the spread of economic wealth through the neoliberal lie of 'trickle-down' economics the world experienced growing inequality and disenfranchisement as neoliberal economics paraded its political authoritarianism. Military threats, rather than dissipating into a liberal utopia, gathered pace; conflicts over economics became conflict over politics.

In 2018 the USA has 800 military bases or installations in more than 70 countries, and more than a quarter of a million US troops are deployed overseas.⁷ This is clearly not a sign of reduced world tension and liberal democracy as Fukuyama expected, but rather a sign of US military intentions on a global scale. The ambitions of the US and its allies to maintain dominance over oil rich states in the middle east has seen the reaction of terrorist activity taking aim at western powers on their home ground. The continuing tragedy of refugees fleeing war and poverty is exacerbated by the proxy wars between Russia and the US in Syria. The Israeli

state has been given more green light by the USA to intimidate its neighbours and slaughter Palestinians.

The Russian state under Putin, now stripped of its satellites and buffers, has clearly receded as a global military power, but still maintains a nuclear arsenal which matches the USA in numbers (with over 7000 nuclear warheads each). However, its active troop numbers are only one half of the USA's and its air and naval power is much smaller (with only one aircraft carrier to the USA's 20, for example). The strategic approach of the US military appears to be to create a global rapid response force through air and sea power, as opposed to Russia's ambitions, echoing the strategy of the old USSR, to secure land movement (it has many more tanks than the USA and maintains a 'reserve' troop force of 2 million). Indeed, Putin saw fit to 'secure' its borders with land-based interventions in both Georgia and Ukraine, and Putin remains confident of imposing Russian strength in its own hinterland. Flashpoints remain in Ukraine, Belarus and the Baltic States. All are former member states of the Soviet Union, but the Baltic States of Estonia, Latvia and Lithuania are now members of both NATO and the European Union. The Ukrainian wars, of course, reflected these tensions with both the European Union and Russia acting to tempt the new Ukrainian state towards them with promises of trade and financial concessions. In the heartland of the old Cold War, we thus see a re-ordering of influence from both Russia (as opposed to the Soviet Union) and the West (in the guise of NATO and in 'soft' power terms the EU).

Two further factors need consideration. First is the emergence of China as a world power following the spectacular growth of its economy over the last two decades. Second, is the change of strategic direction of the USA following the election of Trump. The change in relative global economic power between China and the USA is remarkable. The USA's position as leader in world trade in merchandise was eclipsed by China in 2012. In 2001 Chinese share of world trade was only one fifth of that of USA. Moreover, US imports have fallen from 17 per cent of world total to 12 per cent, while its percentage share of exports has fallen from 12 per cent to 8 per cent. This has been accompanied by a rapid increase in Chinese investment overseas, and as part of Beijing's 'Going Global' strategy investment is increasing in high tech industries as the Chinese Communist Party

seeks to drive the economy to a higher end of the world's markets in manufacturing production.⁸

China has begun to use its economic weight to flex its muscles at a diplomatic and military level. It has clearly played a major role in the developing political situation on the Korean peninsula. Having established its first overseas military base in the Indian Ocean at Djibouti, on the Horn of Africa, it reportedly now plans another in the South Pacific at Vanuatu near to Australian and New Zealand coastal waters. In the South China Sea it has been developing missiles to deter American warships and reclaiming land to build bases on the disputed Spratly Islands. Five new aircraft carriers are being planned to add to the one already in operation. Meanwhile, as far as troop numbers are concerned, the People's Liberation Army remains the world's largest force, with more than two and a quarter million personnel.

We need to observe the moves of President Trump and engage in some 'Trumpology' to determine if his plans to invoke new trade wars are a precursor to a hardening military stance, which would give substance to the view that we are entering a new Cold War, albeit of a different kind. Trump's reaction to the rise of China has in fact swayed between belligerence and accommodation as he implements new tariff regimes against China as well as the EU and near neighbours Canada and Mexico within the North Atlantic Free Trade Agreement (NAFTA). In the first weeks in office Trump created a White House National Trade Council under the directorship of Peter Navarro, the author of *Death By China*. The substance of the new policy is 'repatriation' of international supply chains (especially those involving China) and the construction of alternative 'domestic' supply chains within the US. The USA has withdrawn from the Trans-Pacific Partnership (aimed at competition with China) and has announced plans to renegotiate NAFTA and to not ratify the TransAtlantic Trade and Investment Partnership (TTIP) between the US and Europe. This all comes on top of Trump's decision in June 2017 to pull out of the Paris Climate Agreement. Indeed, Trump has even claimed that climate change, if it were to exist, is the fault of the Chinese, when he tweeted in 2012 that 'the concept of global warming was created by and for the Chinese in order to make U.S. manufacturing non-competitive.'

Yet despite this overt hostility, as in the case of Korea, Trump has been seen to change his mind. He has since raised possibilities of new trade deals with the EU (outside of TTIP), and indeed with China. This ambivalence and ambiguity in Trump's agenda suggests that a re-ordering of trade arrangements is under way rather than pure destruction and retreat into isolationism and even war (although the possibility of skirmishes between China and the USA in the Pacific or South China sea remains real). Trump represents a solid strand of US protectionism that has a long history within the Republican right, going back at least to the 'fear' of the rise of Japan's new industrial prominence in the 1980s. However, the outcomes of the consequent flirtations with protectionism and trade wars remain unpredictable, with a mixture of resistance, bemusement, and accommodation likely not just within the American ruling elite but with major trading partners such as China, Canada, Mexico and the EU. It would be a mistake, however, to place such ambiguities as a product of Trump's state of mind. He is certainly racist, misogynist and poisonous in his words, exploiting the soft spots of his opponents with aplomb. But he is conducting a new US strategic offensive for the economy and on the international political stage for which there is some logic, given the fact that international trade represents a much smaller proportion of GDP in the USA than that of its competitors.

We must continue as revolutionary socialists to be aware that the history of capitalism is fraught with economic rivalries between nation states that have the potential to spill over from trade into military war. Indeed, the gathering protectionism and imperialist rivalry of the early part of the twentieth century in Europe was a key factor in the consequent world war. The actual Cold War of 1945 to 1991 was a product of the re-ordering of spheres of influence across a European continent ravaged once again by war. It was overlaid with ideological justification (however rhetorical) as two major power blocs, the USA and USSR, sought dominance over their spoils. The multi-polar nature of today's global economy sees the USA again in prime position, a subdued Russian bear still wishing to defend its lair, and new kids on the bloc in the guise of the EU as a major trading bloc and China as a tiger in the East.

The balance of forces remains unstable, and rather

than incarnate a *new* Cold War we may be better placed in focusing our attention on the instability of our world, and the continued likelihood of mass outbreaks of resistance as the ravages of capitalism in its neoliberal form gather pace. The place and time of such outbreaks are not possible to predict, but the crisis of the Eurozone following the financial crash of 2008, the revolt of the Arab Spring in 2010, continuing war and refugee exodus in the Middle East, and the collapse of centre ground social democratic politics across the western world are all testament to an ongoing political, economic and environmental crisis across our planet.

Notes

1 Lawrence Freedman 'Putin's new Cold War', *New Statesman*, 14 March 2018

2 Odd Arne Westad 'Has a New Cold War Really Begun?' *Foreign Affairs*, 27 March 2018

3 Although Tito also employed Stalinist method and practice, against his own dissidents in the new Yugoslavia and by supporting Stalinist purges abroad.

4 Churchill later recalled the encounter in his memoirs: "The moment was apt for business, so I said, 'Let's settle about our affairs in the Balkans. Your armies are in Romania and Bulgaria. We have interests, missions, and agents there. Don't let us get at cross-purposes in small ways. So far as Britain and Russia are concerned, how would it do for you to have ninety percent predominance in Romania, for us to have ninety percent predominance and go fifty-fifty about Yugoslavia.' Churchill wrote the figures down on a slip of paper and pushed it across the table to Stalin. 'There was a slight pause. Then he took his blue pencil and made a large tick upon it, and passed it back to us. It was all settled in no more time than it takes to set it down'.

5 <http://www.historyplace.com/speeches/ironcurtain.htm>

6 Fukuyama, Francis (1989). "The End of History?". *The National Interest* (16): 3–18.

7 <https://www.globalresearch.ca/the-worldwide-network-of-us-military-bases-2/5564>

8 For a more detailed assessment see Martin Upchurch (2018) 'Is Globalisation Finished' accessible at <http://isj.org.uk/is-globalisation-finished/>