Between East and South
Dialectics of the Global

Edited by
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Volume 3
Dialectics of the Global

Ever since the 1990s, “globalization” has been a dominant idea and, indeed, ideology. The metanarratives of Cold War victory by the West, the expansion of the market economy, and the boost in productivity through internationalization, digitization and the increasing dominance of the finance industry became associated with the promise of a global trickle-down effect that would lead to greater prosperity for ever more people worldwide. Any criticism of this viewpoint was countered with the argument that there was no alternative; globalization was too powerful and thus irreversible. Today, the ideology of “globalization” meets with growing scepticism. An era of exaggerated optimism for global integration has been replaced by an era of doubt and a quest for a return to particularistic sovereignty. However, processes of global integration have not dissipated and the rejection of “globalization” as ideology has not diminished the need to make sense both of the actually existing high level of interdependence and the ideology that gave meaning and justification to it.

The following three dialectics of the global are in the focus of this series:

Multiplicity and Co-Presence: “Globalization” is neither a natural occurrence nor a singular process; on the contrary, there are competing projects of globalization, which must be explained in their own right and compared in order to examine their layering and their interactive composition.

Integration and Fragmentation: Global processes result in de- as well as re-territorialization. They go hand in hand with the dissolution of boundaries, while also producing a respatialization of the world.

Universalism and Particularism: Globalization projects are justified and legitimized through universal claims of validity; however, at the same time they reflect the worldview and/or interest of particular actors.
Preface

This volume comprises the joint proceedings of two, in many ways interrelated, workshops held in 2017, the “Spaces of Interaction between the Socialist Camp and the Global South: Knowledge Production, Trade, and Scientific-Technical Cooperation in the Cold War Era”, organized by the Collaborative Research Centre (SFB) 1199 at Leipzig University and “The Other Globalisers: How the Socialist and the Non-Aligned World Shaped the Rise of Post-War Economic Globalisation”, organized by the University of Exeter-based research project “1989 after 1989”. Contributing to debates on East-South relations, both workshops invited international scholars to discuss how processes and practices emerging from the socialist world shaped the (re)globalized world of our times. This volume provides an opportunity for readers to engage with a selection of papers that were presented during these events. The discussions at the Exeter workshop that centred around the question whether East-South interactions constituted a genuine socialist globalization or were rather part of one (dominantly capitalist) globalization process formed a base for the debate at the Leipzig workshop, where specific spaces of interaction were taken as starting points to approach globalizing projects of socialist countries. These two key questions form the backbone of the present volume.

As always during the course of editing a book, the editors are indebted to many persons. We are thankful to the several colleagues who have helped us during the preparation of the volume by providing valuable advice and feedback to improve the quality of the book. We are particularly grateful to Frank Hadler, Uwe Müller, and Stefan Troebst, the principal investigators of the sub-project concerned with East-South relations during the global Cold War within the SFB, who had been instrumental in many ways through the entire process of editing this book and without whose help, support, and encouragement this book could not have been completed. We are also indebted to Steffi Marung, the central coordinator of the SFB and the researcher of the “Socialism Goes Global” project, similarly based in Exeter, who gave us important advice both for the conceptual design of the volume and for the preceding workshop in Leipzig. We also greatly benefited from the assistance of Matthias Middell, the spokesperson of the SFB and editor of the Dialectics of the Global series, who not only helped us with the editorial process, but also provided a thoughtful commentary on the introductory chapter. The help that we received from Katharina Middell, who helped us to create a useful index for this book, from Constantin Katsakioris, who kindly commented on our introduction, and from Cornelia Häfele, who helped us to get our footnotes right, is also appreciated. Furthermore, we gratefully acknowledge that the completion of this volume

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On a Wednesday morning in April 1962, Viktor Karamyshev had to get up early. He was summoned to a meeting at the Ghanaian State Committee for Economic Cooperation with the Soviet Union, China, and Eastern European Countries (CECEC) in Accra. Karamyshev was the head of a Soviet delegation of agricultural experts and, due to delays and complications in the negotiations of agricultural projects, had already spent more than six months in Ghana instead of the six weeks he had planned initially. On that day, Karamyshev was scheduled to meet the committee’s chairman and Ghanaian minister for industry, Krobo Edusei, to discuss the implementation of a state farm project in collaboration with the Ghanaian Ministry of Agriculture. As usual, Karamyshev and his Soviet colleagues had to wait in front of the office, in a line with experts and officials from other socialist countries, who had to discuss the issues of technical and economic cooperation and the projects of their respective countries – on this day there were comrades from Bulgaria and Yugoslavia.1 Many projects were planned or were underway, and given the numerous overlaps and misunderstandings, some groups had to wait for quite a while; the Soviet experts were not necessarily first in line.

The office of the Ghanaian CECEC was founded to deal with problems and challenges arising from the intensifying economic relations with socialist countries in the early 1960s. Here, many of the basic questions of economic interaction between the socialist camp and the recently decolonized, non-industrialized countries in what today’s spatial terminology defines as Global South emerged. Within this framework, significant and broad economic cooperation can be seen between the socialist camp and the Ghanaian state apparatus striving for economic development. At the same time, this story on Ghana’s cooperation with the East on special and mutually advantageous terms exhibits Third World agency. The socialist

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1 “Minutes of the 14th Meeting of the Committee for Economic Cooperation with Eastern Countries and Israel”, 4 April 1962, Ghana Public Records and Archives Administration Department (PRAAD), RG 7/1/1672, p. 88.

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project of Kwame Nkrumah clearly demonstrates that the ideas about an economy shaped by socialist principles went well beyond the assumed primacy of the Soviets and their model of development, allowing the Ghanaian administration to consider other potential options and possibilities. This short story of Viktor Karamyshev and Krobo Edusei can act as a reflection of the positioning of socialist and developing countries as active agents of the global expansion of the economy after World War II and as actors that reshaped globalization processes within the geopolitical context of the Cold War.

This volume investigates the contribution of socialist states to post-World War II globalization by posing three central questions. First, what kind of spaces of interaction were produced, maintained, or used in East-South relations, and how did these spaces shape cultural, social, political, and economic entanglements between East and South and within the Council for Mutual Economic Assistance (CMEA)? Second, what rationales and motives guided the protagonists from socialist countries – experts, managers, traders, doctors, or scholars and institutions – to engage in the various East-South entanglements? Third, to what extent did the spaces of East-South interaction blur or reproduce Cold War bipolarity and the spatial format of the “bloc”?²

In order to address these questions, this volume proposes to take specific spaces of interaction between socialist Eastern Europe and the Global South into examination. These spaces offer a starting point to tell the story of the Cold War, the socialist bloc, and post-war globalization anew.³ Starting from these spaces allows us to identify actors of such “East-South” exchanges as well as their

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² Research following the spatial turn has increasingly been drawing attention to the importance of understanding spatial dynamics of global history. Therefore, the significance of spatial considerations that can offer valuable insights concerning the relations between the socialist camp and the Global South are central to this volume. Moreover, we believe that the spatial dimension will help us to reread the history of the global Cold War order and post-war globalization processes alike. The larger endeavour at the Collaborative Research Centre (SFB) 1199 – one of the initiators of this volume – aiming at developing a typology of spatial formats as well as a historical narrative about the change of spatial orders under the global condition are thus in many ways applicable to our volume. For an introduction applying spatial semantics in Cold War history, see, e.g., A. Hartmetz, B. Kocsev, and J. Zofka, “East-South Relations during the Global Cold War: Economic Activities and Area Studies Interests of East Central European CMEA Countries in Africa”, Working Paper 11 of the Collaborative Research Centre (SFB) 1199 (2018), Leipzig: Leipziger Universitätsverlag.

rationales and divergent positions. We seek to investigate how these spaces became platforms of competition and of negotiation of interests. This allows us to consider how power was allocated and shared among the interested parties, what kind of hierarchies were produced in the ever-changing international division of labour, and to what extent these spaces and the corresponding activities challenged the dominant spatial formats (i.e. the bloc and the nation-state). At the sites of interaction we find actors from the “two worlds” sitting together and negotiating in commissions for economic cooperation; exchanging knowledge in planning institutions; working together on the construction sites of technical assistance projects; building up and running farms, mines, joint enterprises and hospitals together; and jointly planning the post-independence future.

Through these spaces of interaction, we want to address a variety of processes, practices, and projects of socialist globalization. Furthermore, through these spaces we can examine a broad range of actors, like state commissions and institutions, experts, international institutions, and companies responsible for the acceleration of economic interconnectedness between the socialist bloc and the Third World. Although aware of the significance of decolonization processes in East-South relations from a cultural or political point of view, this volume attempts to shed light on the economic aspects of such relations.4

The contributions in this volume highlight that trade and economic relations were at times instruments of soft power and at other times constituted the crux of bilateral or multilateral relations between East and South.

By using terms such as Global South, Third World, socialist camp, or developing countries, we face a substantial methodological problem that needs an introductory reflection: how to avoid that terminology used by contemporaries impacts in an undiscovered way the analytical language with which we try to describe historical configurations? Spatial orders and spatial formats do not exist per se but they can be perceived only through a language that describes them for the purposes of certain actors. Introducing the term Third World was an important reaction to the new constellations that emerged at the moment of the widespread decolonization in the 1950s and 1960s. Yet, this was not an undisputed term. It became contested by authors from Eastern Europe, who saw themselves delegated to a suboptimal position of a Second World while being aware that some of the characteristics of the supposed Third World appropriately describe parts of their own world, especially in Central Asia. In their knowledge order, they preferred the term developing countries. The Sino-Soviet split posed a further challenge, as China aspired to a potential leadership position vis-à-vis these regions, by placing the Soviet Union in the same grouping as the imperialist powers of the West.

What becomes evident from these few examples, which may suffice here, is the fact that none of these terms was meant to describe a physical space proper but rather to raise a powerful spatial imagination related to specific world views. When speaking of East and of South, of Second and Third World, of developed and developing (or underdeveloped) countries we have to consequently be aware of the ideological load of these terms that stems from the period under investigation. If a country belongs to the First, Second, or Third World or to the group of so-called developing countries is not so much dependent on its geographical location but on the institution or person that speaks. We try to distance ourselves as much as possible from this context


by qualifying wherever possible which parts of the world are meant when using such terms. But since this volume addresses the perspectives of the contemporaries on these East-South relations, it is almost unavoidable that we refer to the language used at the time. To make use of numbers (like in First, Second, and Third World) or from geographical directions (like East and West or North and South) to signify a political orientation or a socioeconomic system became a characteristic of Cold War language. With growing interaction of the various ideological camps during the Cold War, these terms became increasingly blurred, and the process continued after 1989/1991 at a growing pace. Thus, terms that provided sufficient orientation in former historical periods no longer have wide currency and therefore invite for clarification by applying a more analytical language to the situation. The contributions collected here- forth describe the various specific dimensions of such East-South encounters, and open the door for further debate of this epistemological question.

Central to the concept of spaces of interaction is the question how global entanglements can be traced on a local level. This volume thus contributes to the historiography of socialist globalization by shifting the focus of analysis to spaces of interaction as an indispensable dimension of social, political, and economic relations within the socialist camp and the developing worlds. Through close examination of these spaces, our contributors uncover the different and – at times – conflicting rationales that existed within the socialist bloc as it directed its gaze towards the Third World. They illustrate frictions and tensions within the CMEA which came to life in these spaces. The chapters hence show that the engagement with the Third World shaped, questioned, and redefined the equilibrium within the CMEA specifically and the socialist world in general.

Max Trecker’s chapter on building the Syrian cement industry examines how multilateral cooperation was planned against the background of the so-called Complex Programme (1971) of the CMEA, aiming at further deepening the socialist economic integration, and of the increasing East-West competition in developing new markets in the Third World. The contribution asks how this cooperation was performed “on the spot” and uses the construction sites in Syria and the negotiations between different partners as specific spaces of interaction. By zooming in on the processes of economic decision-making and the coordination of the CMEA’s economic policy, Jun Fujisawa also showcases

multilateral cooperation projects. Focusing on the nationalization of the Iraq Petroleum Company and the Soviet involvement in this process, he argues that the commission coordinating CMEA activities became a space of interaction between various actors from the Soviet Union, CMEA countries, and Iraq. In both chapters, we can find multilayered negotiations, processes, conflicts, and alliances that break with Cold War bloc logics.

Anne Dietrich’s chapter deals with the global entanglements arising from the changing orientation of the German Democratic Republic (GDR) towards trade partners in the Third World to cope with the country’s scarcity of tropical fruits and coffee through imports from Cuba and Ethiopia. Focusing on the engagement of foreign trade companies, the establishment of joint multinational enterprises, and the implementation of infrastructural projects, she argues that the GDR not only acted as a junior partner of the Soviet Union but also followed its own economic interests.

Analysing the Czechoslovak economic and political involvement in Angolan affairs after the country’s independence from Portugal in 1975, Pavel Szobi similarly claims that Czechoslovakia had not just been a junior ally of the Soviet Union, but had more room to manoeuvre in foreign affairs, thereby exercising an active and independent foreign policy towards the African country. Further, the chapter illustrates how heightened engagement of Czechoslovakia in Angola depended on the domestic economic issues of other socialist countries, namely the GDR and Poland.

In Eric Burton’s case study, the spaces of interaction are understood as a set of transforming or emerging government institutions of Zanzibar concerned with matters of banking, planning, and industrialization. His contribution investigates how East German advisers in Zanzibar during the 1960s entered the scene with little knowledge of the local economy and in turn used the Zanzibar experience to create a curriculum for the next generation of advisers at home.

Sometimes the spaces of interaction were primarily shaped and limited by events and developments in the South. In this regard, Chris Saunders’s chapter demonstrates how East-South cooperation was performed apart from the usual state bilateralism by analysing interactions between the GDR and the Namibian liberation movement South West Africa People’s Organization (SWAPO). Since Namibian independence was delayed and did not occur before 1990, the various transfers provided by the GDR turned out to be limited and only a few legacies survived.

In Bogdan Iacob and Iolanda Vasile’s contribution discussing the Romanian conception of technical assistance in the context of bilateralism with an Afro-Marxist regime, we can see that the Mozambican Civil War (1977–1992) that
followed independence influenced cooperation and limited the room to manoeuvre for Romanian and other CMEA experts. By focusing on various spaces of interaction like oil refineries, hospitals, apartments, etc., the chapter investigates the translation of official discourses of solidarity into microhistories of encounter and exchange.

“Halbierte Globalisierung”? – Including Socialism into Concepts of Globalization

Globalization is a very popular buzzword for explaining today’s world, and both in conventional language and in scientific discussion, it is often identified with its neo-liberal form. Despite the vivid historiographical debates revolving around the question when global processes started to accelerate to the extent that they led to the emergence of the First World economy, most authors still consider the 1970s as the most formative moment in the global system, featured by events like the collapse of the Bretton Woods system, the political advance of the Chicago school of economics (and their monetarist conception of economic policy), China’s reorientations towards capitalism, or the oil price shock, to name but a few. Generally, analyses tend to view globalization as a Western-led phenomenon, excluding socialist states from their narrative and describing socialism and the Soviet bloc as being isolated from, or even juxtaposed to, these processes. They perceive Eastern Europe as a region that had “almost hermetically sealed off itself for many decades”, as even the left-leaning doyen of globalization studies in Germany, Elmar Altvater, wrote in 1996. In the classic Cold War view, the two superpowers split the world into two parts, in a “conflict between systems”, with little or only coincidental interconnections crossing the Iron Curtain. This


view suggests that globalization could only happen in one of these two parts. Jürgen Osterhammel’s and Niels Petersson’s claim that globalization in the decades after World War II was “split in two” likewise illustrates this assumption.\textsuperscript{10} What they try to capture with their notion of halved globalization (“halbierte Globalisierung”) is not that globalization leaves losers behind, but that a dichotomy emerged between an ever more interconnecting capitalist world and a socialist bloc that cut itself off through autarkic policies.

This perspective presents Western modes and models of development as the universal norm and considers state-centred planned economy as deviation from the normal market economy and its globalization.\textsuperscript{11} Communism or socialism is defined as a separate world, standing outside globalization and isolating itself from world markets. According to this narrative, only the end of the Cold War reduced the barriers that constrained direct interactions and let the Eastern European countries join the globalizing world.\textsuperscript{12} Globalization appears to be a process of densification and acceleration of flows between the old centres of world capitalism and from the centres to the peripheries. Consequently, connections between East and South, or what world-systems theorists call semi-periphery and periphery, are often neglected and the literature that nevertheless researches East-South connections mostly focuses on Soviet political expansionism and hegemonic attempts towards the anti-colonial struggle.\textsuperscript{13}


In recent years, however, the historiography on socialism has started to take on a global approach and view decolonization and globalization as two interconnected processes, which contributed to the internationalization of the Eastern bloc and to the building of important connections between East and South. These approaches undermine the Cold War bloc narrative in a fundamental way, insist on the significance of Third World agency and show that Eastern bloc international activity was not confined to Moscow-directed Cold War geopolitics. Johanna Bockman even argues that socialist states pursued a more radically globalizing project than the West. While neo-liberal globalization reinforced former connections and power relations between centres and peripheries and sought to maintain the economic status quo of the previous colonial system, East-South relations, in her view, were an attempt to establish new relations between (semi-)peripheries. These new flows, argues Bockman, made interconnections much more global than the old hierarchic metropole-colony relations, which the neo-liberal economic policies, often mistakenly labelled as globalization, reinforced. Thus, globalization is not only a respatialization that emanates from the centre but invites for a reassessment of (semi-)periphery–periphery relations as well.

In line with these recent approaches, this volume questions established narratives that ignore the forms of transnational economic connections and entanglements that emerged out of socialist and non-aligned contexts in the second half of the twentieth century. Therefore, in this volume we do not understand globalizations as unilateral and all-encompassing processes initiated, shaped, and disseminated by the capitalist North. Instead, we consider globalization as a set of multidirectional processes stemming from different world regions – including state socialist Eastern Europe – characterized at times by conflicting visions of economic progress and political development.

Three processes are often highlighted as intrinsic to post-World War II economic globalization and this volume shows that socialist states participated in


16 Ibid., pp. 125–127.
them as well: supranational institutionalization of economic exchanges, the respatialization of the international division of labour in production processes, and the increase of international trade.

**Supranational Organizations**

An omnipresent feature of economic globalization is the emerging comprehensive system of international regulatory institutions, particularly in the field of economic exchange. The most visible organizations were various United Nations (UN) commissions for economic development, the International Monetary Fund (IMF), the World Bank, as well as the General Agreement on Tariffs and Trade (GATT; later the World Trade Organization, WTO). Equally important were institutions that organized cross-border transport infrastructure, as well as branch-related standardization. From the start, socialist states actively engaged in UN institutions and commissions like the United Nations Conference on Trade and Development (UNCTAD), the United Nations Industrial Development Organization (UNIDO), or the various regional commissions within the UN Economic and Social Council. After some initial efforts to establish alternative institutions (most notably, through the idea of establishing an International Trade Organization (ITO) that would serve socialist interests), socialist states started to participate in the more partisan capitalist/Western institutions like GATT and the IMF as well.

Several countries of the socialist bloc joined the GATT, an organization working on lowering tariffs and trade barriers and promoting free trade: Czechoslovakia (as a founding member, 1947), Yugoslavia (1966), Poland (1967), Romania (1971), and Hungary (1973). These accessions were not coincidental, nor should they be seen as deviations from the socialist countries’ general

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17 Aiming at breaking the Western control of existing institutions like the GATT and the IMF on international trade, socialist countries proposed the establishment of the ITO that, on the one hand, would have coordinated every international institutions and bodies and, on the other hand, would have resulted in a new trade regime being more favourable for the Soviet bloc. R. M. Cutler, “East–South Relations at UNCTAD”, *International Organization* 37 (1983) 1, pp. 123–125.

course. In the wake of the neo-liberal world order in the late 1970s, the IMF and the World Bank increasingly managed to force both developing and socialist countries to accept their ground rules.\(^{19}\) Since the late 1970s, socialist states started to rely more heavily on IMF loans. Apart from Yugoslavia, which had been a founding member of the IMF and had maintained its membership until its dissolution, countries like Czechoslovakia and Poland had left the organization in 1950 and 1954 respectively, only to be effectively readmitted as borrowers during the very last years of the Cold War. This was a crucial moment as the IMF itself was undergoing a transformation from the Keynesian Bretton Woods system, aimed at currency stability control, to a neo-liberal structural adjustment promoter (which it was from the 1980s up until the 2000s). Socialist economic decision-makers had a global understanding of the market economy: although they tried to promote development and economic ties with the Third World, they also acknowledged a certain degree of dependence on the capitalist markets.\(^{20}\)

At the same time that socialist states actively participated in the international organizations that supported Western-led globalization, they went beyond these institutional frameworks by forming and extending their own web of contacts and coalitions. Thus, they shaped an alternative globalization project as well. The CMEA was in itself a supranational organization and functioned as an important space of interaction. As the contributions to this volume show, political and economic relations between East and South grew in number and complexity throughout the 1960s and 1970s, CMEA countries demonstrated individual agency in their own decision-making process and a growing independence from the Soviet Union. This shift was strongly tied to regime changes in the Third World and to the agency that these new regimes exercised in their relationship with their Eastern partners.

**Respatialization of the International Division of Labour**

Another crucial feature of globalization is the accelerated respatialization of the division of labour in the production process, which became solidified during the Cold War. As goods began crossing long distances, oceans, and state

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\(^{20}\) Moreover, some authors argue that membership in these institutions was also a sign of independence or even rebellion of East Central European governments against the system that was imposed on them by the Soviets. See M. Lavigne, “Organized International Economic Cooperation after World War II”, *Soviet and Eastern European Foreign Trade* 26 (1990) 1, pp. 4–35.
borders more easily than in the decades of the Great Depression and World War II, industries started to shift geographically, in many cases from the old centres of production to developing countries. Production processes became divided into a growing number of steps with geographically dispersed production sites, leading to growing foreign direct investment in developing countries. At the base of this reorganization process of production chains during the decades following World War II was a global tendency towards trade liberalization, an internationalization of the means of financing and providing credit for trade transactions, and the standardization of container shipping.

Against this background, socialist states had their own project of restructuring the international division of labour inside the CMEA, and they – albeit to a lesser extent – participated in the respatialization of production chains in the global economy. For example, CMEA countries sold prefabricated components to capitalist enterprises, while at the same time supporting Third World countries to build up processing industries for raw materials. Similarly, Yugoslav enterprises engaged in economic cooperation and partnerships across the Iron Curtain and within the non-aligned world. For example, large construction and engineering companies, like Energoprojekt and Energoinvest, formed joint ventures across the Global South, with Libyan, Iraqi, Mexican, Pakistani, and Chinese partners. These companies planned and built large infrastructure projects (electrical and hydroelectric power plants) across the globe and would often be repaid in crude oil. At the same time, they also produced highly specific components for Soviet, American, and French heavy industries and power plants. The concentration of resources and of production sites in the framework of the “socialist division of labour” in the CMEA increased the possibilities for these industries to compete on world markets and sell their products outside the bloc, thus functioning as part of the outsourcing process ongoing in the globalizing capitalist world.

In fact, this global engagement incorporated the Eastern European countries into global capitalism as part of the semi-periphery. For example, these trends

22 In the 1970s, socialist authors of comparative studies on the regions of Africa, Asia, or Latin America started to conceptualize these processes. They not just simply related themselves to the world-systems theory, but, in some cases, they actively contributed to the development of the concept. (While, for instance, the Polish School of African History and its most influential author, Marian Malowist in particular, inspired Immanuel Wallerstein, with his critical approach to the concept, the Hungarian development economist Tamás Szentes helped to nuance the theory. Later, in the 1980s, Szentes also co-edited a semi-samizdat series called Fejlődés-tanulmányok [Development Studies] to introduce world-systems and dependency theory to a number of
were apparent in low-level prefabrications of consumption goods, among others textiles and furniture. CMEA countries later took advantage of engaging in joint cooperation. Joint ventures in the car industry, for instance, between GAZ and Fiat, or the engagement of Volvo in Hungary, were part of a global capital flow, accelerating and facilitating the exchange of components of manufactured goods. Entering the age of data processing and microelectronics, the CMEA integration enabled Bulgaria to become a producer of computers, robots and respective components, sold to markets in the rest of the world. In addition, deliveries to the Third World happened in accordance with specialisations in the framework of CMEA division of labour. For instance, a number of African countries purchased Ikarus buses from Hungary while Czechoslovak companies became an important supplier of rolling stock materials. Thus, the CMEA’s international division of labour had ramifications beyond the bloc economy, and the process whereby Eastern Europe steadily became part of global outsourcing started long before 1989. In this respect, the CMEA was a temporarily successful supranational integration project with globalizing effects. At the same time, however, the CMEA countries also confirmed their status as the Second World in this division of labour.

Under the framework of “technical assistance”, socialist states also supported the shift of parts of the industrial production chain to the developing countries. In this volume, we take a closer look at the sites of this respatialization of the chains of production. Anne Dietrich reports about a plant for processing citrus plants

Readers.) The assumption, however, that the West represents the core, the East constitutes the semi-periphery and the South thus follows peripheral development trajectories had been widely accepted by socialist scholars.


25 This, however, does not mean that conflicting interests in certain niches of this well-defined setup did not lead to clashes between the comrades. See Mark and Rupprecht, The Socialist World in Global History.

built in Cuba with the support of GDR specialists and resources. Bogdan Iacob and Iolanda Vasile give an account of Romanian support for an oil refinery plant in Mozambique. These factories stood right at the beginning of the production chains – they were not producing ready-made consumers or investment goods but providing a basic material that would be sold for further processing. East German and Romanian economic decision-makers involved in these projects hoped to ensure the supply of their industries and consumers at home with raw material and exotic fruits through good relations with Cuba and Mozambique respectively. Instead of buying the raw materials themselves, these decision-makers decided to invest in a relocation – or outsourcing – of the first stages of processing in what they saw as developing countries.27 Similarly, Yugoslavia’s construction of aqueducts, power plants, and other industrial infrastructure also contributed to the industrial development across the non-aligned world, from Libya, Algeria, and Egypt to Zimbabwe, Cuba, and Malaysia. This marked a new geography of the international division of labour, where industries partly shifted from semi-peripheries to (former) peripheries and where newly independent former colonies not only served as suppliers of raw materials and labour but also as producers of processed goods – albeit at the initial stages of the production chains and without radically challenging the established overall hierarchy of the global economic system.

These projects were nonetheless conducive to the economic development in the Third World in a way that acted as an alternative to purchasing the industrial facilities on the capitalist world market. The socialist states reinstitutionalized and reshaped global interactions and economic flows with the Third World according to their vision of global economic development and a new international division of labour.

International Trade

A very basic indicator of globalization for economists is the amount of trade crossing borders, or more specifically the share of international trade in general economic performance,28 that is to say the foreign trade quota. After the Great Depression, World War II, and the post-war economic crisis, international trade started to grow rapidly, consistent with the growth in gross domestic product

27 For a detailed overview of the Soviet technical assistance projects aiming to improve the position of the recipient countries within the global economy, see C. Stevens, The Soviet Union and Black Africa, New York: Holmes and Meier, 1976, pp. 71–74.
28 Measured in gross domestic product (GDP) by capitalist states and in net material production (NMP) by socialist states.
(GDP) and overall economic performance. The socialist countries were part of this global economic expansion, with growing GDP/net production and expanding international trade. According to the estimates of the Hungarian economist László Csaba, the share of CMEA countries in world exports and imports rose quickly in the early years, from 6 per cent in 1950 to more than 10 per cent in 1960 and 1965, before slightly decreasing to 8 per cent in the following two decades, and only remained at the same level due to high oil prices after the oil shock.\(^{29}\)

In the early Cold War years, the socialist states’ foreign trade structure changed tremendously with a strongly growing share of CMEA partners,\(^ {30}\) but trade with countries outside the CMEA continued, and grew in absolute numbers, as well. According to conservative estimates, one-fifth to one-third of socialist countries’ foreign trade was with capitalist countries, while up to one-tenth was with developing countries – depending on whether Vietnam and Cuba in the 1970s or China in the 1950s are included.\(^ {31}\) In an overall world trade statistic, these trade turnovers were rather small, yet they were statistically significant in the trade of the participating countries, all of which did not have the commercial power of the US or later Japan or Western European states.\(^ {32}\) In the overall economic statistics of socialist states the share of foreign trade was rather small as well, but it had nevertheless an important quality for both sides. The Third World partners saw trade with CMEA countries as an opportunity to diversify their economic relations after independence.\(^ {33}\)


\(^{30}\) Iván T. Berend estimates that trade with the other CMEA partners in the foreign trade statistic of each CMEA country rose from a rough 10 to 20 per cent to a 60 to 75 per cent share. I. T. Berend, *Central and Eastern Europe, 1944–1993: Detour from the periphery to the periphery*, Cambridge: Cambridge University Press, 1996, p. 82.


\(^{32}\) Furthermore, the value of these exchanges partially went beyond what the statistics could measure, for example in getting raw materials or technologies, which otherwise were not available for the trading partners. M. Lavigne, *The Economics of Transition: From Socialist Economy to Market Economy*, Basingstoke: MacMillan Press, 1995, p. 79–80.

In both the CMEA and Yugoslavia, the growth of East-West and East-South trade did not occur coincidentally but was instead the consequence of a political agenda formulated by the ruling leadership. At the CMEA meeting in 1954, within a debate about fundamentally reforming the organization, the Soviet representative Anastas Mikoyan (a Bolshevik from the first days of the Russian Revolution and a former close collaborator of Joseph Stalin) set the tone in demanding that all socialist states make great efforts in giving international trade a more important role in their overall economic performance. He explicitly mentioned not only socialist countries but also “developed” and “underdeveloped” capitalist countries as trading partners of growing importance.34

Similarly, in 1972 Josip Broz Tito remarked that Yugoslavia’s economic future lay in investments and cooperation with Third World countries and their markets.35 Furthermore, Yugoslavia had been amongst the strongest advocates, and founding members, of the UNCTAD, which aimed at fostering bilateral and multilateral trade across the globe, particularly between developing countries. Thus, in both the Soviet and the Yugoslav case, a general tendency is evident: international trade became increasingly important for these countries as their integration into the world market deepened.

As our contributors show throughout the volume, within the globalizing project of socialist countries, trade and aid relations often overlapped, as the line between solidarity and profitability became blurred; indeed, international trade was a diversification opportunity for both the Third World and Eastern European partners. Moreover, outsourcing went hand in hand with ownership of the new projects built in the Third World: partners in the periphery would become owners of what their Eastern counterparts were building on their territories. Herein lies the main distinctive feature of socialist globalization: while trade and outsourcing of economic projects were driven by questions of profitability, the way outsourcing and assistance were conducted was equally driven by principles of solidarity and mutual assistance.

In sum, socialist policies in answer to these crucial features of globalization were ambiguous – that is to say, there were specific socialist approaches to the internationalization of the economy, on the one hand, and an active integration into the capitalist world economy and its new institutions, on the other. To trace this ambiguity, not only flows crossing the Iron Curtain and East-South relations, but also international relations inside the socialist camp have to be

considered. In the wave of the “end of history” turn of the 1990s, research saw the CMEA, the central institution of intra-socialist international exchange, as a complete failure.\textsuperscript{36} Contrary to this conventional wisdom, transnational history uncovers a variety of contacts, interactions, and exchanges that were inspired and driven by the economic policy of socialist states.\textsuperscript{37} Successful or not in terms of an overall economic strategy, the CMEA created a space of circulation of people, ideas, and (development) projects: within the institutionalized frameworks of “scientific-technical cooperation” and “technical assistance” experts were sent around, blueprints and technical knowledge were exchanged, and technologies were transferred.\textsuperscript{38} Entire industry sectors were developed in the framework of this East-East cooperation and these exchanges – for example, Bulgarian steel, non-ferrous metal, and later computer industries, or Chinese steel, cement, sugar, and textile industries. This bilateral and multilat-


\textsuperscript{38} Mark and Rupprecht, \textit{The Socialist Camp in Global History}. 
eral cooperation exceeded the borders of the CMEA. Large Yugoslav exporters produced components for nuclear power plants in the Soviet Union; similarly, the construction of the Adria oil pipeline project brought together Yugoslav, Hungarian, and Czechoslovak officials, scientists, and enterprises throughout the 1960s, 1970s, and 1980s.

Cooperation between CMEA and Third World countries gained significance from the early 1960s onwards. In fact, for an increasing number of Third World states, the CMEA countries had become a source of trade, credits and technical assistance, as well as political support. From this perspective, the socialist camp appears as an entangled web of transnational exchanges – within the CMEA and beyond.

Many empirical examples point to the ambivalence of the socialist globalizing projects as both a contribution to capitalist globalization, as well as an effort towards an alternative project of globalization. Institutions of and experts from socialist countries – intentionally or unintentionally – became actors of capitalist globalization and helped with the development of the capitalist world market as we know it today. An outstanding case is the contribution of Soviet-owned banks in Europe and Iran to the eurodollar system.

39 For example, Curt F. Beck excellently describes Czechoslovakia’s engagement with the newly decolonized states of Africa in his 1963 article entitled “Czechoslovakia’s penetration of Africa, 1955–1962”: “The water is safe to drink in Alexandria and Cairo, Egypt, thanks to a water filter station established by Czechoslovak engineers. A shoe factory in Addis Ababa, Ethiopia, is being built by Czech technicians. […] Across the continent in Conakry, Guinea, airport inscriptions are in Czech as well as in French and English to accommodate the many Czechs arriving on the direct Prague-to-Conakry airline. In the smaller villages of Ghana special trucks are delivering Czech beer to the local inhabitants. In Mali journalists are being trained by Czechs in the establishment of their own press agency. And in Prague, the capital of Czechoslovakia, there are numerous Africans [have been] enrolled at Czech state expense in institutions of higher learning” (C. F. Beck, “Czechoslovakia’s penetration of Africa, 1955–1962”, 1963, quoted in: P. Muehlenbeck, Czechoslovakia in Africa: 1945–1968, Basingstoke: Palgrave, 2016, p. 1). A brief report concerning the Hungarian engagement, to cite another example, was published in the daily newspaper Népszabadság in 1962: “Great confidence is shown by Guinea’s capital, Conakry. ‘Ikarusz’ buses only are used, the police is equipped with ‘Pannonia’ motorcycles. The full equipment of a mill is being delivered now. ‘Mogurt’ has mechanics stationed in Conakry. ‘Modex’ exports sports articles to Guinea” (Népszabadság, 20 January 1962, quoted in: Z. Ginelli, “Opening the Semi-Periphery: Hungary and Decolonisation”, Research Report for the Vera and Donald Blinken Open Society Archive, Budapest, 2017, p. 9).

These banks administered a part of Soviet foreign trade earnings in hard currency, functioned as an integral part of the financial markets of their host countries, and acted as a sort of lender of last resort for indebted socialist countries. These banks contributed to the accumulation of dollars outside the US, that is to the process, which made the US dollar the ubiquitous convertible currency.

The erection of a network of international gas and oil pipelines (like the Soyuz and the Druzhba) connecting Central Europe with Western Siberia is another example of a socialist global project. The construction of these pipelines is often discussed by economists and economic historians as one of the most important energy infrastructure projects and in general terms as the most successful projects of the CMEA. Jun Fujisawa’s contribution on the Soviet-East European-Iraqi triangular economic relations reveals that Gosplan (Soviet State Planning Commission) officials wanted to connect this network through the Druzhba pipeline with Iran, i.e. “into the global flow of oil” (p. 67). In the considerations of these officials, cost-efficiency clearly outweighed any rationale directed towards import substitution, as they argued that it was cheaper to supply the CMEA partners with Iranian oil instead of from the Soviets’ own resources.

In addition, actors from socialist states themselves positioned their countries or institutions in a global system. Debates between Soviet and Hungarian scholars on the nature of the world market at several meetings demonstrate to what extent economists were well aware of the embeddedness of the centrally planned economies in the world economy. From the 1970s onwards, leading Hungarian reform economists advocated for a rather “globalist” approach – opposing the “bifurcated” approaches that interpreted world markets as either capitalist or socialist. They argued that, in order to tackle increasing global competition, the foreign economic policies applied by the CMEA countries should be based on the


fact that there is only one world market, hence a separate or distinct socialist one could not exist.\textsuperscript{44} László Csaba, a leading Hungarian economist, convincingly argued:

The impacts of the external disturbances made it crystal clear that irrespective of their intentions, the individual centrally planned economies, as well as their regional grouping are integral parts of the world economy, and the CMEA does not in any way constitute a separate economic world socialist system functioning according to its own inherent laws.\textsuperscript{45}

Certain socialist experts – being recipients of Western scholarships or gaining experience in Western institutions – were thus very much aware of the embeddedness of their countries within what was now considered a world economy.\textsuperscript{46}

Although not as explicit as in these assumptions of Hungarian economists, basic economic decisions inside the CMEA made clear that socialist economic policy-makers eventually saw the economies they administered as part of a global system while being inferior to the leading capitalist powers, their technology, and market mechanisms. The implicit acceptance of being part of a world economy and of the inferiority became visible not only in East-West trade but also in East-East interactions. The most notable example of this was the debate about pricing in intra-socialist trade. During the years of its existence, the CMEA considered establishing its own independent price system. This question was certainly very political as it signified a socialist attempt at gaining more independence from world markets. The (official and explicit) reality, however, was that after the Bucharest summit, held in 1958, the intra-CMEA pricing system had accepted world market prices as the basis for CMEA trade.\textsuperscript{47}

Hence, negotiators of intra-socialist trade were expected to be aware of the world market price of the goods they wanted to sell. The decision to accept world


\textsuperscript{46} To understand the extent of their awareness, see, e.g., J. Bognár, \textit{The Global Problems in an Interdependent World}, Budapest: Institute for World Economy of the Hungarian Academy of Sciences, 1984.

market prices implies the assumption of a superiority of price mechanisms based on competition over those based on central planning. In other words, the decision-makers of the semi-peripheral economies of the socialist East acknowledged that their economies were inferior vis-à-vis the economic power concentrated in the West.

**East-South Relations: Socialist Foreign Economic Activities and Third World Agency**

Processes of decolonization from the 1940s to the 1970s opened up opportunities of economic, political, and cultural interactions between East and South. From bi- or multilateral trade through political cooperation to cultural exchanges, state-socialist countries and post-colonial countries in the Third World became increasingly entangled in the common effort of creating socialist alternative modernities. These efforts challenged established spatial formats – for example, the nation-state or the bloc – and sought to establish new ones, and thus reconfigured the existing spatial order shaped either by the Iron Curtain or by the North-South divide.

Contributors to this volume show that the Third World actors not only influenced how actors from the CMEA countries positioned themselves towards the South, but also challenged the power relations inside the CMEA as well. Pavel Szobi’s contribution, for instance, highlights the competition among socialist countries for business projects in Angola. Jun Fujisawa shows that negotiations over oil trade with Iraq changed the power relations in the field of fuel allocation in the CMEA – although the primary initiative did not originate from East-Central European governments, aiming to lessen dependence on the Soviet supply, but from Soviet officials who aimed to ease the burden of providing oil and gas for their partner countries. Chris Saunders’ chapter on the GDR and SWAPO, Bogdan Iacob’s and Iolanda Vasile’s contribution on Romanian cooperation with Mozambique, and Eric Burton’s chapter on GDR consultants in Zanzibar demonstrate how domestic decision-making and changes in the

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political sphere of the receiving regions limited the influence and shaped the
form of cooperation the CMEA countries would be able to perform on the spot.

The Soviet Union, for its part, did not pursue a coherent strategy of expan-
sion of its realm of power. Rather, various actors from state apparatuses, eco-


nomic bureaucracies, party organs, enterprises, and professional unions took on
diverging positions between (institutional or personal) economic interests, (state)
political ambitions, and internationalist rhetoric.49 This diversity of, or difference
in, interests and voices inside the Soviet bureaucracies created opportunities for
its CMEA countries to develop their own agendas towards partner countries in
the Third World.50 At the same time, this constellation allowed representatives
from, e.g., Egypt, India, or Indonesia to negotiate and realise their interests.51

Typically, socialist practices of exchange were not confined to CMEA coun-
tries but directed towards countries of the Third World as well. The nearly free-
of-charge transfer of technological knowledge, blueprints for industrial facili-
ties, as well as of experts, trainees, and workforce in the framework of “technical
assistance” and “scientific-technological cooperation” agreements were not
only characteristic of East-East, but also of East-South relations. In order to sup-
ply industrial facilities, the socialist states offered conditions that were benefi-
cial to their Third World partners: in most cases, a long-term credit with
guaranteed low interest rates and favourable repayment conditions, for exam-
ple in raw material deliveries. From the late 1960s onwards, however, there was
a shift towards the monetarization and commercialization of these exchanges,
with the socialist states increasingly requiring to be paid in hard currency.52

50 For case studies underlying the substantial latitude of the junior allies of the Soviet Union,
see, e.g., Muehlenbeck and Telepneva, Warsaw Pact Intervention in the Third World.
51 R. Boden, Die Grenzen der Weltmacht: Sowjetische Indonesienpolitik von Stalin bis Brežnev,
Stuttgart: Franz Steiner, 2006; T.G. Burgess, “A Socialist Diaspora: Ali Sultan Issa, the Soviet
Union and the Zanzibari Revolution”, in: M. Matusevich (ed.), Africa in Russia, Russia in Africa:
Three Centuries of Encounters, Trenton: Africa World Press, 2007, pp. 270–285; D.C. Engerman,
The Price of Aid: The Economic Cold War in India, Cambridge: Cambridge University Press,
Sowjetisch-indische Beziehungen 1941–1966: Imperiale Agenda und nationale Identität in der Ära
von Dekolonisierung und Kaltem Krieg, Cologne: Böhlau, 2018; R.J. McMahon, “Introduction”, in:
pp. 1–10; O. Sanchez-Sibony, Red Globalization: The Political Economy of the Soviet Cold War
52 L. Després, “Eastern Europe and the Third World: Economic interactions and policies”, in:
Still, in 1989 much of the debts of Third World countries to Eastern European socialist countries had not been paid back yet. Not only the bloc countries, but also Yugoslav enterprises trading with the Middle East and African developing countries had been accumulating foreign credit and debt with many of these non-aligned trade partners. The Eastern European countries were thus greatly affected by the inability of their Third World partners to pay back what was commissioned.53

Thus, at a first glance, these interactions do not seem to have been very beneficial to the socialist governments. Nevertheless, their motives to engage in the Third World were not exclusively political; they were economic as well. The political motivations ranged from socialist internationalism (claimed to be their main motive) to (geo)political interests, such as expanding the influence of the Soviet bloc, to other foreign policy goals like achieving a better position in UN institutions. The economic rationales behind the seemingly unprofitable relations consisted mostly of long-standing interests. The socialist officials hoped that projects, albeit not being profitable, could open up markets for future exports (be it to a specific country or to the world market). Some projects consisted of building infrastructure to facilitate future shipping of raw materials to Eastern Europe, and behind many projects there was an interest of socialist officials to utilize massive industrial capacities that they had built up in the industrialization drive in the 1950s and 1960s.54 Some socialist economists and economic decision-makers went even further and hoped that the opening up towards developing countries would not just extricate them from their economic difficulties but would also substantially lessen their country’s dependence on the Soviet Union’s economic resources and thus relax the integration in the Soviet-dominated economic

54 We have taken the idea of projects as market openers from a presentation of Tanja Scheffler, where she argued that GDR officials saw the building of the Zeiss planet observatory in Tripoli as a project that could initiate a market expansion (“Markterschließungsprojekt”) in Libya. T. Scheffler, “The Carl-Zeiss-Planetarium in Tripoli”, Paper presented at the conference “Exporting Socialism, Making Business?”, Leibniz Institute for Research on Society and Space, Erkner (Germany), 21–22 June 2018.
institutions. As Jun Fujisawa demonstrates with regard to the oil industry, Soviets, on the other hand, also encouraged this process since they did not want to bear the burden of being the primary raw material producer of the CMEA. 

Anne Dietrich shows that the interest in the supply of raw materials—in this case, goods for consumption such as Ethiopian coffee and Cuban citrus fruits—was economically motivated by GDR officials wanting to promote exchange and infrastructural projects in Cuba and Ethiopia. In the latter country, GDR engineers developed transport infrastructures (a freight port terminal in Assab) to facilitate the export of coffee in exchange for the assurance that their country would get a share in these exports. Similarly, citrus fruit processing plants in Cuba were built with the aim of substituting the import of fresh citrus fruit with processed and canned products. In addition, economic considerations, as depicted in Max Trecker’s chapter, overrode intra-bloc solidarity while building a cement factory in Syria within the framework of a joint CMEA project. Socialist planners always had three “worlds” in mind while doing business: the CMEA, the Third World, and their Western partners. All these three worlds were characterized by shifting geographies depending on the political alliances built, challenged, and rebuilt during the volatile Cold War configurations.

Consequently, basic economic assumptions, rather than any Marxist agenda, were the most compelling ideological fundament of the actions of state-socialist economic officials. The economic officials of the socialist states believed—as Oscar Sanchez-Sibony has pointed out—in the Ricardian principle of

55 For an overview about these efforts, see E. Kridl Valkenier, *The Soviet Union and the Third World*, New York: Praeger, p. 37. The New International Economic Order (NIEO), a major UN initiative in the 1970s, was one of the few chances certain Eastern European countries tried to “grab” in order to lessen their dependence on the Soviet Union. Economists, for example, in Hungary, Poland, Romania, and, of course, Yugoslavia perceived the NIEO as opportunity that could lead to the birth of a new world trade regime and could assist them in their efforts to move away from the Soviet-imposed economic institutions. Nevertheless, the CMEA had never managed to have a common strategy vis-à-vis the concept and several frictions emerged among socialist states having different views on how to support the aims of the NIEO. In this regard, the NIEO also tells the story of great differences within the Eastern bloc regarding the strategy envisaged towards the Third World. It not just illustrates the limits and the strength of Soviet power vis-à-vis its Eastern European allies, but also highlights the fact that the Soviet bloc failed in its attempt to respatialize the setting of the world economic order to its advantage. For more about the diverging positions taken by socialist states concerning the NIEO, see M. Simai, “Revisiting NIEO and the related problems”, *Challenges* (Centre for Economic and Regional Studies HAS Institute of World Economics), 228 (2018) pp. 1–11.

comparative advantage and thus in the benefits of a (international) division of labour and economies of scale, and they believed in an ideology of economic growth.\textsuperscript{57}

In line with the practical dominance of a mercantilist rationale and the subordination of ideas of a socialist solidarity, East-South relations sometimes tended to reproduce neo-colonial practices. While visions of anti-imperialist socialist solidarity were powerful in forging East-South alliances, interactions often became hierarchical. Despite the fact that they were declared as mutually advantageous, projects often remained anchored in North-South dependencies, as European socialist countries did not want to sacrifice their economic interests for any kind of solidarity. While Anne Dietrich, for instance, describes this very shift from the ideal typical vision of solidarity to much more pragmatic inclinations in the fruit and coffee trade of the GDR with Cuba and Ethiopia, respectively, the chapter of Bogdan Iacob and Iolanda Vasile points out that socialist solidarity was unable to endure under the circumstances of economic crises. The hopes attached to the eagerly growing and mutually advantageous East-South cooperation thus quickly started to diminish as the internal frictions and tensions between the declared aims and the actual reality became apparent.

If these relations served any kind of alternative or socialist globalization project or rather reinforced the integration of the developing countries as periphery of the world economy is part of the question raised above, that is to say if there was a specific socialist globalization. In the end, the answer remains ambiguous. Although socialist countries “worked hard to create a global economy in the face of active resistance by the United States and other current and former colonial powers”,\textsuperscript{58} the created alternative global links and the related alternative institutional settings eventually proved to be unable to cope with the dominant structures from the West. Furthermore, as actors from state socialist countries were confronted with global economic processes – for instance, increasing economic exchange, entangled technological change, and


political processes – they perceived the integration into the capitalist global economy as a necessity.\textsuperscript{59}

Beyond the opportunity of direct economic exchange with Eastern Europe, socialism provided many countries in the Third World with a particularly attractive political model for development after independence. Out of 53 African countries, 35 declared themselves to be “socialist” at some time during the Cold War. These “progressive countries with a socialist orientation” in Africa formed a specific space in the eyes of the European socialist decision-makers on foreign economic policy.\textsuperscript{60} Additionally, countries like India under Jawaharlal Nehru or Egypt during Gamal Abdel Nasser’s rule viewed their parties and policies as socialist (for example, Nasser named his party the Arab Socialist Union); others, like Sukarno in Indonesia, incorporated socialist ideas and rhetoric into their national ideology. In terms of policies, they also adopted features that were characteristic of the state socialist regulation mode, for example India with its economic five-year plans or Egypt with the nationalisation of key industries and state control of foreign trade.\textsuperscript{61} With the support of India and Egypt, Yugoslavia had been a pivotal advocate of a “third way” initiative to depolarise the international arena. At the Brioni conference in 1956, following the initial steps undertaken at the Bandung conference, held the previous year, Yugoslav diplomats advocated a position of “active neutrality” that developing countries should adopt towards the hegemonic pressures of both blocs. The Non-Aligned Movement, with its active advocacy of disarmament and decolonization, gave the newly independent countries a geopolitical and economic voice as well as some kind of institutionalization. However, the spatiality of the Third World remained – in the eyes of protagonists and observers alike – much more vague, instable, and contingent than the seemingly monolithic Eastern bloc.\textsuperscript{62}


A strategy for developing countries to maintain a certain degree of independence was in defining themselves, at least temporarily, as socialist. Most of these countries abstained from a clear affiliation to the East and kept their room for manoeuvre between the socialists and the US-led Western coalition. A few countries, however, affiliated themselves with the socialist camp: Mongolia, Cuba, and Vietnam entered the CMEA, while Mozambique was denied membership in 1982; China and North Korea had an observer status up until 1961. Insulating itself within the CMEA and thereby having an ambiguous position, Romania at one point declared itself a developing country and considered the possibility of seeking formal affiliation with the non-aligned. Since the mid-1950s, Yugoslav officials insisted that the main issues creating global political instability were of an economic nature and arose from structural inequalities between the North and South. To argue for a third way of mutual support in economic development, Yugoslavia’s representative at the UN, Janez Stanovnik, remarked that both blocs viewed development in the Third World as instrumental to furthering their own geopolitical interests and areas of influence. It was due to this particular view of (independent) economic development that Tito himself, and Yugoslav officials, pushed for the development of truly “global” trade. At the Belgrade conference, held in 1960, Tito asked for the expansion of economic cooperation between developing countries, until that moment squeezed between two trade areas of influence: the European Economic Community/Organisation for Economic Co-operation and Development and the CMEA. This is what ultimately led to the creation of the UNCTAD in 1964. The non-aligned principle of non-interference did not mean, however, that Yugoslav officials and policy-makers would not work on furthering trade and economic cooperation with the Third World. Although to a much lesser extent than the Western and Eastern blocs, Yugoslavia – in pursuit of “collective self-reliance” – also shaped the non-aligned countries, created the operational sphere of the Non-Aligned Movement, and developed strong commercial ties with the entire African continent.


65 Ibid., p. 170.

The involved developing countries also maintained diverse interests in many instances, which emerged during discussions concerning the realization of specific projects. This was particularly the case when abrupt political changes in many African countries took place, bringing these countries at times closer to, or further away from, their socialist allies. Investigated in the contributions by Pavel Szobi and Eric Burton, among the new political elites stemming from the national liberation movements of Angola and Zanzibar, there was a constant tension between pro- and non-socialist positions. In Szobi’s contribution on Angola, we find that the pro-Western Minister Alberto do Carmo Bento Ribeiro was dismissed after President José Eduardo dos Santos and Fidel Castro agreed upon a policy in 1984 of improving economic relations between Angola and the (other) socialist states. In the following years, the socialist affiliation of Angola became much clearer than before, and the planned investment projects were larger than in the previous years. Nevertheless, the economic problems of the European socialist states prevented any intensification of economic exchange to come to fruition. Eric Burton describes the diverging interests of the nationalist leaders of Zanzibar, where the hopes attached to cooperation with Eastern Europe started very quickly to decline.

Rationale(s) and Motives of Socialist Actors

In his book *Red Globalization*, Oscar Sanchez-Sibony argues that Soviet leaders were eager to increase Soviet involvement in international exchange. By revealing the aversive attitude of directors and managers towards export on the enterprise level, opposing the political leadership efforts to raise exports, he shows differing and conflicting rationales inside socialist administrations, expert networks, and institutions.67

We argue that carving out diverging interests inside socialist state apparatuses is the crucial task for research on the history of the (international) state socialist economy at the state of the art. This volume is intended to contribute to this task. The contributions in this book illustrate that there was not one logic behind the foreign economic activities of the socialist bloc; rather, eco-

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conomic policies were driven to a significant extent either by the specific interests of the particular states or by institutions and other players at different administrative levels. Consequently, socialist economies were not steered in a unitary fashion but were characterized by competing decision-making and advisory apparatuses. As mentioned, state enterprise managers had an export aversion because the more complicated production for export markets was not rewarded financially in the socialist foreign trade pricing system, whereas party officials, foreign trade firms, and financial ministries encouraged export to capitalist countries.68 For example, Yugoslav enterprise managers and a large part of the state apparatus were rather export-oriented, favouring an expansion of the Yugoslav exporting sector throughout the 1970s and 1980s. This orientation characterized many other central European countries, although to a lesser extent than Yugoslavia.

In state planning commissions differing opinions were held concerning the question whether socialist countries should pursue export-led or rather import-led growth policies. Within economic decision-making bodies, the theoretical import priority stemming from macro-economic planning methods had often been overridden by planners having a solid grasp of the realities of the world economy, who promoted export-oriented economic activities for earning the desired hard currencies.69

Furthermore, inside the national political leaderships, decision-makers held contradicting stances in the negotiations over the division of labour within the CMEA. Certain players adopted a bloc-wide development strategy, while others promoted national interest, for example the erection or conservation of industries that had been declared redundant by Moscow-based CMEA planners.

A closer look at the spaces of interaction enables us to more precisely map and detect these diverging rationales and fractions between competing bureaucracies. The contributions for this volume present some examples of this kind of conflicts and contentions within the administrations. Max Trecker examines how the multilateral cooperation in building a Syrian cement industry with the GDR, Bulgaria, and Syria was complicated (and almost failed) by conflicts among the contractors. The project, planned as part of the so-called CMEA Complex Programme for closer economic cooperation between CMEA member


states, was meant to showcase this kind of cooperation with Third World countries. In practice, it was affected by severe tensions between the protagonists from Bulgaria and the GDR. Jun Fujisawa provides another example of these differences when describing the clear position of Soviet Gosplan officials and the main representative of the country at the CMEA, who, in a partisan fashion, argued for profiting from the domestic oil resources by selling it on the world market at higher prices than on the CMEA market, where countries acquired Soviet oil below world market prices. As Fujisawa’s chapter illustrates, these Gosplan officials argued on the basis of comparative cost advantages and did not care about the political functions of the oil distribution system within the CMEA, namely to stabilise Soviet hegemony over Eastern Europe. While Gosplan officials and the Soviet CMEA representative opted for a coordinated CMEA policy based on a multilateral approach in order to purchase oil, this bloc rationale came into conflict with the Ministry of Foreign Trade where officials preferred bilateral trade negotiations. Thus, cleavages not only arose between the Soviet government and partner countries with their own economic interests, but also inside the Soviet economic bureaucracy.

This book not only looks at the political competition inside the bureaucracies of European socialist states but also inside the bureaucracies of African states leaning towards socialism. The contributions by Eric Burton and Pavel Szobi outline the various pathways of socialism and development pursued by “revolutionary” African countries, highlighting that the diverging interests of a variety of actors need to be taken into account in this context as well. Consequently, not only the blurred lines between the socialist bloc and the capitalist world but also divergences, differences, and conflicts inside the state socialist bureaucratic apparatuses show that twentieth century state socialism was not organized in a monolithic bloc, controlled by one power centre in Moscow. Rather, by looking closely at spaces of interactions, we notice that tensions emerging in these peripheral contexts were actually central in reshaping the bloc’s internal relationships.

The volume’s focus on spaces of interaction contributes to the debates on East-South relations by exploring frictions amongst actors engaged within these spaces and shows how these interactions moulded conflicts and tensions within the bloc and blurred the lines of the seemingly dominant spatial formats of the global Cold War. The approach taken by the contributions in this volume uncovers competing rationales inside socialist – and, to a lesser extent, in Third World – bureaucracies, ranging from a (mercantile) pragmatism to socialist solidarity and internationalism, and from a bloc-wide strategy to national and institutional interests. These diverging rationales shaped those spaces of interaction and with them East-South relations, helping Third World actors not
only to maintain their own agenda but also to influence intra-CMEA-relations. The competing stances also translated into an ambiguous position taken by socialist states within globalization processes. Their activities were both: a contribution to capitalist globalization as well as efforts to create an alternative globalization project along ideas of socialist internationalism.
2 The “Grapes of Cooperation”? Bulgarian and East German Plans to Build a Syrian Cement Industry from Scratch

All Eyes on the West?

With the easing of tensions between the East and the West in the 1970s, an atmosphere unfolded that was more favourable to inter-bloc trade than before. East-West trade had already started to increase significantly in the mid-1960s after the Cuban Crisis, but this process accelerated in the early 1970s. The import of capital goods by countries of the Council for Mutual Economic Assistance (CMEA) from member states of the Organisation for Economic Co-operation and Development (OECD) increased from 998 million US dollars (USD) in 1965 to USD 9.84 billion in 1975.1 This was an almost ten-fold increase over the course of ten years. The actual trade volume, including consumer goods, was much larger. Exports to OECD countries increased from USD 6.6 billion in 1971 to USD 42.3 billion in 1980 while imports expanded at roughly the same pace from USD 7.0 billion in 1971 to USD 42.8 billion in 1980.2 The Soviet Union, in particular, used the new opportunities to also import massive amounts of grain every year to increase its meat production. It soon became one of the largest actors on the international grain market, buying more than 15 per cent of the grain available worldwide.3 This snapshot illustrates that trade dependencies emerged in the 1970s between the East and the West.

The almost ten-fold increase of capital goods imports by CMEA countries followed a new development plan in many of its member states. Importing capital goods often meant importing sophisticated Western technology from OECD countries, which, in turn, would be integrated into the production processes of the planned economies. In the view of the socialist decision-makers,


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this strategy promised quick results that could not have been achieved with Soviet technology.\textsuperscript{4} The import of Western technology was to be financed on credit. The plan was to pay the money back through increased exports enabled by the new technologies and higher productivity.\textsuperscript{5} But, at first, this strategy meant rapidly increasing debts.

There is no doubt about the validity of the developments described above. But the fact that CMEA countries forged new ties with the West does not mean that their socialist neighbours became irrelevant for them or even neglected by them. In scholarship, this fact has been overshadowed by the new quality of East-West exchange in the 1970s. Although the import of sophisticated Western technology probably was a very amazing occurrence for Western observers and socialist planners alike, the bread-and-butter trade took place inside socialist Eastern Europe and thus inside the CMEA. It is therefore unjustified to label the CMEA as a nearly obsolete institution in the early 1970s as is often stated in the literature.

Socialist planners and decision-makers invested a considerable sum of energy and money during the 1970s in order to increase their trade turnover and economic ties with their neighbours within the bloc and with the countries of the Global South. Looking at a multilateral cooperation attempt between the German Democratic Republic (GDR), the People’s Republic of Bulgaria (PRB), and Syria, this chapter presents the connections and power relations between the East and the South and the significance the CMEA had gained by the early 1970s. During this time, a space for cooperation and interaction that had not existed before emerged. This newly created space of interaction had repercussions not only for CMEA member states and countries in the Global South but for the West as well. After a short introduction to the evolution of Eastern European-Syrian relations, the focus will move to the establishment of a cement industry in Syria, which will allow conclusions to be drawn about the importance of the CMEA, inter-socialist cooperation, and the chances and problems of providing “technical assistance” to a “developing country” like Syria.


A Slow Start

As with most of the newly independent countries, the relations between the socialist bloc, foremost the Soviet Union, and former colonies, in this case the French mandate of Syria, took off in the early Khrushchev years. Arms supplies played a big part in initiating mutual relations with Arab countries. While the first arms deal between the Soviet Union and Syria was signed in 1954, preceding the one between Czechoslovakia and Egypt, Syria in general had a minor role in the Soviet conception of the Middle East since Nasser’s Egypt was more promising and had greater potential. Despite certain common interests, the ideological basis between Syrian Baathists and Eastern European communists was shaky since Baathists were neither Marxists nor adherents of scientific socialism.

Trade relations between CMEA countries and Syria were quite limited up until the mid-1950s. The first Soviet-Syrian trade agreement was signed in 1955, the same year the first East German and Czechoslovakian treaties were ratified. In 1956, the share of CMEA countries in Syria’s overall trade stood at just a little above 4 per cent. Economic and technical cooperation started to gain momentum in October 1957 with a joint Soviet-Syrian treaty and credit agreement, in which the Soviet Union promised the Syrian government 78.75 million roubles in credit for the construction of 24 projects, mostly in the field of infrastructure.

The relations between the socialist bloc and Syria intensified in the 1960s with the takeover of the Baath Party in Damascus. After initial scepticism on both sides after the rise to power of Hafiz al-Asad in 1970, who became the Syrian Baathist strongman, the mutual relations continued to develop steadily.

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7 Ibid., pp. 162–163.
10 “Sovetsko-siriiskoe ekonomicheskoe i tehnickoe sotrudnichestgo”, Fond 561, op. 53, dated 1967, d. 27, ll. 18–20, Rossiiskii Gosudarstvennyi Arkhiv Ekonomiki (RGAE), Moscow.
This development was also driven by the worsening of relations between the socialist bloc and post-Nasserite Egypt.\(^{13}\)

Already in the 1960s, the socialist countries of Eastern Europe, especially the GDR and the Soviet Union, were sending experts to Syria to train administrative and technical personnel. Such endeavours were characterized by a certain degree of work sharing. The experts from East Berlin, for example, took on the task of strengthening the party apparatus of the Baathists and expanding the party’s power base among the populace.\(^{14}\) The same is true for the state-planning apparatus. East German experts played a prominent role in the – at least superficial – Sovietization of the state institutions. Under their auspices, the Syrian Council of Ministers, the State Planning Commission, and the Central Bureau of Statistics were established or greatly transformed.\(^{15}\) These socialist experts thus helped the Baath regime to nationalize important parts of the economy and to build up a planning apparatus that resembled, to a certain degree, the ones of the socialist bloc. While Soviet experts were also active in the civilian sector, their focus was – in contrast to the East Germans – more on the military.\(^{16}\)

This transfer of administrative know-how was accompanied by a transfer of technical know-how and credit flows from the Eastern bloc to Syria meant to contribute to a fast development of the Syrian economy. The five-year plans Syrian officials started to advocate were significantly influenced by Soviet thinking, and they emphasized the buildup of heavy industry and infrastructure. The most important project of the late 1960s and early 1970s in this regard was the Euphrates dam between Aleppo and Raqqa, built with money, materials, and technical personnel from the Soviet Union. The construction of the dam was tied to a Soviet credit of approximately USD 150 million.\(^{17}\) The works on the dam project started in 1968 and involved ca. 850 Soviet specialists, along with 10,000 Syrian labourers.\(^{18}\) Once the dam was finished in 1973, it became the major source of power generation in Syria, providing 95 per cent of the country’s electric power in 1978 and thereby laying the infrastructural


\(^{15}\) Ibid., p. 49.

\(^{16}\) Karsh, *The Soviet Union and Syria*, pp. 8–9.


\(^{18}\) Ibid., p. 220.
groundwork for industrialization. After having focused on agriculture development in the 1960s, the 1970s were meant to promote industrialization in Syria. The second most important task of the five-year plans of the 1970s was the building of a cement industry in Syria from scratch.

**Cement for Syria: Proving the Merits of CMEA Cooperation?**

The plans for a cement industry included the construction of eight cement factories with a joint output capacity of several million tons a year by the end of the 1970s. It is not clear from the documents available how the Syrian plans evolved internally. Access to Syrian archival documents is impossible at the moment. It is possible that the Syrian planners made their decisions where and when to build which factory with only indirect assistance from experts from the Eastern bloc. It is unclear to what extent their decisions were influenced by political motives originating from inner-Syrian power asymmetries and to what extent by purely economic thinking. A look at the prospective building sites shows that the factories were to be erected at the Syrian coast and the Damascus area, both power bases of the Asad regime and the most populous areas of the country. Accordingly, the sites were reasonable choices according to not only political logic but also more economically inclined thinking, since cement as a building material was needed the most in urban and fast-growing areas.

After the Syrian planning entities had worked out the guidelines for the project, they were published and opened for competition. The GDR filed a tender in 1971, which was supposed to be an illustrative example for cooperation between two socialist countries and a former colony striving for economic development. The GDR State Combine for Heavy Machinery Construction Ernst Thälmann (SKET) was to provide the engineering know-how, the equipment, the factory design, and training courses for Syrians, while the Bulgarian state

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19 Ibid., pp. 222–223.
23 The GDR State Combine for Heavy Machinery Construction Ernst Thälmann, located in Magdeburg, used its subsidiary, the Publicly Owned Company Cement Plant Construction (ZAB), located in Dessau, to execute the project.
building organization Tekhnoeksportstroi (TES) was to assemble the factories at their planned sites in Syria according to the technical documentation delivered by the GDR experts. This cooperation and division of labour was to prove its worth by building three cement factories with a combined capacity of 1 million tons between 1973 and 1975 in the first stage of the project. The proposal had a direct link to the reform programme of the CMEA, the discussions of which had started in 1968. The guidelines of the so-called Complex Programme were finalized and agreed upon in 1971, aiming at a further and accelerated development of economic ties between CMEA member states. But this was not limited to the borders of the CMEA. Members were also urged to cooperate outside the bloc and to promote the aims and working methods of the CMEA, especially in the southern hemisphere through multilateral cooperation.

The Complex Programme comprised as much political logic as it did economic logic. By joining forces in the Global South, the respective socialist countries hoped to reap the benefits of an international “socialist” division of labour. They would reduce costs by combining their strengths and improve their overall efficiency by focusing on what they could do best. Such efforts would lead to better outcomes for their customers as well, providing better quality at lower costs. In this particular example, the GDR provided engineering know-how and sophisticated technology, while the Bulgarians promised to assemble the factory quickly and with low costs. The two partners promised the Syrians to build each of the factories during the first stage within 12 months after the prospective building sites had been readied for construction. On paper, CMEA partners would increase their competitiveness with such measures and would improve their relative position against the West by being able to offer better terms and conditions towards Southern “developing” countries. This, as the socialist decision-makers hoped, would show the countries of the Global South the advantages of the socialist system in a very practical sense – and by building huge factories in also a highly tangible sense – and produce political gains as an inevitable after-effect. For the Bulgarians, this had the additional benefit that the East Germans – who had much closer ties with Damascus – could work as a door opener to the former colony by taking them on as a junior partner.

Certainly, all rhetoric aside, the GDR and the PRB at no time intended to build an entire cement industry with the capacity of several million tons free of charge. The whole tender for eight cement factories was worth 670 million Valuta mark (VM), which equates to roughly USD 270 million. Of the sum, 20 per cent was reserved for assembling the factories and thus for the Bulgarian partner of the GDR contractor. This leads to the question of what was the true nature of the arrangement. Officially, the Eastern European experts – and also the Syrian ones – defined the whole project as “technical assistance”, which was the most common equivalent for “development aid” in the East. It is worth dissecting the terminology at this point. Both terms are highly problematic and are easily associated with a certain kind of generosity that is rather alien to the practical meaning of the projects labelled “development aid” or “technical assistance”.

The most basic definition of “aid” is that it should contain a certain grant element. This, however, is a matter of definition as giving credit to someone who is not deemed creditworthy at all by market consensus could already be defined as a grant. The moral issues attached to this question and the implications of different definitions were neither discussed by the East Germans and Bulgarians, nor by the Syrians. What they considered as an aid element was the transfer of technology from the East to the South, the training of Syrian personnel in running the machines, and the conditions of the tender. Before 1976, the Syrians had to pay the bills partially in hard currency and partially in so-called clearing dollar. The former were fully convertible and could be transferred out of the country. The latter were neither convertible nor transferable. This meant that they could only be used to buy Syrian goods. Since Syria was mainly exporting cotton and oil, and both raw materials were in high demand in the bloc, payment in clearing dollar meant payment in cotton and crude oil. Securing strategic resources was – at least initially – an important part of the entire story. By exporting factories, the GDR not only hoped to receive money but also resources for its domestic industry – a hope that was very much in line with the agreements concluded inside the Permanent Commission for Technical Assistance.

In the beginning of 1976, the payment system was altered and the Syrians as well as the East Germans and other bloc members changed their trade to full

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26 1 Valuta mark (VM) was the equivalent of 1 West German mark (DM).
convertibility, meaning complete payment in US dollars.\textsuperscript{30} Nevertheless, the Syrians had to pay only a fraction, some 10 to 15 per cent, beforehand in cash; 85 to 90 per cent of the costs were financed by the East Germans on credit, which had to be repaid within the long-term period of up to 10 years at a rather low interest rate of 4 per cent.\textsuperscript{31} Accordingly, the Syrians could watch the factories being built without emptying their pockets for them, at least for the time being.

To be fair, the East Germans made it clear to their Syrian partners that although the project had political implications, economics was the main motive.\textsuperscript{32} They had chosen to work together with the Syrians and Bulgarians in building cement factories, not only because of close political ties – though these were important to secure the deal – but because it fit into the export programme of the GDR. An important element of this deal was to lower the costs by using the already existing designs for a future Cuban cement factory. This copy-and-paste approach could be classified as utilizing economies of scale.\textsuperscript{33} The Syrians, however, were keen to not pay too high a price and to compare different offers. They put particular effort in setting favourable terms of payment.\textsuperscript{34} The main long-term economic goal of the East Germans is well expressed in the following statement on approving the second stage of the project by Deputy Minister of Foreign Trade Friedmar Clausnitzer:

Three cement factories worth 100 million VM will be exported to the SAR [Syrian Arab Republic] by Invest-Export on the basis of the concluded treaty. With your request to approve the planned expansion of the deliveries already agreed on, the GDR will get a monopoly position on the cement sector in the SAR. Under this point of view, your request is in general approved, since, furthermore, we can count on future deliveries of equipment and spare parts by the GDR.\textsuperscript{35}

\textsuperscript{33} Ibid.
A more detailed reasoning is given in a letter by the East German SKET and its corresponding foreign trade organization Invest-Export to the director of the credit department inside the Ministry of Foreign Trade:

1. The intrusion of other suppliers into the Syrian market has to be prevented. The conception of the Syrian side includes expansions of the factories currently being realized by Invest-Export. If we don’t succeed in impeding the invasion of other suppliers, the GDR will lose the Syrian market from 1978 on [...].

2. The repeatability of the expansions wished for by the Syrian side is improving the profitability decisively.

3. By relocating the activities for exporting cement factories to other markets, the advantages will be lost and can’t be recovered in the prevailing stiff competition [...].

4. The competition for selling cement factories is intensifying continuously, because the cutback and downturn of investment activity in the construction sector and the crises in the capitalist industrial countries require [them] to utilize the capacities provided during the cement boom for exporting cement factories.

5. Therefore we have to make maximum use of the good conditions prevailing in the SAR by exclusion from tender procedures. It has to be assumed that by enforcement of world market prices, no similar advantageous conditions like in the SAR could be found.36

The planners in East Berlin wanted to use the opportunity to obtain a monopoly position. Labelling their deal as “technical assistance” and issuing long-term credits accordingly provided the necessary entry point for them. This had a certain sense of economic imperialism. But it was born not out of strength but out of a perceived and very real weakness. They rightfully feared that with the first oil crisis unfolding in 1973 the good times of the investment boom were over. Western companies that had built up capacities in the years before were facing stagnating or declining demand at home. They thus had to look for new customers abroad at the very time when CMEA countries were also looking for new economic and political partners abroad. The GDR thought to have found a safe haven in Baathist Syria, which would do business with them and would shield them from the most severe consequences of direct competition with the West.

At a first glance, the arrangement shows some asymmetries. While the East Germans provided funding, technology, building plans, and technical training, the Bulgarians simply lent their hands in doing what the East Germans wanted

them to do without contributing any kind of sophisticated machinery or technology themselves. In the framework of this cooperation, the Syrians, however, mainly stood at the sidelines and watched the others work. So, this setting seems to have rather reproduced power asymmetries than to have alleviated the situation of the Bulgarians, who were inferior in their technological level inside the bloc in comparison to the GDR, or of the Syrians. The reality, however, proved to be more complicated and not as clear as the expectations set in the project.

**Problems Piling Up**

The East Germans had arranged with their Syrian partner, the state-run General Organization for Executing Industrial Projects (GOEIP), that the Syrians would level the building site and provide storage capacity beforehand. This was the responsibility of the Syrian state building company Syrabco. Then the East Germans would send the first shipment to Syrian harbours and the Bulgarian builders would travel to Syria. This arrangement already contained too many variables to work properly. The Syrians did not manage to level the site or provide storage at every future building location in time. The reasons for this were partially due to mismanagement and partially due to the outcome of the Yom Kippur War, which caused severe economic problems and labour shortages. This alone was not necessarily a decisive problem. The East German ships with the machines and documentation had reached the Syrian harbours without delay, so the first steps in building could have been undertaken. But what aggravated the situation was the fact that despite the shipment having been unloaded, large parts of it did not make it to the building sites. Two years after they had been unloaded, 500 tons of material were still missing. The material had simply disappeared from the Syrian harbours. This, however, made any time plans ineffective.

The problems did not stop there. Even though the factories were designed in the GDR and prefabricated in Magdeburg, Dessau, and Berlin, they required

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38 “Bericht über die in der Zeit vom 30.3.74 bis 18.5.74 geführten Verhandlungen in der SAR zum Vertragsabschluß Zementwerk Adra sowie zur Realisierungssituation Zementanlagen Syrien”, 6 June 1974, DL 2/16445, BArch, Berlin.
significant imports from abroad. In this particular case – building cement factories in Syria in the mid-1970s – this meant imports from the Czechoslovak Socialist Republic and the Soviet Union. Production cooperation with these two countries caused problems for the project: The state combine SKET in Magdeburg had delegated the main responsibility for the execution of the project to its subsidiary, the Cement Plant Construction (ZAB) Dessau, which itself had asked the combine for Electric Projects and Plant Construction Berlin (KEAB) to provide the electrical equipment for the factories. Since KEAB could not produce all parts on its own, it cooperated with a Czechoslovak cooperative and relied on its know-how. Unfortunately for the East Germans, the Czechoslovak cooperative could not deliver the electrical equipment in time, thereby causing further delays with the building sites in Syria.40

It is clear from the archival documents that even for building rather unSophisticated, non-high-tech cement factories, the East German planners relied on a rather sophisticated and elaborate import system. The GDR had at least three different suppliers of electrical equipment for cement factories in the mid-1970s and also three different kinds of customers, at least implicitly differentiated by their technological level: for a project in Bulgaria, they relied on Romanian equipment; for a project in Yugoslavia, they used Belgian equipment; and in Syria, they worked with Czechoslovak equipment.41 Belgian electrics could most likely not be acquired without paying the full price in convertible currencies like the US dollar or West German mark. The East German experts, writing to the Ministry of Foreign Trade, made it clear that they did not regard all of their three suppliers as being on equal footing with each other. They wrote about the prospective cement factory in Bulgaria:

The electrical equipment is being imported from Romania. A conversion of this production line for export to non-socialist markets [non-CMEA countries] is not possible because of the technological level of the electrics.42

This illustrates that socialist planners always had three overlapping but different worlds in mind while doing business. Difficulties also arose with the imports from the Soviet Union. The main ovens for the factories were imported from a Soviet cooperative and directly delivered to Syria. While installing the

40 Ibid.
42 Ibid.
ovens on the construction site, the workers and engineers noted the poor quality of the welding:

The quality of the welding conducted in the Soviet Union proved to be a significant problem. After an X-ray inspection of the weld seams welded by TES [Tekhnoeksportstroi] had shown flaws of the welding done in the Soviet Union, we impelled TES immediately to conduct a thorough X-ray examination, informed the Soviet trade representation and asked a Soviet welding expert for help who approved the need for repairs. The chief engineer of the Soviet producing factory who later arrived in Syria acknowledged that the standards previously agreed on had been neglected but thought it not necessary to repair the already assembled oven.43

The problems with the Soviet oven and the delaying tactics of the Soviet authorities caused another postponement of three months.44 The manifold problems forced the GDR officials to try to renegotiate with their Bulgarian builders. But their efforts were to no avail. The Bulgarians were waiting in Syria, and they did not care much that equipment was lost in Syrian harbours, that Czechoslovak and Soviet suppliers did not deliver in time, or that the Syrian partners did not keep their promises. This, certainly, does not mean that the GDR planners and engineers did not share in the responsibility for the complicated situation. They at least partially acknowledged their own mistakes, like handing over the design plans too late.45 But they could point out, especially to the Bulgarian builders, that the majority of the problems was beyond their control. The fact that there was nothing to do for the TES workers was not hindering them from filing bills, which they presented to the GDR officials, demanding payment. The Bulgarian company also demanded an extra compensation for the delays, which led to an unplanned payment of USD 1 million.46 Since the Syrians did not raise the budget for the project, the money dented the revenues of the GDR. There was no space for intra-bloc solidarity.

This put the East Germans under pressure and made the issue a top priority, alerting Minister of Foreign Trade Horst Sölle to take action. When the work could finally get started on most building sites, the East Germans wanted the Bulgarians to use their time reserves so that the plan could still be fulfilled.

But they refused and even had less personnel on the building sites than had originally been promised. TES even threatened to withdraw all their workers and in one case unilaterally did so. When the Bulgarians started to agitate the Syrians, claiming that the delays and problems in quality were the fault of the East Germans, tensions started to boil. Luckily for the East Germans, the Syrians did not believe the story and hired Indian consultants, who blamed the Bulgarians and convinced the Syrians to demand the East Germans get rid of the Bulgarian subcontractor:

The danger is imminent that the Syrian side will accuse us of the delays. There are even voices in the Syrian public which talk of a failure of the GDR’s industry. [...] Our Syrian partners and their Indian consultants have recommended us repeatedly to appoint a more flexible subcontractor [than Tekhnoeksportstroi] for the construction.47

Sideline the Comrades

This provided an interesting situation: A “Third World” country was being advised by another one, in this case Indian experts, in a project that was meant to be a “First World” affair and a unilateral transfer of technology by a benevolent developed country. Power relations on the ground proved not to be equivalent to the expectations derived from a macro perspective. The Syrians relied on their Indo-Syrian cooperation and did not trust the Eastern Europeans unanimously. The annual reports by the Indian embassy in Damascus show that the engineering consultancy company from Calcutta, which started working in 1970, had on average not more than 15 engineers stationed in Syria.48 The number of Indian consultants was by no means sufficient to supervise the entire process of establishing a cement industry in Syria or of monitoring all building sites. Nevertheless, the Indian documents show that the influence of the Indian experts seemed to have been greater than what the East Germans expected, who rarely mentioned them. The documents also show that despite tendencies of Sovietization in Baathist Syria and despite the fact that trade relations between India and Syria were minimal, a handful of engineers from a country not admired for its technological achievements at that time could exert a decisive influence and have meaningful leverage. The engineers obviously belonged to a system of checks and balances envisioned by the Syrians.

For the GDR officials, this meant a dilemma. On the one hand, if they followed the advice of the Indian consultants, they would risk angering their Bulgarian partners, with whom they still had to work together inside the bloc after this project. The political benefit of two socialist countries working together with a former colony would have vanished. On the other hand, doing nothing meant angering the Syrians and potentially taking the full blame for the impending failure of the project. This could result in all contracts being suspended and losing to a competitor, in the worst case a competitor from the capitalist West.

This danger was real since the Asad regime was contemplating an economic opening to the West from time to time. Despite Syria’s anti-Israeli policies and prominent role in the Six-Day War and the Yom Kippur War, US President Richard Nixon visited the country from 15 to 16 June 1974. Following his visit, diplomatic relations – which had been broken off by the Syrians in 1967 – were taken up again between the USA and Asad’s Syria. Nixon had also promised Asad significant amounts of economic aid. But as the regime realized that they were not high up on the priority list of US economic aid, they severed ties again. Unnecessary to say, the episode had alarmed the socialist countries, foremost the Soviet Union. A rapprochement between Syria and the West would have also had severe repercussions for the position of the minor socialist countries in Syria like the GDR or Bulgaria. This provided the political background for the East German fears expressed in the archival documents.

Threats were lurking everywhere. They were coming from the West in the form of big companies like Krupp or Klöckner from West Germany as well as from Eastern competitors such as Romania. When East Berlin did not reply for six months to a request in the late 1970s by the Syrian government to build – despite the difficulties – even more cement factories than had been agreed on, the Romanian government offered to fill the gap and to provide cheap credit. This alarmed East German officials and they used their influence in Syria to delay the project. As is evident in the letters from the East German embassy in Damascus, there was another problem with the Romanians that branded their efforts as a type of treason:

In accordance with SKET all efforts should be made to prevent the [cement] factory currently erected by the GDR in Musulmiye to be expanded by the SRR [Socialist Republic of

Romania], because they are bound by cooperation agreements to the FRG [Federal Republic of Germany].

If the East German officials feared one competitor the most, it was the West Germans, even if they came disguised in the form of Romanian state companies. Since they regarded Syria as their home turf, they wanted to shut the West Germans out of Baathist Syria as best as possible.

This very multilayered fear of certain competitors becomes even more apparent with another example. In 1975, the East German planners realized that they could not design and prefabricate all the factories demanded by the Syrians all by themselves. They finally had to hand over a contract for the expansion of one factory already built to a competitor. This was the same factory the Romanians wanted to get their hands on some months earlier. They decided to plan the following:

The company VÖEST-ALPINE Linz/Austria, as licensee of SKET/ZAB Dessau, is making the Syrian side the offer to deliver the expansion project Musulmiye 2 × 1600 t/24 h utilizing GDR know-how. Accepting the Syrian demand to ensure full operational capability by the year 1980, VÖEST-ALPINE tries to calculate a minimal price. With this variant, if Invest-Export is not able to conclude a direct export treaty with the Syrian partner, we achieve the following:

The delivery of the cement factory Musulmiye is not done by a competitor like Schneider-Creusot/France or Polysius/Krupp/FRG. These companies, knowing the fact that they would be expanding a factory by the GDR, would try to discriminate against the GDR cement industry. Furthermore, these companies would get detailed insights into GDR cement factories. This means the threat of a know-how drain.

United Austrian Iron and Steel Works (VÖEST) was a state company. If they could not fulfil the Syrian demands themselves, the second best option of choice for the East Germans was a state company of a neutral country. For reasons not explained further in the files, they thought that a company like VÖEST would not betray them, would use the imprint “designed in GDR”, would not discriminate against them, and would not steal their precious know-how. However, the real danger was that Krupp could steal engineering know-how from the GDR in Syria, which was the main reason why the East Germans did not want to cooperate with a member of the bloc, at least in this particular case socialist Romania, that

had close ties to a Western company. This seems to be paradoxical since the GDR itself was importing heavily from West Germany in the 1970s.

To solve the most imminent problem of the Syrian adventure, the East German Minister of Foreign Trade wrote a letter to his colleague in Sofia. In his letter, he alluded to the great importance of the project for the CMEA and demanded greater efforts:

This cooperation of two socialist countries on third markets – an example for the realization of the Complex Program of the Council for Mutual Economic Assistance – should determine both sides to raise the quality of the mutual implementation of the contract to a level that exceeds the mere abidance by the conditions of the contract [...] The current period for the realization of the assembly is in no way on par with the economic potential of neither the GDR nor the PR Bulgaria.53

The outcome of his letter seemed insufficient. Inside the Ministry of Foreign Trade in East Berlin, the arguments for and against an ongoing cooperation with their Bulgarian partner were weighed. A report on the current situation written by a representative of the main East German company for exporting capital goods, Invest-Export, for the Ministry of Foreign Trade reads as follows:

The main problem of our work with the cement objects in the SAR is the acceleration of building and assembling with the aim of the earliest possible date of full operational capability. We are sustaining delays and losses, because the efforts for realizing our goals are ever increasing. Losses are also sustained by our Syrian partner, too, since he has to import cement for a longer time period at steadily increasing prices. Syrabco and TES get all their charges paid as long as they didn’t cause the problems themselves. They lack the need to tap all of their reserves.

Contract-wise we can’t enforce more vis-à-vis TES, because, unfortunately, we are always behind some conditions of the contract, like with the delivery of projects and equipment. In these cases, we have to make compromises, which do not push our goals forward but cost us a lot of money that we can’t get back.54

The situation looked rather grim. The East Germans took the blame but could not do anything to share the responsibility or improve the situation since negotiating with TES was fruitless because they could be sure to get paid anyway. Interestingly, the writer of the report did not associate the GDR with Bulgaria, but emotionally the bond seems to have been stronger with the Syrians as he is

53 “Entwurf Aide Memoire”, without date (most likely early September 1974, DL 2/16445, BArch, Berlin. There is only a draft of the letter left in the file. Taking into consideration the other documents of the file leads to the assumption that this draft was sent with minor corrections.
talking of East Germans and Syrians, mainly taking losses together and sharing the same fate, while the Bulgarian company TES and Syrabco profit. This seems a bit troublesome since Syrabco was also a Syrian state company and it was mainly the Syrian side that was rightfully pressuring the Eastern Europeans to stick to their timetables. The sections of the report that were meant to be positive do not sound very enthusiastic either:

Within the SAR we further try, by forceful but comradely cooperation with our Bulgarian comrades, to unlock their reserves. By doing so, we should make as few compromises as possible. How well the cooperation has already developed can be seen by the fact that TES has for a long time not issued any threats to cease working and to withdraw all their workers.55

The fact that the lack of threats by their Bulgarian partners to shut the entire building site down were seen as a sign of improvement probably illustrates the real situation quite well and demonstrates how deficient the cooperation had become. The final decision rested with Minister of Foreign Trade Sölle. He demanded detailed reports by Deputy Minister Clausnitzer and by the ministry's country section responsible for Bulgaria. From an economic angle, the situation was quite clear: The Bulgarian organization TES was not cooperative, refused responsibility, and was more interested in short-term gains than in the success of the entire project, which was meant to be a showcase for socialist cooperation and solidarity. On the other hand, from a political point of view, there were good reasons for muddling through together with the Bulgarians and simply hoping for better days to come. Angering the Bulgarians could have had political repercussions throughout the bloc.

The report by the country section for Bulgaria touches upon these sensitive political issues:

Concerning the political aspect of the behavior of socialist countries on third markets, the basic principles developed at the 28th Session of the CMEA are generally referred to, striving for an ever closer cooperation. It is possible that in this context discussions could arise from time to time at meetings of the GDR/PR Bulgaria committee. We explicitly point out that this should not be made a big political issue, because doing so could damage the relations with the PRB. The remark has been made that the PRB showed little political understanding for problems immediately after the war broke out when they welcomed the unilateral action by the construction collective that left the building site without any regards to prior agreements.

55 Ibid.
We recommend in preparation for possible discussions with the Bulgarian side to order Invest-Export to make a compilation of negative examples of the construction process in chronological order. According to comrade Kneifel [an expert in the department], the demanded change of the construction company could be used to agree on more favorable terms for cooperation on third markets with the Bulgarian side in the future.56

The country section for Bulgaria therefore recommended to change the construction company but to keep a low profile about it. The East Germans should not raise the issue themselves before the Council for Mutual Economic Assistance in order to not further alienate the Bulgarians, but they should nevertheless be prepared if the Bulgarians took action. On top of detailed accusations that were to be prepared by Invest-Export, the report also mentions the possibility of a general accusation of cowardice and general lack of political understanding. They are obviously referring to the conduct of the Bulgarian collective during the Yom Kippur War. Of particular interest is the suggestion to use this opportunity to cut ties with the Bulgarians for some time in order to pressure them to accept terms more beneficial for the East Germans in the future, since this was exactly what the decision-makers in East Berlin would try to do.

The Lebanese Liaison

The GDR officials finally decided to get rid of Tekhnoeksportstroi, at least for the moment.57 Finding a replacement for the Bulgarians in such a short time span and under pressure by their Syrian customer proved to be no easy task. They started to search for a new partner inside the bloc at first, but their efforts proved to be almost fruitless. The only interested contractor they could find came from Yugoslavia.58 Since there are no further archival documents on negotiations between the Yugoslavian and East German side, most likely one of them did not take the offer seriously and the negotiations were broken off quickly. As a result, the experts in East Berlin had to look for partners outside the bloc, which they finally located in close proximity to their Syrian customer.

58 Ibid.
They approached two Lebanese companies for the most urgent building sites, located in Adra – an industrial suburb of Damascus – and Hama. Their decision to take on prospective Lebanese partners was motivated foremost by economic considerations. They were negotiating, having started in 1974, with the two companies: Lahoud and Contracting and Trading Co. (CAT).59 The former company, Lahoud, guaranteed the full operational capability of the plant after its assembly, which they promised to accomplish in time, but they wanted to be paid half in freely convertible US dollars and half in Syrian pounds. Since US dollars were scarce, their offer contained drawbacks.60

The representatives of the construction company CAT offered even more professionalism and entrepreneurial thinking than Lahoud. They agreed to share the responsibility for the entire project even if calamities should happen that were not entirely their fault. They also accepted to start working before all machines and equipment had been delivered to the building site. The Bulgarians, oppositely, had refused to do so even if the missing equipment was needed only for the final stages of assembling. CAT also promised to increase its workforce on short notice, if necessary, and to reduce the workforce, if there was no work to be done because of a lack of supplies. The Bulgarian company TES had never offered such flexibility. CAT agreed to be paid if certain progress on the building site had been achieved and not simply if certain prefixed dates had passed – a concept rather alien to the Bulgarian company – and accepted exclusive payment in Syrian and Lebanese pounds, therefore the GDR would not have to use its US dollar reserves. TES, in comparison, wanted 27 per cent of the full amount to be paid in US dollars.61

The Lebanese firms thus offered better terms and flexibility. They even showed greater technical expertise than the Bulgarians, which meant that the GDR had to send only half of their own engineers to the building sites than were needed for the Bulgarian subcontractor. How bad things were going and how bad the experts in East Berlin regarded the quality of work of their Bulgarian partners is best illustrated by the following statement:

The number of GDR consultants can be reduced if CAT takes over the assembly, from 30 to 15. The experience with our cement factories currently assembled by TES in the SAR shows that – despite the promise of a complete assembly – a high contingent of GDR consultants is required.62

Nevertheless, politics were still instrumental. At least one of the two Lebanese companies, CAT, possessed another advantage:

This company [CAT] was recommended to us by the Communist Party [CP] of Lebanon on the occasion of the visit of the delegation of the CP of Lebanon in the GDR. This recommendation is supported by the responsible department inside the Central Committee of the Socialist Unity Party of Germany [SED].

We could hereby set a precedent on how to boost developing countries in their development by awarding such contracts.63

The available documents indicate that the GDR awarded each of the two Lebanese companies one contract. It is interesting that while decisions were mainly driven by economic considerations, politics always remained a strong undercurrent. The decision to hire Lebanese companies and to get rid of their Bulgarian partner had to also be justified in political terms, leading to the consideration of presenting the change of partners as a virtue, as can be seen in the statement above. The benefits of socialism were also visible by cooperating with locals. The fact that CAT was recommended to East Berlin by the Lebanese CP was of great benefit in justifying the decision and probably eased the conscience of East German decision-makers, who had abandoned their Bulgarian comrades. Communist allegiance could also advance the necessary trust to seal a deal.

To ease the tensions between Berlin and Sofia, the talks with the Bulgarian company were continued, being selected again as a subcontractor for cement factories in Syria that were to be built in the late 1970s and early 1980s.64 The period between the dismissal of TES and its reemployment proved difficult, and the GDR officials were expecting severe criticism by the Bulgarians at the official CMEA meetings. Bulgarian representatives had already complained bilaterally to the Council of Ministers of the GDR in 1975.65 Fortunately for the East

62 Ibid.
65 “Letter by the department for economic policy at the East German embassy in Sofia to the Deputy Head of the Council of Ministers, Dr. Weiz”, 27 March 1975, DL 2/16445, BArch, Berlin.
Germans, no public disputes arose out of the issue. Inside the CMEA, both blamed the Syrians for all the problems.66

As far as the Lebanese companies are concerned, there is no further mention of them in the files from the late 1970s. So their continued involvement remains unclear. Considering the outbreak of the civil war in Lebanon in the mid-1970s, it is quite possible that the cooperation had to be discontinued because of the devastation caused by the conflict. This made the shift back to the former Bulgarian partner look as if it was being forced by the circumstances and not taken on their own free will. But since the most imminent problems had been solved by employing the Lebanese companies, renewing cooperation with the Bulgarians promised to ease political tensions looming inside the CMEA while having no immediate negative side effects, such as angering the Syrian partners.

This does not mean that everything was fine in the long run. Since the Bulgarians and East Germans refused to solve the immediate causes for their cooperation complications, there was no assurance that these problems would not resurface to haunt them again. And indeed, problems arose again in 1979 and 1980. The coordination between the East German state cooperatives and the Bulgarian building company TES had not improved in the meantime. Delays occurred that demanded extra payments by the East German authorities.

A Success Story?

Nevertheless, the factories were built and fully operational in the end. Some of them even exceeded their planned production capacity by up to 15 per cent.67 So the entire project could be called a success. Syria contained no cement industry worthy of that name at the start of the 1970s. At the end of the decade, it could produce more than 4 million tons annually.68 This was development in a basic sense. The reasoning behind it was to produce Syrian cement for Syrian buildings, eliminating the need for imports. At the beginning of the first stage

66 “Informatsiia k soveshchaniu predstavitelei VTO stran-chlenov SEV po вопросам оказании технического содействия развивающимся странам в строительном производстве, которое состоялось в ноябре 1979 г. в г. Варшаве”, 12 October 1979, Fond 561, op. 53, d. 101, ll. 251–254, RGAE, Moscow.
68 This amount was determined according to the planned daily capacity of the cement factories built in the 1970s, multiplied by 330, the yearly operational time span assumed by the East German designers.
of the project, the country had to import almost 4 million tons of cement annually at a price of USD 60 per ton. Substituting all imports of cement thus meant saving more than USD 200 million of imports every year. This was an outcome the planners already had in mind beforehand. Producing Syrian cement also meant more jobs for a rapidly growing population. It seems evident that providing jobs for young people is an urgent issue in a society that is expanding fast and threatened by unrest, resulting from high unemployment among young people. However, this argument is hard to find in the sources of CMEA countries. That the creation of a sizable number of jobs in the field of industry indeed played a big role for Syrian and other decision-makers from “developing countries” is confirmed by former negotiators of CMEA member states.

On a more abstract level, the entire project can be defined as industrialization by import substitution. This was no development method invented by Soviet economists as it was very popular throughout the twentieth century in many different countries. Economically, it can be defined as a simple Solow model. It was based on the assumption that developing countries needed to quickly build up a capital stock in order to close the economic gap. To achieve this aim, they were in need of external help. This assumption was also very popular in the West and guided Western development experts and economists to a significant degree, at least up until the early 1980s. A question not asked in the documents but of economic importance concerns the opportunity costs: Were the cement factories worth the price? The calculation includes not only the USD 270 million in credit but also the potential costs and benefits of other projects that were rejected in favour of the cement plan. To answer this question, access to Syrian documents would be needed.

From a political perspective, the project was not the success story originally intended. The multilateral cooperation between two countries of the socialist bloc – one of them considered severely backward at least up to the Second World War – and a former colony proved to be a near failure. It did not lead to catastrophe, but the cooperation had to be suspended for some time and the GDR

70 Ibid.
71 The population of Syria had expanded from 3.25 million in 1950 to 6.3 million in 1970. By 1990, it exceeded 12 million.
72 Interview with Dr. E. Klober, 8 January 2016, Berlin.
74 Ibid., pp. 54–55.
officials had to choose another partner from outside the bloc. The problems
could not be hidden from the Syrians. The project could not provide substantial
propaganda gains for the CMEA in the Global South, even if the factories were
eventually built.

Concerning the relationship triangle between the GDR, Bulgaria, and Syria,
the economically most advanced of the three countries was not the one always
in charge of the situation. When the project had started, the GDR officials were
often pressured by others, be it their Bulgarian partners from inside the bloc,
their Syrian customers, or the outside consultants from India, who had
a decisive influence in a critical phase of the project. The East Germans man-
aged to survive, but they were afraid that they could lose. They feared competi-
tion from both the West – especially West Germany – and from the East. This
shows that solidarity inside the bloc and between the bloc and the emerging
nation-states was more than merely an empty promise, as can be seen in the
careful communication between Berlin and Sofia. However, it stood on very
shaky grounds. Solidarity was affordable, as long as the “economics” of solidar-
ity proved to be beneficial for recipient and donor.

Problems also arose from the complexity of the entire project. Building
a cement industry in Syria demanded not only close cooperation between the
Bulgarian and East German partners, but also sophisticated planning before-
hand, much of it being the responsibility of the planners in the East German
state cooperatives. The cement factories had to be designed and prefabricated,
complex logistics had to be envisioned and organized, and engineers and ex-
erts had to be summoned who were able to work under different conditions in
Syria and to provide understanding for the particular problems of their Syrian
customers, including difficult negotiations. A certain Sovietization of the Syrian
administration by the socialist bloc countries probably had eased cultural dif-
ferences and differences in working attitudes between East German and Syrian
state planners, but they did not cease to exist.

Concerning the Syrian side, it is clear that despite a certain ideological affini-
ty to the Eastern bloc and socialist-trained bureaucrats, the decision-makers at
no time followed the Eastern experts blindly. They retained their autonomy and
controlled the Eastern experts by seeking expertise and advice from multiple
sources. The fact that a large part of the project was financed on credit, provided
them with a certain leverage. They could pressure their Eastern partners and
delay payments, if they wished, without having to face severe consequences.

Further archival material suggests that the Syrian case was less of an anom-
aly and more of an example of the technical assistance of the GDR. Similar
problems occurred in neighbouring Iraq, when, at the same time during the
late 1970s, East German engineers tried to build a modern slaughterhouse in
Baghdad. This was another multimillion-dollar project that the East Germans had acquired not because of their superior technology compared to their West German competitors but because of their good relations to the Baath Party of Iraq. It was also meant to be an illustrative example of socialist cooperation envisioned on CMEA principles. The only difference was that they did not cooperate with TES but took the Romanian construction company Arcom on as a partner.\textsuperscript{75}

\section*{Conclusion}

The aim of this chapter was to counter a popular narrative of the socialist countries borrowing from the West in the 1970s and concentrating all their efforts on capitalizing on the new opportunities emerging from détente. Although it is true that the socialist countries did try to use the economic and political benefits arising in the West in the 1970s, this did not stop them from cooperating with the Global South and with each other. On the contrary, the 1970s proved to be the time of unprecedented close cooperation between CMEA countries and between the East and the South. This more often than not is forgotten or hardly mentioned in contemporary research.

The episode described in this chapter encompasses several characteristics of a Shakespearean drama. A well-thought plan was becoming obsolete and haunted by bad luck almost immediately after it had been put into practice. The two partners – Bulgaria and the GDR – who wanted to show the merits of socialist cooperation, soon after got into quarrels. They almost severed relationships due to the issues that had arisen between them. When the third party, the Syrians, got to know the full scale of the problems, they asked their Indian consultants, whose involvement was not obvious to the Eastern Europeans, for advice. The East Germans were forced to make a decision and decided to part with their Bulgarian brethren to get the work done. But their separation did not last long, and they were reconciled again in the late 1970s. This could be described as a happy end. But as is true for any Elizabethan drama, the worst times were yet to come.

Nevertheless, it is clear that the administrative personnel and political elite of the socialist bloc invested a lot of its energy into forging not only political but also economic ties with the Global South. On the one hand, the Syrian example could be interpreted as a failure. But, on the other hand, the problems

\textsuperscript{75}"Ökonomische Gesamtrechnung des Anlagenexportvorhabens ‘Modernes Schlachthaus Bagdad’", 20 August 1979, DN 1/20698, BArch, Berlin.
described in this chapter also show the complexity of economic and political relations that had been achieved inside the CMEA – illustrated by the sophisticated supply chains and the East German-Bulgarian division of labour – and between CMEA countries and the Global South. The CMEA as an entity was something the socialist decision-makers had increasingly in mind, as the cooperation between Bulgarian and East German state companies was an affair that exceeded the mere national and bilateral levels. The potential repercussions of their steps taken in Syria for CMEA negotiations thus played a role in influencing decisions in Sofia and East Berlin. None of these close ties had been present 20 years before. The space of interaction that became available in the 1970s and is illustrated by the example of the Syrian cement industry had repercussions for the West as well and was thus a global affair. Foreign trade officials from CMEA member states in particular had to operate with a model of three different but overlapping worlds in their day-to-day affairs. Solidarity had its place in this world of differing trade regimes, albeit one that was subordinated to economic cost-benefit analysis.

Introduction

During much of the Cold War period, European member countries of the Council for Mutual Economic Assistance (CMEA) depended on Soviet energy resources for maintaining their Soviet-style, energy-intensive economies. The Soviet leadership after Joseph Stalin, fearing the socioeconomic instability of the region, grudgingly agreed to export substantial amounts of resources to CMEA countries in return for uncompetitive low-quality manufactured goods. This intra-bloc trade became more and more unacceptable for Soviet economic organizations, as the Eastern European demand for Soviet energy dramatically increased in the 1960s and 1970s. To restrict the increasing energy export to Eastern Europe, the Soviet government sought to find alternative exporters of oil in the Middle East and North Africa for these countries. Among them, Iraq was considered the most promising. Encouraged by the anti-Western policy of the Iraqi Baathist regime, the Soviet government sought to strengthen the relations between CMEA countries and Iraq by coordinating their foreign economic activities. However, the Soviet Union failed in its effort to coordinate the CMEA countries’ actions on global oil markets because it was not as powerful as often assumed – neither in the Third World, nor in the CMEA. Other actors, like the Iraqi and the Eastern European governments, as well as other factors, such as the price of oil, could frustrate the Soviet policy.

On the basis of an array of Russian and German archival sources, this chapter will examine the triangular power relations between the Soviet Union, CMEA countries, and Iraq, focusing particularly on negotiations over oil. As to the limits of the “absolute” Soviet power within the CMEA, the scholarship sheds light on the Soviet “subsidies” for CMEA countries. According to this hypothesis, the Soviet Union accepted the economic burden of supporting Eastern European economies by supplying the countries of this region with Soviet natural resources well below the world market price and by importing low-quality manufactured goods above the world market price. Michael Marrese and Jan Vanous, among others, conclude that the Soviet Union subsidized the Eastern

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European economies in exchange for their political, military, and ideological contribution to Soviet foreign policy. More recently, Dina and Martin Spechler deny the existence of significant subsidies for Eastern European economies and underline that the burden on the Soviet Union was small even at its peak. Although the questions remain about the existence of, or amount of, subsidies, after the collapse of socialist regimes it became possible to analyse the actual negotiations within the CMEA. On the basis of interviews with former Soviet and Eastern European officials, the US-American political scientist Randall Stone clarifies how weak the Soviet Union was in its negotiations with other CMEA countries. According to Stone, the Soviet government tried to curtail the amount of subsidies, but Soviet leadership could not achieve its goals due to a lack of incentives within the Soviet bureaucracy. In fact, the Soviet ability to coordinate the trade policy of CMEA countries was limited. As the Soviet government tried to expand Soviet-CMEA-Iraqi cooperation on oil, this limitation became more apparent.

Up to now, there are few studies about these trilateral relations and the oil business. Some studies have analysed these triangular economic relations, concentrating on trade patterns but without examining internal debates within the CMEA. Other scholars investigate Soviet-Iraqi political as well as economic relations, however without including the CMEA and analysing the triangular power relations. More recently, Sara Lorenzini provides an overview on the

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activities of the Standing Commission for Technical Assistance of the CMEA, but she does not analyse negotiations between the Soviets, Eastern Europeans, and developing countries in detail. Therefore, this paper will analyse these triangular relations within the framework of the CMEA.

In the case of Iraq, as I will argue below, it was not the socialist superpower but the Iraqi government that succeeded in dictating the relations between CMEA and Iraq in the 1970s. In some instances, it even managed to manipulate relations between the Soviet Union and other CMEA countries. Thus the CMEA was not a transmission belt of Soviet interests but a “platform of negotiation”, first between its member countries and then between member countries and non-CMEA countries like Iraq. In this sense, the CMEA became a “space of interaction” between various actors of the Soviet Union, CMEA countries, and Iraq. Even though Iraq was not present in this organization, it could influence decisions within the CMEA by using various channels with trade officials of the Soviet Union and CMEA countries. Ironically, it was the Iraqis that succeeded in controlling this “space of interaction” more skillfully than its member countries by using their position as an exporter of oil.

**Soviet Oil Policy in Iraq**

Since the 1920s, the Iraqi government signed concession agreements with the Iraq Petroleum Company (IPC), which was owned by major oil companies, like the Anglo-Persian Oil Company (later British Petroleum, BP), Royal Dutch Shell, Compagnie Francaise des Pétroles (CFP, later Total S.A.), and successor companies of Standard Oil. Through these agreements, the IPC gained almost all the rights for exploration and operation in the Iraqi oil sector. Therefore, after the revolution of 1958 the ensuing Iraqi nationalist regimes considered the

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The decolonization of the oil sector as one of their primary goals.\(^7\) As in other developing countries that produced oil, this goal had to do with national sovereignty: the sovereign right to determine the use of their own natural resources.\(^8\) In 1961, the Iraqi government enacted Law No. 80 and expropriated the IPC’s concession areas where no oil had yet been produced. After the enactment of this law, the IPC retained only 0.5 per cent of the original concession areas. Law No. 11 was passed in 1964, which established the Iraq National Oil Company (INOC) two years later. Finally, in 1967 the Iraqi government conceded all the territory expropriated from the IPC to this newly founded national company.\(^9\)

After the establishment of the INOC, the Iraqi government began to develop its own national oil industry. Shortly thereafter, the Soviets and Iraqis initiated negotiations to build up the Iraqi oil industry. In a conversation with Soviet Foreign Minister Andrei Gromyko in 1967, the Iraqi Foreign Minister Adnan Pachachi proposed that the Soviet Union should take part in the exploration and development of the Iraqi oil fields and asked him to send a delegation to Iraq. To encourage cooperation, Pachachi mentioned the possibility of joint production and sale of Iraqi oil and the importation of Soviet equipment to support development of the Iraqi oil sector. Nikolai Baibakov, chairman of the Soviet State Planning Commission (Gosplan), reacted positively to this proposal from the Iraqis.\(^10\) In his opinion,

> the use of oil resources of the developing countries, including Iraq, on a mutually beneficial basis, is one of the effective ways to satisfy the demands of the USSR [Union of Soviet Socialist Republics] and other socialist countries for fuel [...]. [P]articipation in the production of oil in Iraq can turn out to be very effective for us.\(^11\)

At first glance, it might seem strange that Gosplan was active in the Iraqi question, but it played a crucial role in deciding foreign economic activities of the Soviet Union because it was responsible for maintaining the material balance of the entire economy. Foreign trade was no exception. Therefore, Baibakov’s opinion carried weight in the Soviet decision over Iraqi oil.

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\(^10\) “Report from Baibakov to the Central Committee”, 3 May 1967, f.4372, op.81, d.2429, ll.21–23, Rossiiskii Gosudarstvennyi Arkhiv Ekonomiki (RGAE), Moscow.

\(^11\) Ibid., ll.21–22.
On the basis of these economic as well as political calculations, Soviet economic organizations negotiated with the Iraqi government. Especially important in this regard was the State Committee for Foreign Economic Relations (GKES), which specialized in organizing economic and technical assistance for other countries, particularly for developing countries. Iliodor Kulyov, deputy chairman of the GKES, talked with the Iraqi officials about the oil industry in November and December 1967. In their conversations, the Iraqis showed great interest in Soviet economic and technical assistance. For example, Abdul Sattar al-Hussein, minister of oil, requested Soviet assistance in developing the southern oil field of North Rumaila.12 Adib al-Jadir, president of the INOC, also showed strong interest in the development of Soviet-Iraqi economic relations by saying that it would be acceptable if the Iraqi market would “totally move from the West to the East”. Encouraged by Iraqi eagerness to expand economic cooperation and sell a large amount of oil, Kulyov proposed further cooperation between Iraq and CMEA countries. According to Kulyov, “the wider the Iraqi economic relations with the Soviet Union and other countries of CMEA will be, the more oil they will buy”.13 There is no record of al-Jadir answering this proposal, but the Soviets remained committed to the expansion of Iraqi-Eastern European economic relations.

However, despite al-Jadir’s seeming support, the Iraqi government tried to avoid depending too heavily on one side in the bipolar Cold War order. If anything, they sought to negotiate with several counterparts at the same time, thereby balancing between the West and the East. For example, the INOC chose the French state company Entreprise de Recherches et d’Activités Petrolières (ERA) as its first foreign partner for the exploration and development of its oil fields.14 The Soviet embassy in Iraq reported to the Department of the Near East of the Ministry of Foreign Affairs that the Iraqi government and the INOC were looking for a future partner for the development of the southern oil field, especially the North Rumaila field. Alarmed by the French success in partnering with the INOC, the embassy urged the ministry department to speed up final negotiations concerning cooperation in the oil sector.15

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12 “Record of conversation with Iraqi Minister of Oil Abdul Sattar al-Hussein”, 23 November 1967, f.365, op.2, d.2678, l.28, RGAE, Moscow.
14 Smolansky, The USSR and Iraq, p. 38.
When the GKES was trying to reach an agreement with the Iraqi government, the Brezhnev leadership was in the middle of forming a general strategy for its foreign policies. For example, in July 1968, in a personal report to Leonid Brezhnev, Yuri Andropov, chairman of the Committee for State Security (KGB) proposed reorganizing the priorities of Soviet foreign policy. Andropov argued that “in the practical activity of our foreign political organization, there are deficits, worse still very critical ones”, that is to say, “too large a de-concentration”. Concerning Soviet economic aid to developing countries, he contended that now, we are giving a bit to everyone, but as a result, we cannot maintain ‘competition’ with imperialistic opponents, and are weakening [our] own position even in those countries which have key importance to us. [...] Maybe, we had better delineate zones of our primal interests and concentrate force on ensuring these interests.16

Although Andropov himself did not mention any countries in which the Soviet Union should intensify its activities, by the spring of 1968 Semyon Skachkov, chairman of the GKES, had already listed some countries where the Soviets had concentrated their economic assistance: India, the United Arab Republic, Afghanistan, Iran, Syria, Iraq, and Turkey.17

On the basis of these political as well as economic calculations, the Soviets activated their policy vis-à-vis Iraq. In June and July 1969, the Soviet Union signed two economic agreements with Iraq concerning the development of the oil industry. Under these agreements, the Soviets supported the construction of oil production facilities, an oil pipeline to the port of Fao, and the exploration of several southern fields, among them the North Rumaila field. The construction cost was covered by a Soviet credit, which would be paid by Iraqi oil after the start of oil production.18 After the agreement was signed, economic relations between the two countries accelerated. In June 1970, in a conversation with Kulyov, Ali Jaber, vice president of the INOC, requested Soviet technical assistance in some other projects: construction of a petroleum processing plant in Mosul, construction of an oil pipeline from the southern part of Iraq to the Syrian port of Tartus, exploitation of a phosphate field, and construction of a shipyard in Basra.19 In a protocol

16 “Report by Andropov to the Politburo”, f.80, op.1, d.314, ll.30–31, Rossiiskii Gosudarstvennyi Arkhiv Noveishei Istorii (RGANI), Moscow.
17 “Report by GKES on its work in 1967”, f.5, op.60, d.400, l.4, RGANI, Moscow.
18 Smolansky, The USSR and Iraq, pp. 47–48; “Agreement between the Soviet Union and Republic of Iraq on the economic and technical cooperation for the development of national oil industry of Republic of Iraq”, 4 July 1969, f.365, op.9, d.68, ll.4–8, RGAE, Moscow.
from August 1970, the Soviets provisionally agreed to enlarging economic and technical assistance to Iraq in return for Iraqi oil.\textsuperscript{20}

The Soviet economic bureaucracy welcomed the expansion of economic relations with Iraq. Ivan Arkhipov, deputy chairman of the GKES, reported to Aleksei Kosygin, chairman of the Council of Ministers of the Soviet Union, that import of Iraqi oil would be economically beneficial. According to Gosplan’s calculations, importing Iraqi oil to the Soviet Far East in return for Soviet industrial equipment would be economically more efficient than transporting Siberian oil from Tyumen to the same region. While Tyumen is closer to the Soviet Far East, the transportation by pipeline or railway would cost much more than transportation of Iraqi oil through tankers.\textsuperscript{21} Therefore, both Gosplan and the GKES preferred the import of Iraqi oil over domestic oil on the basis of the calculation of comparative costs. Apparently, these economic actors acted upon an economic rationale. For them, import substitution was not a dogma that should be defended.

As Soviet-Iraqi economic cooperation gained momentum and development of the North Rumaila oil field progressed as planned, the Iraqi government began to prepare for the nationalization of the IPC. In August 1970, Soviet leaders discussed the matter with Saddam Hussein when he visited Moscow. Furthermore, in a directive from March 1971, the Politburo decided to convey the Soviet support for the nationalization to the Iraqi government.\textsuperscript{22} With this Soviet backing, the Iraqi government could prepare for the nationalization of the IPC, which still held a significant share of licences for oil fields in Iraq.

\textbf{Policy Coordination within the CMEA}

At the same time as the Soviets were actively pursuing economic cooperation with Iraq, Soviet economic organizations and specialists became concerned about the growing Eastern European demand for Soviet oil. In fact, already in the early 1960s, Gosplan was keen on restricting the growing oil export to CMEA countries because of the tight energy balance in the European part of the Soviet

\textsuperscript{20} “Protocol of negotiations about problems of trade and economic cooperation between the Soviet Union and Republic of Iraq”, 14 August 1970, f.365, op.9, d.405, II.21–22, RGAE, Moscow.
\textsuperscript{21} “Report by Arkhipov to Kosygin”, 9 March 1971, f.365, op.9, d.669, II.73–76, RGAE, Moscow.
\textsuperscript{22} “Order of the Politburo for the Soviet delegation, visiting Iraq”, 19 March 1971, f.3, op.72, d.427, II.40–41, RGANI, Moscow.
Union and tremendous transportation cost for oil from its remote regions.\textsuperscript{23} As a possible solution to this problem, specialists of Gosplan proposed four alternative options: CMEA countries should save energy, explore oil and gas in their territories, substitute oil with coal from Poland or the German Democratic Republic (GDR), and import fuel from Algeria and countries of the Near East.\textsuperscript{24} Nikita Khrushchev, first secretary of the Central Committee of the Communist Party of the Soviet Union (CPSU), welcomed such an idea. In fact, already in May and June 1964, in conversations with Walter Ulbricht, first secretary of the Central Committee of the Socialist Unity Party of Germany (SED), he repeatedly demanded that the GDR import oil from Algeria.\textsuperscript{25} By the middle of the 1960s, both the Soviet leadership and economic organizations appreciated the idea of invigorating economic relations between CMEA countries and oil-producing developing countries.

The first major chance to coordinate the oil import of CMEA countries from such developing countries came from Iran. In November 1966, the Iranian ambassador to the Soviet Union proposed to Kulyov, deputy chairman of GKES, that Iran and the Soviet Union jointly examine the export of Iranian oil to the Soviet Union and European socialist countries.\textsuperscript{26} Both Gosplan and Mikhail Lesechko, deputy chairman of the Council of Ministers of the Soviet Union responsible for the CMEA, welcomed this Iranian proposal and discussed it with Eastern European CMEA countries, except Romania.\textsuperscript{27} Representatives of CMEA countries also supported the idea of importing Iranian oil. Therefore, in January 1967, Baibakov and Lesechko submitted a joint report to the Central Committee of the CPSU, in which they emphasized the economic plausibility of importing oil from Iran. According to them, “economic expediency of the oil import from Iran is explained by higher efficiency of capital investments and

\textsuperscript{23} “Report from A. Alekseev to P. Lomako”, 19 January 1963, f.4372, op.81, d.381, ll.111–115, RGAE, Moscow.
\textsuperscript{26} “Record of conversation between Kulyov and Iranian ambassador to the Soviet Union”, Mirfendereski, 24 November 1966, f.365, op.2, d.587, l.49, RGAE, Moscow.
\textsuperscript{27} Romania negotiated with the Shah separately. For more about the relations between Romania and Iran, see R. Alvandi and E. Gheorghe, “The Shah’s Petro-Diplomacy with Ceausescu: Iran and Romania in the Era of Détente”, Cold War International History Project Working Paper 74 (2014), pp. 1–11.
lower costs of oil-production in Iran than in the Soviet Union”. On the basis of this analysis, they recommended to import 5–8 millions of Iranian oil in 1970 and substantially increase its amounts.\(^28\)

The Iranian proposal was especially timely for the Soviet specialists, for Soviet economic organizations were preparing to construct the second Druzhba pipeline at that time.\(^29\) If the Soviet Union and CMEA countries could import substantial amounts of Iranian oil in exchange for industrial goods, then the Soviets could reduce oil export to Eastern Europe. Therefore, when the Iranians made this proposal, Gosplan seriously contemplated the possibility of connecting the pipeline from Iran with the Druzhba pipeline.\(^30\) Here, Gosplan officials were not averse to incorporating the Druzhba pipeline – often seen by observers as a symbol of the bloc energy autarky – into the global flow of oil because they considered such a measure to be economically efficient.

At the same time, during further negotiations with Iran, it became apparent that the Shah wanted to use the negotiations with CMEA countries as an additional bargaining tool to gain concessions from the Consortium for Iran, mainly composed of BP, Royal Dutch Shell, Gulf Oil, CFP, and four successor companies of Standard Oil, which was alarmed by the negotiations between Iran and socialist countries. By skillfully using this Western fear, the Shah gained a further concession from the Consortium for Iran. In a 1967 agreement with the National Iranian Oil Company (NIOC), the Consortium for Iran agreed to increase oil production in Iran, hand over some areas back to the Iranians, and give oil to NIOC, which then could export it to some CMEA countries.\(^31\)

After this successful agreement with the Consortium for Iran, the Shah once again turned to the socialist countries. At first, he suggested that the Soviet Union would buy Iranian oil on behalf of the entire CMEA countries because Iran was not interested in importing goods from some Eastern European countries, notably Bulgaria. In a conversation with Grigory Zaitsev, Soviet ambassador to Iran, he said that “cooperation with the Soviet Union would satisfy

\(^{28}\) “Report by Baibakov and Lesechko to the Central Committee of CPSU”, 13 January 1967, f.4372, op.81, d.2428, ll.1–3, RGAE, Moscow.

\(^{29}\) “Report by Misnik, Sorokin, and Arkhipov to Lesechko”, 24 April 1967, f.4372, op.81, d.2355, ll.101–104, RGAE, Moscow.

\(^{30}\) “Report from Gosplan to Lesechko”, 28 December 1966, f.4372, op.81, d.1813, ll.34–36, RGAE, Moscow.

him, and the Soviet Union itself would find appropriate forms of satisfying demands of oil of these countries.” The Shah made clear that “European socialist countries do not possess resources or goods which are interesting for Iran.”

This did not mean, however, that the Iranian government was averse to dealing with some CMEA countries separately. When the Soviet economic delegation led by Baibakov negotiated the purchase of oil with Iranian Prime Minister Amir-Abbas Hoveyda and other Iranian officials, they preferred not to discuss the problem of oil export to Eastern European countries on the grounds that some CMEA countries like Romania and Hungary wanted to negotiate with Iran directly. While Romania did not show any interest in jointly purchasing Iranian oil from the beginning, Hungary did approve that the Soviet Union would enter into preliminary negotiations with Iran on behalf of CMEA countries. As a result, the move towards joint purchase of Iranian oil lost momentum.

At the same time, many Eastern European countries were not so enthusiastic about importing huge amounts of oil from the developing countries of the Middle East. At the 35th Session of the CMEA Executive Committee in 1968, representatives of CMEA countries discussed the problems of oil in detail. Piotr Jaroszewicz, deputy chairman of the Council of Ministers of Poland, clearly articulated the Polish position. “At the present time”, he said, “the main demand of Poland on oil is satisfied through the import from the Soviet Union, and we are counting on the total satisfaction of our not so large and limitedly increasing demands on the import of oil from the Soviet Union.”

Aleksandr Zademidko, the Soviet representative at the discussion, was visibly frustrated by the other CMEA countries’ lack of interest in this problem. He stated that in 1964 the Executive Committee had decided that the Standing Commission for the Oil and Gas Industry should study the possibility and plausibility of importing oil from developing countries; however, it did not come to any decision.

32 “On some problems of Soviet-Iranian economic cooperation”, f.4372, op.81, d.2428, ll.40–44, RGAE, Moscow.
33 “Report from Baibakov to the Central Committee of the CPSU”, 20 April 1967, f.4372, op.81, d.2428, l.67, RGAE, Moscow; “Memorandum of Conversation with Prime Minister of Iran Amir Abbas Hoveyda”, 15 April 1967, f.4372, op.81, d.2428, ll.108–109, RGAE, Moscow.
34 “Report from Baibakov and Lesechko to the Central Committee of the CPSU”, 13 January 1967, f.4372, op.81, d.2428, ll.4–5, RGAE, Moscow.
35 The notable exception was Romania, which sought to avoid depending on Soviet oil for political reasons.
36 “Stenographic record of the 31st Executive Committee of CMEA”, 16–17 July 1968, f.561, op.51s, d.15, l.133, RGAE, Moscow.
Zademidko demanded that the Standing Commission and each member country consider the production of fuel on its own soil and its import from developing countries. However, the Soviets were rather disappointed with the result of the discussion. The protocol stated that the member country should merely “exchange information” about the purchase and transport of oil from developing countries. Although the discussion within the commissions of the CMEA continued, the actual measures of cooperation were delayed.

Faced with these meagre results, Soviet economic specialists on the Eastern European economies criticized in their internal debates the lack of cooperation within the CMEA. They promoted closer cooperation between CMEA countries for buying oil in the Third World instead of relying solely on domestic oil. This was the main point of reports that the scholars of the Institute of Economics of the World Socialist System (IEMSS) sent to the Department for Relations with Socialist Countries of the Central Committee of the CPSU during the 1960s and 1970s. For example, in December 1970, I.V. Dudinsky, deputy director of the IEMSS, proposed in his report to the Central Committee a cooperation between CMEA countries and developing countries as “one of the most important factors in solving the economic problems of the CMEA countries and consolidating their situation in the international arena.” Dudinsky calculated that CMEA countries could save at least 1 billion roubles annually by collectively importing 60–80 million tons of oil and 30–40 billion m$^3$ of gas from developing countries every year in the 1980s. To import such a huge amount of resources from developing countries, the Soviet Union and other CMEA countries would have to identify export commodities. For this purpose, as Dudinsky suggested, the interested CMEA countries should “take collective measures” to create export companies, cooperate in export branches, and encourage the International Investment Bank to invest in the foundation of big export companies.

One year after Dudinsky’s report, in another IEMSS report sent to the Central Committee, the author N.A. Ushakova criticized Soviet policy concerning CMEA cooperation with developing countries. Ushakova argued that coordination of the economic policy towards developing countries remained unsatisfactory.

37 “Stenographic record of the 31st Executive Committee of CMEA”, 16–17 July 1968, f.561, op.51s, d.15, ll.146–147, RGAE, Moscow.
38 “Protocol of the 31st Executive Committee”, July 1968, f.561, op.51s, d.11, l.10, RGAE, Moscow.
40 “Report by Dudinsky to the Central Committee”, December 1970, f.5, op.62, d.473, ll.175–176, RGANI, Moscow.
According to her, CMEA coordination for activities in developing countries was nothing more than an exchange of information between the member countries. In the ten years prior, CMEA countries had collectively exported only 1.3 per cent of the exported machinery and services to developing countries.41

However, according to Ushakova, the Soviet Union as well as CMEA countries could benefit from economic cooperation with developing countries because the cost of producing natural resources was much higher in the Soviet Union than in developing countries. For example, the Soviet Union could cut the cost of acquiring oil by 40–45 per cent if it imported the resource from Iran, Iraq, and Algeria instead of producing it inside the USSR. As for gas, the Soviet Union could save up to 70 per cent of the procurement cost by importing it from Iran and Afghanistan. On the basis of such calculation, Ushakova made some concrete proposals: CMEA countries should create collective organizations for geological surveys in developing countries; they should organize collective associations to process a wide range of resources in developing countries; and they should create international organizations that would specialize in importing resources from developing countries.42 In fact, Ushakova’s idea was to create a socialist consortium for purchasing oil and other resources from developing countries.

Apparently, some staff of the Department for Relations with Socialist Countries of the CPSU Central Committee showed interest in this proposal. According to a handwritten memo by an unidentified employee, Ushakova should conduct further investigation aimed at encouraging collaboration with other socialist countries in the near future. Such resources as oil, gas, and phosphorus-containing materials were mentioned as possible targets of cooperation.43

The Nationalization of the IPC and the Reaction of the CMEA

The nationalization of the IPC in June 1972 offered the great opportunity for the CMEA cooperation that Soviet economists and specialists had been longing for. The Iraqis needed to find new customers after the nationalization of the IPC and asked the Soviet Union and CMEA countries to import as much Iraqi oil as possible. They even suggested that CMEA countries establish

a socialist consortium that would coordinate importation of Iraqi oil. However, CMEA countries were not able to swiftly coordinate their activities because of the bureaucratic handling within CMEA organizations. In the meantime, demands on the oil market would increase steadily, as the global oil crisis hit in, and Iraq would lose interest in a cooperation with the CMEA as a whole for importing its oil.

Before this, shortly after the nationalization of the IPC, the Soviets urged CMEA countries to import Iraqi oil. In June 1972, presumably on request from the Iraqi government, Kosygin proposed to Willi Stoph, chairman of the Council of Ministers of the GDR, that CMEA countries should coordinate the purchase of oil from Iraq. After negotiation with Baibakov, the East Germans grudgingly agreed to import Iraqi oil as a re-export from the Soviet Union. The East German government was not overtly pleased with Kosygin’s request. A report to the Politburo showed displeasure by stating that “the GDR accepted higher costs of transportation and problems of quality with this import.”

In addition to engaging in these bilateral talks, the Soviet economic organizations prompted CMEA coordination for importing Iraqi oil. On 5 July 1972, Arkhipov, in a report to the Council of Ministers of the USSR, proposed to establish a new international organization called “Interneft”, which could import oil from national oil companies of developing countries. Evidently, some high-ranking Soviet officials pushed the idea of creating a socialist consortium.

Indeed, at the 26th Plenum of the CMEA on 11 July 1972, Kosygin proposed a joint economic organization for importing oil from the Arab states. According to his calculation, although the Soviet Union would take all possible measures to increase the production of oil, it could not fully satisfy the demands of CMEA countries. Kosygin estimated that CMEA countries would have to import 100 million tons of oil every year by 1990. He insisted that CMEA countries should work out a programme to unite their efforts in the market of developing countries and allocate resources in five-year plans for this purpose. On the basis of this programme, CMEA countries could make agreements with oil-producing developing countries like Iraq, Syria, and Egypt and take measures to develop the local oil industries of these countries. Kosygin also argued that CMEA countries should find ways to unite their resources effectively and consider building joint organizations.

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44 “On oil supply of the Soviet Union to the GDR”, DY30/2958, Bl. 27–29, Stiftung Archiv der Parteien und Massenorganisationen der DDR im Bundesarchiv (SAPMO BArch), Berlin.
45 “Report by Arkhipov to Novikov”, 5 July 1972, f.365, op.9, d.966, II.120, RGAE, Moscow.
After Kosygin’s speech, prime ministers of CMEA countries discussed the issue of assisting Iraq by jointly importing its oil. According to the Soviet representative at the CMEA, Mikhail Lesechko, a prime minister expressed concern about the political repercussions of such a cooperation. “Will it not be politically dissonant”, he asked, “in the sense that capitalist monopoly goes and socialist [monopoly] comes in the form of bureau or trust”. A participant, presumably Kosygin, answered that Iraq “ardently recommended precisely such a form of cooperation with it for supply of oil to socialist countries”.47 Apparently, it was the Iraqis that initially urged CMEA countries to organize a socialist consortium for Iraqi oil.

Shortly after the Plenum, on 3 and 4 August, the chairmen of the State Planning Commissions and the deputy ministers of foreign trade of CMEA countries gathered in Moscow to discuss the issue. They agreed to consider establishing an Oil Bureau for the purchase and transport of oil from Iraq.48 Although the Oil Bureau would have far weaker competence than the consortium, it seemed that CMEA countries had found a way to solve the fuel problem and, at the same time, support the Iraqi quest for economic independence.

However, CMEA countries failed to swiftly establish this Oil Bureau because of the bureaucratic parallelism within CMEA. Several commissions had already examined a part of the question. For example, the Standing Commission for Oil and Gas Industry as well as the Standing Commission for Technical Assistance sought to coordinate CMEA countries’ activities concerning oil exploration and technical assistance to developing countries. At the 61st Session of the CMEA Executive Committee, in January 1973, the Polish representative proposed that the Standing Commission for Foreign Trade (SCFT) examine tangible measures for establishing a socialist consortium for import and transport of oil. The Bulgarian, Czechoslovak, and Romanian representatives were against it and proposed that the Standing Commission for Oil and Gas Industry establish projects concerning this issue.49 Lesechko could not conceal his frustration at the delay of the decision. “Although a very long time has passed”, he said, “this Bureau has not been organized and has not begun to work yet [...] . This Bureau must work.” At the same time, he stressed that “we should not allow that various organizations from CMEA countries would act in Iraq, Algeria, or

47 “Stenographic record of 62nd Executive Committee of CMEA”, 17–18 April 1973, f.561, op.59s, d.15, l.235, RGAE, Moscow.
48 “Report by Klopfer to Sölle”, 8 August 1972, DC20/19969, Bl. 9–14, Bundesarchiv (BArch), Berlin.
Syria.” Therefore, he recommended that the SCFT prepare for establishing the bureau. After discussions, the Executive Committee decided that the SCFT would work out concrete proposals for cooperation.

At the 62nd Session of the CMEA Executive Committee in April 1973, Nikolai Patolichev, Soviet minister of foreign trade, reported that the SCFT viewed it as a necessity to intensify negotiations with developing countries “on bilateral basis” in contrast to the position the Soviets held before. According to him, the Oil Bureau would be CMEA’s “internal organization” and would not participate in negotiations with third-party countries because these relations should be handled bilaterally. In other words, the Oil Bureau was supposed to be a forum where CMEA countries would exchange information about their oil import from developing countries and unify their positions. Through such measures, CMEA countries hoped that they would not be manipulated by oil-producing countries like Iraq.

Mieczysław Jagielski, the Polish representative at the Executive Committee, was not satisfied with such a weak cooperation. According to Jagielski, “we did not get close to solve the task […] of establishing a collective organization that embarks on acquiring oil from the Arab states.” Such a state was totally unacceptable for him, because, as he rightly predicted, “the energy crisis” was looming “in the near future”. According to Jagielski,

It is not easy to maintain competition. If we will act individually, without any doubt, we will pay a high price. Therefore, we think that the only solution that can bring benefits in economic and political sense is: to solve the problem of acquiring oil from third-party countries; for our countries to very closely cooperate in this matter. Of course, if the solution presented by Standing Commission for Foreign Trade totally satisfies other countries, the Polish side is ready to join them. However, we will remain conscious that [we] will most likely acquire oil alone with all negative consequences that arise from it.

While the Poles had not been interested in importing oil from developing countries at the end of 1960s (as shown above), by the middle of the 1970s they clearly had

53 “Stenographic record of the 62nd meeting of the Executive Committee”, 17–18 April 1973, f.561, op.59s, d.15, ll.221–226, RGAE, Moscow.
changed their position. Now Jagielski correctly grasped trends in the international oil market and demanded a more thorough coordination of CMEA countries. The Bulgarians also insisted that an organ for coordinating import and supply of oil should have “broader powers”.  

Lesechko, the Soviet representative at the CMEA, had to defend the proposal of the SCFT and Patolichev before the dissatisfied Poles and Bulgarians, while he himself might not have been totally satisfied with it. At one point, even he admitted that the SCFT’s “proposals are not as well conceived of in terms of its competence as [prime ministers of CMEA countries] talked about it”. According to him, prime ministers had mentioned that “this [international] organization can act on behalf of all [CMEA] countries in terms of capital investment...and supplies”. At the same time, he emphasized that “all organizational problems must be solved more quickly for the sake of timely securement of oil supply” because oil was in need. For him, inadequate but quick measures for policy coordination were better than losing more time in discussion. In the end, CMEA Executive Committee managed to approve the proposal of SCFT. Finally, CMEA countries could make a first step towards coordination concerning oil purchase in developing countries.

However, while CMEA countries had wasted time in coordinating their actions, the situation surrounding Iraqi oil changed dramatically. This was due to policies of the Organization of the Petroleum Exporting Countries (OPEC) and the West. Shortly after the nationalization of the IPC, OPEC declared its support for Iraqi action. Western European countries also accepted Baghdad’s decision and negotiated the purchase of the nationalized oil with the Iraqi government. Because the INOC succeeded in finding customers for its oil, the IPC headquarters, which were still operational, as they were located in London had no other way than to come to terms with the Iraqi government. On 1 March 1973, Baghdad reached an agreement with the IPC.

As the conflict with the IPC had ended and demand for Iraqi oil had increased, the Iraqi government did not have to rely on CMEA countries for exporting its oil. The Soviet Ministry of Foreign Trade quickly sensed Baghdad’s new attitudes and distanced itself from the idea of a socialist consortium for Iraqi oil.

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54 “Stenographic record of the 62nd meeting of the Executive Committee”, 17–18 April 1973, f.561, op.59s, d.15, ll.217–218, RGAE, Moscow.
55 “Stenographic record of the 62nd meeting of the Executive Committee”, 17–18 April 1973, f.561, op.59s, d.15, ll.230–237, RGAE, Moscow.
56 “Protocol of 62nd meeting of the Executive Committee”, April of 1973, f.561, op.59c, d.11, ll.23–24, RGAE, Moscow.
In fact, by September 1973, the Iraqis lost interest in exporting large amounts of oil to the Soviet Union and rejected a Soviet proposal for importing additional amounts of oil in 1973. They even suggested to cut the oil export to the Soviet Union in 1974.\textsuperscript{58} Furthermore, the Iraqis seemed to have turned against the CMEA policy coordination for purchasing their oil. In September 1973, representatives of CMEA trading companies commented that it became difficult for them to coordinate terms of contracts for the purchase of oil because oil exporters insisted that importers “unconditionally” accept their conditions.\textsuperscript{59}

Leonid Zorin, Soviet deputy representative at the SCFT, sent a proposal to CMEA countries, in which he was cautious about establishing an “international economic organization” that would operate in the oil sector of developing countries. According to Zorin, CMEA countries should examine their “political” influence on oil-producing developing countries.\textsuperscript{60}

As a result, CMEA countries faced the first oil crisis without any functional policy coordination. At the 67th Session of the CMEA Executive Committee, in April 1974, the Soviets and Eastern Europeans discussed the negative impact of the oil crisis. As Tano Tsolov, Bulgarian representative at the CMEA, pointed out, “as a result of regular oil supply to our countries from the Soviet Union, unfavorable results of the energy crisis were limited to a large degree.” Still, the negative impact of the oil crisis would have an influence on the Bulgarian economy. Therefore, to cope with the situation, Tsolov proposed to include the following condition in the draft protocol of the next CMEA Plenum: “Member countries of the CMEA will take more effective and coordinated actions in relation with the nonsocialist countries, which export oil and other resources”.\textsuperscript{61} Other representatives of the Eastern European countries agreed with Tsolov. Evidently, the oil crisis caused concern among representatives of CMEA countries over the oil import from developing countries. Now they were ready to coordinate their activities more closely.

The Soviet representative Lesechko criticized the “inconsistent behavior” of CMEA countries. Two years previously, in 1972, the protocol of the Plenum stipulated that the member countries should coordinate and act collectively to buy oil

\textsuperscript{58} “Report by Mordvinov to Lalayants”, 21 September 1973, f.365, op.9, d.1250, l.138, RGAE, Moscow.

\textsuperscript{59} “Protocol of the meeting of representatives of CMEA foreign trade companies on 21 September 1973”, DL2/16923, Bl. 6, BArch, Berlin.


\textsuperscript{61} “Stenographic record of the 67th Executive Committee”, 23 April 1974, f.561, op.60s, d.15, ll.12–13, RGAE, Moscow.
or exploit the market in Arab countries. “Regrettably”, he continued, “we have to admit as a fact that we haven’t done anything about this problem.” He further lamented,

Our Executive Committee gave up the binding decision of our heads of the governments. Of course, someone has done something. However, I want to say that if we will fight in the fuel-energy crisis in such ways and forms also in the future, we will have nothing to put not only in the power station [but also] in the furnace. […] We need to coordinate [activities] better because we have never coordinated, and if we coordinated, then very ineffectively.62

Lesechko was right. However, the Iraqis clearly lost interest in the idea of dealing with a socialist consortium. At the second CMEA Oil Bureau meeting, in October 1973, Bulgaria, Poland, and Romania insisted on establishing an international economic organization for the purchase of oil from developing countries as well as for the export of industrial goods to these countries. Again, we see that some CMEA countries shifted their strategies because of changing external factors, namely the international oil market. Even Romania seemed to have changed its position: from acting on their own accord to being promoters of a common policy on oil purchases. However, by then, Ivan Grishin, the Soviet deputy minister of foreign trade, argued against such an organization. According to him, in a conversation with Patolichev, the Iraqis had complained about CMEA’s plan for an organization that aimed at coordinating CMEA countries for oil. Other CMEA countries also believed that such an organization would cause developing countries to react negatively.63 In the end, the Oil Bureau could not resolve differences between proponents and opponents of an international economic organization for oil. As a result, the 3rd meeting of the Oil Bureau in February of 1974 decided to postpone discussing the issue until the situation of the oil market would be suitable for it.64

At the same time, it became difficult for CMEA countries to coordinate their exports and technical assistance to Iraq. After the successful nationalization of the IPC, Western companies from France, West Germany, and Japan grasped this new opportunity and began to intensify their economic activities in Iraq. Now, to get better terms of contracts for large investment projects, the Iraqis often put

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62 “Stenographic record of the 67th Executive Committee”, 23 April 1974, f.561, op.60s, d.15, ll.28–31, RGAE, Moscow.
various projects out to international tender, even when they were originally part of Soviet-Iraqi economic agreements. For example, they put the construction of the Akashat phosphate-processing factory out to international tender although it was part of the Soviet-Iraqi agreement of 1971. In November 1974, in a conversation with Sa’dun Hammadi, Iraqi minister of oil, Skachkov, chairman of the GKES, criticized this “unfounded declaration of tender” as well as “unfounded requests of Iraqi organizations for a reduction of prices” for construction of the Mosul oil-processing factory. “The policy of declaring tender”, Hammadi replied, “is explained by the effort to develop the economy in short period on the basis of competition, namely a high technical standard, a short period, and a standard of world prices”.65

In this fierce competition with Western companies for contracts, the Soviets were clearly the loser. In a report to the GKES, I.E. Khotsialov, economic adviser in the Soviet embassy in Baghdad, admitted that competing with Western companies was “extremely difficult”. According to him,

These [Western] countries [...] almost totally satisfy requests from the Iraqi side in terms not only of periods and technical demands [...] but also of prices of proposals, and therefore, [they] are in a privileged position and competing with them is extremely difficult. [...] It should be noted that Soviet organizations act in the Iraqi market without taking stated factors into consideration, they do not show necessary flexibility, and therefore they are often unsuccessful.66

Although the GKES and economic advisers repeatedly urged Soviet economic ministries and enterprises responsible for production and transportation of goods and construction of facilities on the ground to improve their activities in Iraq, they remained largely unsuccessful.67

The other CMEA countries faced a similar situation. In various CMEA Standing Commissions they tried to coordinate their economic activities in Iraq, but they achieved only limited results due to a general lack of efficiency in the CMEA and due to Iraqi policies. For example, in July 1975, the CMEA and Iraq signed an agreement for economic, scientific, and technological cooperation. However, the results were disappointing for CMEA countries. In December 1977, trade representatives and economic advisers of CMEA countries in Iraq discussed the problem of CMEA

65 “Short memorandum of conversation between Skachkov and Hammadi”, 2 November 1974, f.365, op.9, d.1627, ll.40–41, RGAE, Moscow.
66 “Report by Khotsialov to Sergeev and Skripkin”, f.365, op.9, d.1625, ll.4–5, RGAE, Moscow.
67 “Stenographic record of the meeting of economic advisers in foreign countries”, 21 May 1980, f.365, op.9, d.2889, ll.18–19, RGAE, Moscow.
cooperation. Botev, the Bulgarian trade representative in Iraq, pointed out that the CMEA could not realize any tangible objects although it had signed the cooperation agreement two years before. He proposed to establish a joint organization in Iraq “that would swiftly solve problems of developing cooperation with Iraq”. Other representatives also criticized the lack of CMEA cooperation. Fedorov, the Soviet trade representative in Iraq, lamented that “some socialist countries” were trying to “go away from coordination of activities”. Dobrovolsky, the Polish trade representative in Iraq, requested to establish a “consortium of socialist countries under the direction of CMEA”.

However, in many cases, CMEA countries ended up negotiating bilaterally with Iraq because the Iraqis preferred to bring bidders into competition. As the Czechoslovakian trade representative pointed out in the 1977 meeting of economic advisers, deadlines for bidding were usually short. Thus CMEA countries did not have enough time to coordinate their activities. Furthermore, many organizations acted in a bureaucratic fashion. In the case of the Akashat phosphate-processing factory, Baghdad invited the Poles to the international tender. As this object was too large for the Poles to construct by themselves, in July 1974 the Poles asked the Soviet foreign trade firm for industrial facilities (Tekhnoexport), which was subordinated to the GKES, to cooperate with them. However, V.F. Zinin, its chairman, answered in a typically bureaucratic fashion: “This object does not belong to the competence of All-Union Trust ‘Tekhnoexport’.” It is not clear whether the Poles could get a more positive answer from other Soviet organizations, but they eventually decided to cooperate with a Belgian company, Siebert, and won the tender – on a project, which originally had been part of the Soviet-Iraqi agreement for scientific-technical cooperation.

As these examples show, the Soviet attempt to coordinate the policies of the CMEA in Iraq and other oil-producing countries failed because of the increasing competition in the Iraqi market, changes in the position of the Iraqi and accordingly Soviet foreign trade officials, and general dysfunctionality of the CMEA. In

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68 First names of Botev, Fedorov, and Dobrovolsky are not written in the document.
69 “Talk of economic advisers and trade representatives of CMEA countries in Iraq”, 6 December 1977, f.365, op.9, d.2372, ll.100–108, RGAE, Moscow.
70 Talk of economic advisers and trade representatives of CMEA countries in Iraq”, 6 December 1977, f.365, op.9, d.2372, l.104, RGAE, Moscow.
71 “Memorandum of conversation between Zinin and Dobrovolsky”, 25 July 1974, f.365, op.9, d.1629, ll.41–42, RGAE, Moscow.
72 “Report of the apparat of the economic adviser in the Soviet embassy in Iraq”, f.365, op.9, d.1906, p. 8, RGAE, Moscow.
the end, Moscow did not dispose of any means to impose its economic interests, neither on Third World oil exporters nor on its CMEA fellow countries.

**East German Response to the CMEA Cooperation**

Policy-makers of CMEA countries understood the problem of CMEA cooperation all too well. Still, these countries needed to import oil from the Middle East. Among them, East Germany especially needed Middle Eastern oil because they had one of the most advanced chemical industries in the CMEA with the most urgent demand for oil. So, what was the actual East German policy vis-à-vis Iraq? This final section focuses on the East German side of the story. The East German policy-makers, who viewed multilateral cooperation within CMEA as ineffective, tended to act alone or cooperate bilaterally with other CMEA countries, especially with the Soviet Union.

By the second half of the 1960s, the East Germans realized that the Soviets were not ready for selling them as much oil as they needed. Therefore, they concluded that their demand could only be met through the import of oil from Arab countries. An East German internal report from 1966 estimated how much oil East Germany would need as well as how much the Soviet Union would supply. The report indicated that approximately 10.5 million tons of oil (42.3 per cent of total oil demand) should be imported from capitalist and developing countries by 1980.73

Faced with the urgent need to secure oil, the East German government examined cooperation with other Eastern European countries in acquiring oil from the Arab countries. On 23 November 1966, the Presidium of the Council of Ministers of the GDR decided to found a working group that would consist of specialists from the State Planning Commission, the Ministry of Foreign and Intra-German Trade, and some industrial ministries. According to the decision, the working group would study the possibility of importing oil from Arab countries; consider the potential for cooperation with socialist countries, especially Yugoslavia, in acquiring oil; and examine ways to acquire necessary hard currency through the export of East German industrial commodities.74

The East Germans looked for cooperation with Yugoslavia, presumably because the Yugoslavians had experience in negotiating with the Arab countries.

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74 “Concept on the working group”, DC20/I-4/1460, Bl. 2, 45–54, BArch, Berlin.
However, as the working group tackled these challenges, the East German embassy in Yugoslavia submitted a pessimistic report about the possibility of cooperation with Yugoslavia. The Yugoslavians told the East Germans that the purchase of oil in this region was not easy because the Arabian oil business was controlled by international oil companies. Moreover, Yugoslavia, as a self-proclaimed non-aligned country, had no interest in risking conflict with these states by importing oil. Therefore, the first report of the East German working group, submitted to the Presidium of the Council of Ministers in March 1967, concluded that prospect of economic cooperation with Yugoslavia to import oil from Arab countries was not good. As a result, the East Germans needed to establish bilateral relations with oil-producing countries.

As for the partner to purchase oil from, the working group considered Egypt to be suitable. Iraq also took a “priority place” as a possible oil-exporting country for the GDR. However, the working group considered Iraq to be the second-best oil prospect for the GDR because the INOC would likely not be able to export oil until 1970.

Actual East German imports of oil took place as the report had recommended. As Table 1 shows, imports from Egypt increased sharply in 1969 and 1970, but when the North Rumaila oil field began its operation in 1972, Iraq replaced Egypt as the second-biggest oil supplier to the GDR after the Soviet Union.

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Table 1: East German import of oil (by 1,000 ton) from Egypt and Iraq.


75 “Information of the Embassy of the GDR in Yugoslavia”, DC20/10325, Bl. 8–14, BArch, Berlin.
76 “Report by Weiss about the possible oil import from Arab countries”, DC20/1-4/1514, Bl. 119, BArch, Berlin.
77 “Report by Weiss about the possible oil import from Arab countries”, DC20/1-4/1514, Bl. 108–110, 119, BArch, Berlin.
At the same time that the East Germans wanted to import Iraqi oil, the Iraqi government showed interest in gaining economic assistance from East Germany. For example, after the conversation with Sa’dun Hammadi, president of the INOC, in December 1969, Hans-Jürgen Weitz, East German ambassador to Iraq, reported that the Iraqi government was interested in cooperating with the GDR in the oil branch. The East German government also needed to increase technical assistance as well as export to Iraq in exchange for future supply of oil. As a result, as Table 2 shows, East German export to Iraq increased continually.

Table 2: The GDR’s balance of trade (by million Valuta mark) with Iraq.

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<td>1.4</td>
<td>21.4</td>
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However, such a period of mutual interests in economic relations did not last long. When the Iraqi government nationalized the IPC, a first sign of divergence between the two countries appeared. Shortly after the nationalization of the IPC, the East German government considered helping the Iraqi government by importing additional Iraqi oil. However, economic benefits took priority over the political slogan of anti-imperialism. On 3 June 1972, Alexander Schalck-Golodkowski, deputy minister of foreign trade, pointed out that the total shift in the concept of oil imports would not be economically beneficial to the GDR. The GDR had already signed a contract with BP to buy 0.97 million tons of oil every year from 1973 to 1975. Cancellation of this contract for the sake of importing additional Iraqi oil would cost the GDR 63 million Valuta mark (VM), as the price agreed with BP was highly favourable for the GDR. Moreover, cancelling the contract with BP would cause the GDR incalculable damage in the capitalist market. The total effects of the economic damage would surpass VM 63 million

78 “Memorandum of conversation between Weitz and Hamadi”, 22 December 1969, DC20/11563, Bl. 10–11, BArch, Berlin.
by several times.\textsuperscript{79} Although Gerhard Weiss, the East German representative at the CMEA, understood that cooperation with BP could hurt relations with Iraq, he accepted Schalck’s analysis and wrote to Prime Minister Willi Stoph that “\textit{additional effective support [original emphasis] for the Republic of Iraq} would “\textit{not be possible until 1975 [original emphasis]}, as the GDR had already agreed to purchase oil from BP.\textsuperscript{80}

Then came the oil price shock in the fall of 1973, which fundamentally changed the situation surrounding the GDR’s oil diplomacy in the Middle East. As Table 2 shows, the GDR enjoyed a trade surplus with Iraq every year until 1973, but the skyrocketing price of oil changed the trade balance. Suddenly, the GDR developed a trade deficit with Iraq. East German policy-makers, nonetheless, found it necessary to increase oil imports from Arab countries and further develop relations with them. Therefore, in a 1975 agreement with Iraq, East Germany agreed to increase oil imports from 2 million tons in 1975 to 4 million tons in 1980.\textsuperscript{81}

However, as Table 1 shows above, East Germany could never fulfil this agreement because the oil price at the world market was too high. To deal with this new situation, the GDR government introduced measures to reduce oil consumption, which enabled it to cut imports from the non-socialist world.\textsuperscript{82} The Iraqis were bitter about the East German non-fulfillment of the agreement. In February 1978, Saddam Hussein wrote a letter to Stoph and demanded that the GDR fulfill its import obligation.\textsuperscript{83} However, according to the new East German plan, which was approved at the Presidium of Council of Ministers in November 1978, East Germany would need only between 1.05 and 1.25 million tons of oil from the non-socialist world. If the GDR would import oil above these planned amounts, the surplus should be exported in order to obtain hard currency. In the face of mounting hard currency debts, the East Germans decided to abandon the 1975 agreement with Iraq.\textsuperscript{84} East Germany increasingly viewed trade with Iraq and other developing countries as a means to gain hard currency by exporting machines instead of using oil from these countries as energy resources.

\textsuperscript{81} “Information on the oil import of the GDR from Iraq”, DEI/58665, Bl. 1, BArch, Berlin.
\textsuperscript{82} Ibid.
\textsuperscript{83} “Concept for forming trade and economic relations of the GDR with Iraq Republic up to 1985”, DC20/I-4/4071, Bl. 8, BArch, Berlin.
\textsuperscript{84} “Proposals for realizing oil import of the GDR from the nonsocialist world in 1979 and 1980”, DC20/I-4/4217, Bl. 16–18, BArch, Berlin.
At the same time, although the East Germans continued to show interest in CMEA cooperation, in their practical activities they opted to act alone or cooperate with CMEA countries bilaterally, and avoided multilateral cooperation within the CMEA. In fact, already in December 1973, a report approved by the Presidium of the Council of Ministers of the GDR stated that the GDR should coordinate all Iraqi oil exploration activities with the Soviet Union. “Besides”, the report continued, “collective action of multiple interested CMEA countries is possible”. However, according to the report, “such an act is regarded as lengthy and complicated, as, besides negotiations with Iraq, the condition of the cooperation between the interested CMEA countries must be coordinated and agreed”.85 The Presidium decided to cooperate with the Soviet Union, but there was no mention about the other CMEA countries.86

In fact, while the East German government continued to show interest in CMEA cooperation for concrete deals, they preferred bilateral cooperation with individual CMEA countries in constructing industrial and other objects in Iraq. For example, in September 1974, a proposal submitted to the Politburo of the SED requested that CMEA’s connections with Iraq, Algeria, and South Yemen be actively developed and “the creation of relations on the basis of the division of labor be carefully examined”.87 However, as the East German trade representative pointed out in 1977, East German cooperation with CMEA countries had been undertaken on a bilateral basis.88 In the end, the East Germans acted in the Iraqi market largely by themselves at a time when the oil price jumped and competition over contracts with Iraq became fierce.

**Conclusion**

By examining the process of CMEA cooperation with regard to the question of Iraqi oil, this chapter has demonstrated how limited the Soviet power was in coordinating activities of member countries. This was largely due to three interrelated factors: time-consuming negotiations within the CMEA; the influence of the global economic context, namely the oil crisis; and, most crucially, the

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85 “Information on the oil import from Arab countries”, DC20/I-4/2945, p. 130, BArch, Berlin.
87 “Concept for the long-time development of relations of the GDR with Iraq, Syria, Algeria, Yemen and Somalia”, DY30/J IV 2/2/1525, pp. 66, SAPMO BArch, Berlin.
influence of the Iraqi government on the extent and direction of CMEA coordination. In the case of the socialist consortium, the difference of positions between CMEA member countries widened as a result of shifting external factors, namely the international market and the Iraqi position. After 1973, sensing Iraqi disinterest in the CMEA policy coordination for oil, the Soviet Ministry of Foreign Trade swiftly discarded the idea of socialist consortium. While some countries agreed with the Soviet foreign trade officials, others vigorously backed the idea of CMEA cooperation for Iraqi oil promoted initially by the Soviets themselves. In this way, the CMEA functioned as a “platform of negotiation” between various actors within and outside the socialist world. Unexpectedly, it was the Iraqis that succeeded in influencing the discussion within this platform through bilateral negotiations with Soviet and Eastern European actors. In this sense, the CMEA became a “space of interaction” remotely influenced by the Iraqis.

The East Germans were clearly aware of the limit of CMEA cooperation for importing Iraqi oil. After the oil price shock, they decided to act alone in the Iraqi oil market. In doing so, they obeyed the logics of the market economy despite their allegedly anti-imperialist solidarity with developing countries. At one point, they even preferred to cooperate with BP, symbol of the “imperialist exploitation”, instead of assisting the Iraqi government by increasing oil import from the country. Furthermore, as the East German hard currency debt increased dramatically during the 1970s, the GDR government changed its policy priority in economic relations with Iraq: now acquiring hard currency became an overriding goal. Such a change of policy was possible partly due to the import of oil and gas from the Soviet Union. In the end, the East Germans did not have to adhere either to the CMEA cooperation or to a bilateral agreement concerning Iraqi oil as long as the Soviet Union behaved as a far more reliable and convenient supplier of oil. The Soviet economic bureaucracy undermined their own goals.
Introduction

When Zanzibar achieved independence from Great Britain in December 1963, political tensions were rife. The revolution, which took place just one month later, turned this archipelago off the East African coast from a backwater of the British Empire into a “small stage for global conflicts”, including the Sino-Soviet split and the rivalry between the two German states. The British had governed Zanzibar – comprising the isles of Unguja and Pemba – as a protectorate since 1890. The British protectorate preserved the Omani sultanate that had moved its seat of power from Muscat to Zanzibar in 1840 and overseen the transformation of the islands into a centre of the international spice trade, a development based on the introduction of a plantation economy and the exploitation of African slave labour in the course of the nineteenth century. With the 1963 departure of the British, power was bequeathed to a government that was willing to leave intact the Omani sultanate under a constitutional monarchy. African nationalist politicians complained that this was no real independence, but “uhuru wa waarabu tu” (independence for Arabs only), and voiced concerns about a return to Arab colonial rule.

The revolution transformed Zanzibar into a space of interactions with the socialist world. The new government invited aid and advisers from Eastern Europe and China. Navigating the Sino-Soviet split, it integrated the islands

Note: This chapter is based on my PhD dissertation in which I investigate the circulation and interactions of development professionals between Tanzania and the two German states. Research has been funded by the Austrian Fund for Sciences within the framework of the research project “Personal cooperation in 'development aid' and 'socialist aid' in the context of system competition” (project number P-25949-G16).

https://doi.org/10.1515/9783110646030-004
into new economic circuits and brought a new set of modernizing visions to bear. Towards the end of the decade, however, socialist cooperation – and competition – had not made Zanzibar a more open place; rather, it bolstered the regime’s isolationist politics. East German advisers witnessed the marginalization of their Marxist Zanzibari counterparts and the eventual break in friendly relations. Nevertheless, their visions had made an impact, bringing this part of East Africa from global economic margins of the British Empire into intense exchanges with socialist states.

Following independence, several factions in Zanzibar had been plotting a coup. On 11 and 12 January 1964, a group made up mainly of fairly recent immigrants from the African mainland, mostly members of the youth wing of the Afro-Shirazi Party (ASP) and recently sacked policemen, toppled the Omani oligarchy and the government. The overthrow unleashed a wave of terror targeting persons of Arab origin and political opponents from the Zanzibar Nationalist Party (ZNP) that had been part of the government coalition. The tumultuous events ushered in a regime in need of allies to achieve diplomatic recognition and sovereignty in the Cold War world. As Western countries were suspiciously hesitating, the new regime reached out to the readily responding socialist camp. This speedy forging of new alliances was facilitated by a small, but influential number of cosmopolitan and widely travelled Zanzibari Marxists, some of whom had worked in London, studied in Moscow and China, or trained in Cuba. Together with African nationalists, these “comrades” wrestled control of the state and subsequently turned the archipelago off the East African coast into a crossing point of socialist solidarities and rivalries. Following China, Cuba, and the Soviet Union, East Germany was among the first countries beyond the African continent to provide a degree of international legitimacy to the revolutionary regime.

For the German Democratic Republic (GDR), establishing cordial relations with countries beyond the socialist camp and securing a hold in Africa was of utmost importance in order to overcome its own diplomatic isolation. As Abdulrahman Mohamed Babu – the most influential among the comrades and then responsible minister of foreign affairs – proudly wrote in retrospect, Zanzibar was the first African country to recognize East Germany “while the other African governments allowed themselves to be terrorised by the so-called Hallstein

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Doctrine which was imposed by the West German government”. Yet Bonn’s Hallstein Doctrine also had an impact on Zanzibar. In a hasty arrangement in April 1964, Zanzibar united with Tanganyika to form the United Republic of Tanzania. Legally, the union was an awkward construction, with the treaty stipulating that Zanzibar was a semi-autonomous territory while defence, customs, several kinds of taxation, foreign trade and borrowing, as well as external affairs were to be controlled by the newly formed union government. The Zanzibari government, however, de facto retained a large degree of sovereignty even in union matters, including foreign relations, because the fragile union could only last if the mainland limited its interventions in Zanzibar’s affairs. Zanzibar’s government thus continued to have sufficient leverage to keep East Germany close despite West German pressure on the union government (and even withdrew all military aid in a punitive strike).

For the GDR, the cooperation with Zanzibar would become the first large-scale undertaking in Africa, as even other states with socialist-minded leaders – like Guinea, Mali, and Algeria – had shunned entering a closer alliance for fear of falling out with Bonn, a highly powerful donor and trade partner that could also act as a counterweight to the former colonial power. Now it was the GDR’s turn to prove that it was a reliable partner in global socialist development and revolutionary efforts. Between 1964 and 1970, East Germany was second only to China in terms of disbursing aid, establishing industries, providing equipment, and sending personnel. The Soviet Union was present in the country with military advisers and secondary school teachers but kept a low profile, probably to avoid an escalation of Cold War politicking and an anti-communist backlash in East Africa. Zanzibar’s relations to other Eastern bloc countries were less intense.

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6 Among many accounts of the union, the most detailed discussion is I.G. Shivji, Pan-Africanism or Pragmatism? Lessons of the Tanganyika-Zanzibar Union, Dar es Salaam: Mkuki na Nyota, 2008.


8 I have not come across evidence for a substantial involvement of other Eastern European states. In addition to 700 Chinese, 50 Soviets, and 200 East Germans present in Zanzibar in the late 1960s, there were also few Cuban and Bulgarian doctors (E.B. Martin, Zanzibar: Tradition and Revolution, London: Hamilton, 1978, p. 60).
East Germany shared Moscow’s hopes that Zanzibar would be a revolutionary bridgehead for the whole region. In the GDR’s leading circles, much against official proclamations of respecting the sovereignty of the “young” nation-states, some supposedly even dreamed of planning and managing Zanzibar in the style of a GDR colony. In practice, however, whatever colonial fantasies may have existed had little space to unfold. For political reasons, the GDR trod carefully and shied away from taking responsibility for the government policies of a post-colonial state. Superiors in East Berlin warned the East German advisers in Zanzibar that they should under no circumstances assume executive leading positions lest East Germany be held responsible. Whenever advisers were pushed by their Zanzibari counterparts to fill executive posts or to head a newly established commission, the consulate or superiors in East Berlin would strictly demand to leave such positions to Zanzibaris for them to gain experience and avoid both dependency in terms of expertise and responsibility in case of failures.

Although both Zanzibar’s new leaders and East German officials imagined Zanzibar as a laboratory and showcase of modernity, the East German Zanzibari relationship was built on shifting sands, partly because there were conflicting visions of modernity and socialism not only between East Germans and Zanzibaris but also among compatriots. As a result of diverging visions, domestic political rivalries, and economic failures, bilateral relations quickly deteriorated from a state of post-revolutionary honeymoon harmony in which Zanzibar’s political leader Abeid Amani Karume occasionally described East Germany (and the Soviet Union) as Zanzibar’s “best friend” to the point where he blamed foreign advisers – referring to experts from the GDR – for having ruined Zanzibar’s economy in 1970, when China had become Zanzibar’s proclaimed “best friend”.

This chapter investigates this shift from the perspectives of actors directly involved in the making and unmaking of these East-South entanglements, focusing on encounters of Zanzibari politicians and East German advisers in the formulation of economic policies. The space of interaction under scrutiny is the set of transforming or emerging government institutions of Zanzibar concerned with matters of banking, planning, industrialization, and trade. Zooming in on how several actors competed for influence and tried to further specific interests

9 Interview #29, East German interpreter in a “Friendship Brigade” stationed in Zanzibar.
11 Clayton, Zanzibar Revolution, p. 149.
in this space of high politics facilitates a micro-historical view of relevant discourses and how room for manoeuvre expanded and contracted.

The research is based on East German archival materials, mostly reports of diplomats and experts to East Berlin as well as oral history materials and memoirs. By examining and contextualizing the interactions of East German advisers with Zanzibari politicians, this chapter shows that the divergent visions of modernity were first concealed but came to the fore as a result of power shifts in Zanzibar’s political landscape and East German failures to provide efficacious aid. In the end, the different motives behind the partnership proved irreconcilable: while East Germany sought a political alliance based on a shared commitment to socialism and the Soviet camp, Karume was pursuing a vision of autarky that dovetailed Chinese concepts of self-sufficiency.

The first part of this chapter details the shared objective of economic decolonization, while the second part discusses how differing conceptions of race and class as well as the GDR’s failures to perform according to Zanzibar’s expectations shook the foundations of bilateral cooperation. The third part demonstrates how Karume’s deep-seated distrust of technocratic expertise and educated cadres signalled the split with the GDR. The conclusion discusses what might be inferred from the interactions within Zanzibari government institutions regarding East-South relations and competing socialisms. Against an interpretation of the events through the ideological rivalry in the wake of the Sino-Soviet split, this chapter foregrounds the agency of Zanzibari politicians, regional power dynamics, and external patrons’ performance in the economic sphere.

**Shared Visions: Decolonizing the Economy**

While most countries in North and West Africa obtained their independence in the late 1950s and early 1960s, the nationalist movements of East Africa were gaining momentum and started building up support networks in the Cold War world that opened up new avenues for post-colonial politics. After the overthrow of the Omani sultanate and the elected government in Zanzibar, three groups,

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12 Unfortunately, there is “a near total lacuna” in the Zanzibar National Archives for the Karume period (1964–1972), as is regretfully noted by G. Roberts, “Politics, decolonisation, and the Cold War in Dar es Salaam c. 1965–72”, PhD dissertation, University of Warwick, 2016, p. 26. It remains a methodological challenge to balance perspectives on such an asymmetrical foundation of sources.
with their respective leaders and different visions, were influential in shaping revolutionary Zanzibar’s trajectory. There were, first, African nationalists led by Karume, who was the widely popular, though not unrivalled, leader of the Afro-Shirazi Party. The ASP’s outlook centred around a racial agenda of liberating Africans, which was seen as reformist and fairly conservative by external observers. The second group comprised revolutionary leftists with a cosmopolitan attitude who had gathered first in the ZNP and then in Abdulrahman Mohamed Babu’s Umma Party (Kiswahili for “the masses”), founded in July 1963. When the Umma Party was absorbed into the ASP in March 1964, shortly after the revolution, Babu and his followers represented the ASP’s “new” left wing, with a Sinophile orientation and a perspective inspired by Marxist class analysis. The third group, the ASP’s “old” left wing, was made up of Marxists like Abdullah Kassim Hanga and Abdul Aziz Twala, who had studied in the Soviet Union prior to independence.13

While the most influential left-wingers Babu and Hanga had to leave Zanzibar to take up posts in the mainland government, Twala retained an influential position as minister of finance. He had credentials as an active member of the trade union movement, took pride in his training in Moscow, which he had finalized before Zanzibar’s political independence in 1963, and became a central contact to East Germany.14 Likening Zanzibar’s revolution to the October Revolution, Twala wanted to shape the Zanzibar constitution according to the Soviet model.15 This was a marked contrast to other leftist Zanzibaris, who saw China as a more suitable model for Zanzibar and spread the “Sinophile gospel”, though this did not imply antipathies towards the Soviet camp.16 The policies of the new regime, including the expropriation of Arab and South Asian clove and coconut plantation owners and the introduction of free education and health care, were infused with socialist ideals and mainly shaped by the revolutionaries Babu, Hanga, and Twala. Such measures and the redistribution of land17 demonstrate that leftist policies and

15 Burgess, *Socialist Diaspora*, p. 278.
16 Ibid., p. 284.
17 Land reform was implemented, but it was done relatively late – only 18 months after its first announcement in March 1964 – and highly uneven. Following complaints about mismanagement and corruption, it was stopped in 1968, after 28 per cent of Unguja’s and 9 per cent of Pemba’s arable land had been redistributed. No serious efforts were made to collectivize (L. Wimmelbücker, “Zur Entwicklung der Beziehungen zwischen der DDR und Sansibar in den
Karume’s agenda of inverting racial hierarchies merged into each other.\textsuperscript{18} Additionally, socialist thought, previously embraced only by a minority of educated and often widely travelled urbanites, was to be spread throughout the education system. In 1965, the school subject of religion was replaced with politics (\textit{siasa}) so that secondary school students would be familiarized with the works of Marx, Lenin, and Mao rather than the teachings of the Koran, though this must have been hampered by the fact there were few teachers educated in socialist theories.\textsuperscript{19}

The new leaders also requested economic and financial expertise from socialist countries. Two months after the overthrow of the ancien régime, the senior financial administrator Martin Gentsch arrived in Zanzibar on Minister of Finance Twala’s request to advise and replace the British principal secretary who was just being discharged from his duties.\textsuperscript{20} Twala and Gentsch got along well immediately. Twala had his counterpart move into the house next to his own to facilitate a constant exchange of thoughts even after office hours. He also authorized Gentsch to act as a quasi-principal secretary and give instructions whenever he as the minister was absent.\textsuperscript{21} The relationship also opened up possibilities for empirical learning about post-colonial challenges and strategies for East Germany. As Twala was a cabinet member, East Germany gained glimpses into policy papers and recent developments in the highest (and basically only significant) decision-making body of post-revolutionary Zanzibar, the Revolutionary Council. Gentsch, whose departure had been hastily arranged, first had to learn the ropes of capitalist financial circuits as well as mechanisms of economic dependence and flows between (ex-)colony and metropole. There was, as yet, hardly any expertise he could draw on. The GDR’s first institutions specializing on economic issues of “developing countries” (\textit{Entwicklungsländer})

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\textsuperscript{20} Gentsch, “2. Bericht”, 11 April 1964, DN 1/15578, BArch, Berlin. The filed reports contain almost no information on the biographies of East German advisers and their personal files are still with the contemporary Federal Republic’s Ministry of Finance.

\textsuperscript{21} Ibid.
\end{flushleft}
were just beginning to operate. Fostering learning processes at home, Gentsch sent dozens of confidential documents from Zanzibar’s Ministry of Finance to East Berlin and later wrote his PhD thesis about the topic of decolonization on the basis of material collected in Zanzibar.

Twala and Gentsch agreed that their main task was to decolonize the economy, although Twala’s more radical stand seems to have carried the day in many instances, while some of Gentsch’s initial opinions seemingly had not been unlike those of his British predecessor. In his reports to East Berlin, Gentsch rarely indicated which ideas were his or which had come from Twala or other administrators and advisers (e.g. the Chinese). Usually, he framed the reforms as a clear transition from colonial to socialist administration. Furthermore, as upon his arrival he had found Zanzibar in a state of “total dependency”, he fully identified with the objective of “reducing and overcoming the dependency from imperialism through the strengthening of the country’s political and economic power”.

In concrete terms, decolonization boiled down to reforming domestic policies as well as liberating Zanzibar’s economy from British influence. Twala and Gentsch swiftly abolished privileges for government administrators (a move that directly reduced state expenditures by a staggering 10 per cent) and introduced new tax and customs regulations, which mainly targeted the “Indian bourgeoisie”, as Gentsch observed. In a bid to avoid further borrowing and public debt, they put an end to the local government’s deficit spending, which had become the norm prior to independence (with the deficit amounting to 20 to 30 per cent of the annual budget), and introduced the principle that there should always be a surplus in the annual budget. The strategy was to unlink Zanzibar from the

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23 During the handover, Gentsch and the British Permanent Secretary for Finance H. Hawker found that they agreed in many instances. Therefore, according to the revolution’s historian Clayton, “Gentsch asked him [Hawker] not to pass his ideas on to Twala […] as Twala would attempt the opposite to anything proposed by Hawker” (Clayton, Zanzibar Revolution, p. 111).


capitalist sphere of economic circulations by turning, at least temporarily, to states of the socialist camp and the Global South.

In the years after the revolution – and that is a striking contrast to almost all other African states – loans were only taken from socialist countries. As far as trade was concerned, the Soviet Union became a substantial importer of cloves, Zanzibar’s main export, while China began exporting consumer goods like shirts, cameras, batteries, and fountain pens to Zanzibar.26 Exports to East Germany remained insignificant for political reasons. The Tanzanian central government feared that signing a trade agreement with the GDR would intensify tensions with West Germany once more. A separate trade agreement with Zanzibar was ruled out because this would have fuelled allegations that the GDR wanted to undermine the union.27 But this by no means curbed the reorientation of financial relations. The new government disposed of most of its shares and bonds in Great Britain and stopped placing, in all areas in which it was possible, any more orders with Crown Agents London, the British trade agency for colonies and other dependent territories.

Some of these changes meant that Zanzibar’s access to capital and markets was reduced and thus were opportunities to build up the economic base that Marxist-Leninist theory considered necessary for progress. Development, in this sense, needed capital and advanced technology that could, if need be, also be imported from the West. In any case, the existing economy, mainly based on subsistence agriculture and clove exports, was deemed backward and a far cry from the stage of economic advancement necessary for social advancement. Zanzibar’s focus on “socialism” and “decolonization” was thus seen as premature by government leaders in East Germany. During his 1965/66 Christmas vacation in East Germany, Gentsch was briefed by the GDR’s minister of finance on the way forward. Gentsch reported about the steps that had been taken so far and emphasized that given Zanzibar’s proclamation of a socialist path, GDR advisers only needed to bring forward suggestions that would be instrumental to foster socialist development. Minister Willy Rumpf curbed the enthusiasm of Gentsch, whom he apparently saw as a somewhat starry-eyed believer in Zanzibar’s “socialism”. The socialist path in “liberated states”, Rumpf lectured Gentsch, would be very much guided by the primary task of economic liberation, in which “for the time being, many economic measures will not go beyond the framework of progressive bourgeois states.”28 This explains why East

German advisers did not discourage trade with the capitalist sphere, being aware of the limits of integrating Zanzibar’s economy into Eastern bloc circuits.

A structural problem as far as bilateral trade was concerned was that Zanzibar lacked foreign exchange and East Germany had limited demand for cloves. To solve that problem, Babu devised a creative triangle scheme of East-South economic relations. He went to Indonesia, the main purchaser of Zanzibari cloves, to establish a triangular trade pattern in which Indonesia’s payments for cloves would finance East German machinery imports to Zanzibar. The arrangement would have turned Zanzibar into an initiator and nodal point of a new kind of trade relations under the auspices of socialist globalization. Nevertheless, Babu’s efforts became undone in April 1964 through the union of Zanzibar with Tanganyika, which was sealed between Karume and Tanganyika’s president Julius Nyerere while Babu was absent.29

This coup diplomatique served both presidents and consolidated the sovereignty of their constituencies. Nyerere had become suspicious of communist influence in the islands. In Western countries, Zanzibar had gained a reputation as an “African Cuba” due to both its ties to the socialist camp and the presence of revolutionaries in Fidel Castro-style attire who roamed the streets shouting the well-known slogans “Venceremos!” (We will prevail!) and “Patria o muerte!” (Homeland or Death!). The union, in Nyerere’s view, was to avoid further radicalization and fend off any Western thoughts of intervention – the British had already prepared a plan on how to overthrow the revolutionary government.30 For Karume, the union was a crucial move to consolidate his leadership as his main rivals Babu and Hanga were transferred to ministerial posts in the union government. In their new functions on the mainland, Babu and Hanga fostered relations with the Soviet Union and, much more successfully, with China, but their revolutionary fervour was held at bay by more conservative forces on the mainland – which may have been Nyerere’s initial intention. Both remained excluded from the inner circles of Tanzania’s politics and lost influence in the isles.

To East German and Soviet observers, the union between Zanzibar and
Tanganyika had come as a blow. Like Babu, they interpreted it as an effort of
right-wing forces and Western powers to contain the revolution. For the GDR, it
also meant that the embassy was downgraded to a consulate in Dar es Salaam.31
Diplomatic recognition vanished again. At the same time, Moscow and East
Berlin believed that the union provided an opportunity as well. Zanzibar would
become the “base for progress and a fist within Tanzania”, acting as
a bridgehead of socialism in East Africa if only it received the necessary “sys-
tem-stabilizing” support in economic, military, and intelligence matters to de-
fend and spread the revolution.32
In theory, Zanzibar had lost much of its autonomy, but, in practice,
Karume’s consolidated power position and socialist support from abroad allowed
him to conveniently ignore standing union law and build a self-contained
Zanzibar. In finance as in several other fields, including, most notably, security
services, several Zanzibarins went to East Germany and the Soviet Union for train-
ing. Twala’s vision of Zanzibar’s financial sector was to make it a part of a shared
socialist modernity in which Zanzibar could learn from real socialism existing
elsewhere. Writing to the East German Ministry of Finance, Twala emphasized
his “desire that some of our best and experienced officers should have the
chance to visit the G.D.R. in order to get acquainted with the socialist system in
the field in which they are working in Zanzibar”.33 The courses in financial eco-
nomics, tailored specifically for the Zanzibari delegates, were fairly technocratic
in orientation and conveyed the nuts and bolts of accounting, import and export,
and taxing. The introduction to budgeting, banking, and the credit system were
completely modelled on GDR institutions. Political economy and Marxist-
Leninist philosophy took up the first quarter of the two months of theoretical
training and then faded into the background.34 Twala considered this not to be
enough. During a 1965 visit to the GDR, he asked for an extension of this “basic
political education”.35 The creation of a qualified cohort of financial officers was

31 U. Engel and H.-G. Schleicher, Die beiden deutschen Staaten in Afrika: Zwischen Konkurrenz
32 Stasi Report on Meetings with the KGB, 30 November–1 December, Wilson Center Digital
Archive, Berlin, 2 December 1964, http://digitalarchive.wilsoncenter.org/document/115713 (ac-
accessed 3 March 2019).
34 “Ausbildungsplan für die 8 Bürger aus Sansibar für die Zeit vom 26. April bis 26. Juni
35 “Lösche, Vermerk über die Aussprache mit Twala”, 13 September 1965, Berlin, DN 10/986,
BArch, Berlin.
to be further sped up through the establishment of a School of Economics in Zanzibar in 1966, following a recommendation by the East German advisers and Twala’s official request.36

The creation of the school was related to the Zanzibari drive for the establishment of a national bank that would have full control over official reserves and foster public industries. The founding of a national bank had been recommended by the Chinese, who ensured to provide capital stock, but were, according to Twala, not making any advances in drafting operational plans and the legal set-up.37 Approached by Twala, the GDR agreed to help out. Gentsch chaired a Public Finance Control Commission established in August 1964, and an East German banking expert requested by Gentsch chaired a special commission in October 1965, and in the years to come, to study the setting up of the national bank. Bringing together Chinese capital and East German expertise in a single undertaking, Zanzibar successfully made socialist forces across the Sino-Soviet split cooperate, even if only indirectly.

Apart from three banking experts who were sent to Zanzibar, a number of officials in East Germany were involved in the task, which was complicated by the union with the mainland, where similar plans were underway. This meant that the central bank was to be in Dar es Salaam while Zanzibar’s bank would be a regional, semi-autonomous part of the Tanzanian bank.38 Trying to balance Zanzibar’s wishes for financial autonomy with the GDR’s need to safeguard against further accusations (coming mostly from politicians on the mainland) of wanting to split the union, East Germans had to look for workable models. Their search was pragmatic and included references to the national banks in the United States as well as in the Soviet Occupation Zone; yet, in the end, a fitting model was felt to exist “neither in the capitalist West nor in the socialist camp nor in the developing countries”.39 Drafting thus had to start from scratch. The People’s Bank of Zanzibar eventually began operating in January 1966. Following intense struggles with the Tanzanian central government over the autonomy of Zanzibar’s own national bank, its establishment was seen as a major success and a crucial part of Zanzibar’s economic liberation. In February 1967, Karume bade farewell to Gentsch with the warmest

38 The debates between Twala and his mainland counterpart Amir Jamal are detailed in Shivji, Pan-Africanism, pp. 133–141.
words, as could be read in the regime’s newspaper *Kweupe*. Karume proclaimed that Zanzibar was much obliged to Gentsch. Thanks to his achievements, Gentsch had become a Tanzanian, and “Zanzibar blossomed” due to his services.⁴⁰ Below the surface of friendship and solidarity rhetoric, however, tensions were already mounting.

**Rising Tensions: Race, Parochial Revolution, and Economic Self-sufficiency**

In scholarly accounts, pre-revolutionary Zanzibar has often been described as a genuinely cosmopolitan space at the intersection of the Indian Ocean’s trade routes and exchanges with the African mainland, boasting a highly diverse cultural and ethnic landscape marked by tolerance and social inclusiveness.⁴¹ This has also led to readings of the revolution as narrow-minded backward: “In contrast to this earlier cosmopolitan modern”, writes Roman Loimeier, “the 1964 revolution appears as an atavist relapse into a parochial identity.”⁴² Both Zanzibari leftists and East German observers, however, saw the revolution as a fundamental step towards progress.

In the first three years of cooperation, an overarching modernizational consensus provided the shared basic rationale. Desirable objectives, the Revolutionary Council and East Germans agreed, included modern housing, social services, and the establishment of basic national industries, which would enable Zanzibar to overcome its subjugated position in the capitalist world market. Karume placed particular emphasis on the improvement of social infrastructure to improve – and modernize – the lives of the African population. Competing with a West German housing project in Dar es Salaam on the mainland coast, dozens of East German builders and hundreds of Zanzibari workers – including forced, convict and unpaid labour – erected towering multistorey buildings and “modern” one-family houses on levelled African neighbourhoods. Although the overambitious public housing projects for 30,000 people were never fully implemented (which would have taken another 60 years based on the speed of implementation), the buildings

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⁴¹ An insightful discussion of the striking contrast between portrayals of Zanzibar as cosmopolitan and tolerant, on the one hand, marked by racialized hate and violence, on the other hand, can be found in D. Philipsen, “Book Forum”, *Cultural Dynamics* 28 (2016) 3, pp. 320–331.

in Kikwajuni, Kigamboni, and Michenzani became visible landmarks of Zanzibar’s architecture. Critical observers read the megalomaniac appearance of these undertakings as symptoms of East German prestige-seeking, but the large-scale scheme reflected, as Ludger Wimmelbücker concludes, “not so much the transfer of concepts by GDR architects as the active adaptation and realization of a modernizing vision by the revolutionary regime”. In 1965, Karume celebrated that these projects would finally abolish the privilege of Arabs, Indians, and Europeans to live in multistorey buildings while “Africans” lived in semi-permanent settlements without poor access to infrastructure.

While East Germans generally agreed that living standards should be improved, they did not see that as a priority as Karume did. Pointing to “experiences in the GDR and other socialist countries”, a group of GDR planning advisers recommended that the government reduce expenditures in non-productive sectors and focus on building up economic capacities. In Zanzibar, as well as in Cuba and at home, East Germans predicted that the road of socialist modernization could only be successful if production outmatched consumption. There were thus both overlaps and tensions in the welfarist and developmentalist expectations of modernization.

There were also different visions of the spatial unit and ideological sphere Zanzibar was to be a part of. Karume and other nationalists saw the ties to the Soviet camp and China pragmatically as a means of building national sovereignty. While Karume was undoubtedly impressed by many of the aspects of Communism and, together with other politicians, freely borrowed from the socialist toolbox of mass mobilization, public welfare, and disciplinary techniques, he embraced neither “African socialism” (like ujamaa on Tanzania mainland) nor “scientific socialism”, but an autocratic nativism based on self-reliance and national autonomy. This was not a question of different shades of red, but rather a different orientation altogether. The resources flowing in from the socialist world helped to administer the revolution from above and bolster his personal reign, which so deeply transformed Zanzibar.

Karume’s vision differed from the internationalist view of Zanzibari socialists. They imagined the revolution as part of a chain of world revolutions from Russia over China to Cuba and Vietnam that laid siege to capitalism.\(^{47}\) Babu had dreamed, as he noted retrospectively, of transforming the 1964 “lumpen uprising” with its “anti-Arab, anti-privilege, anti-this and anti-that perspective into a serious social revolution with far-reaching political, social and economic objectives […] guided by a revolutionary ideology of proletarian world outlook”.\(^{48}\) Socialist Zanzibaris imagined that a new kind of socialist cosmopolitanism would become Zanzibar’s trademark, rather than the traditional cosmopolitanism based on Swahili Islamic culture and trade and scholarly networks of the Indian Ocean.\(^{49}\) In a global framework, Zanzibar would take its own place in the socialist camp, though from a self-confident Third World standpoint.

The majority of ASP supporters perceived the revolution not in this universalist frame of socialist globalization, but as the triumph of the discriminated African majority over the Arab oligarchy – a triumph that toppled the racial hierarchies established through the slave trade and entrenched in British indirect rule.\(^{50}\) While Tanzanian and East German publications lent legitimacy to the narrative – and its legitimizing implications for revolutionary violence and autocratic rule – that the revolution was anti-feudal and arose from strong socioeconomic antagonisms between “Arabs” and “Africans”, some recent studies emphasize that materialist explanations are insufficient.\(^{51}\) These works argue that despite clear inequalities, race and class did not neatly overlap and that identities like “Arab”, “African”, or “Shirazi” were highly fluid and responsive to political changes.\(^{52}\) During the “Time of Politics” (zama za siasa, 1957–1964) in the run-up to independence, intellectuals in Zanzibar, many of them identifying as African, played a key role in strengthening the view that “Africans” and “Arabs” were distinct races. As Jonathon Glassman argues, this discursive polarization and reciprocal dehumanization, while drawing on British constructions of distinct racial groups, was much more


\(^{48}\) Babu, *The 1964 Revolution*, p. 240 (note that this text was originally written in 1976).


\(^{50}\) Burgess, *Mao in Zanzibar*, p. 214.


anchored in East African narratives. This contributed significantly to violent outbreak, which was most extremely manifested in the pogroms in the wake of the 1961 elections and the 1964 revolution, the latter leading to the death of an estimated 3,000 to 11,000 people, almost all of whom were “Arabs”.

In interpreting Zanzibar’s political dynamics, East German cadres tried to maintain class analysis and revolutionary theory, but they also had to recognize how the terminology of class was inevitably interspersed with a sense of urgency to undo racialized hierarchies. Already in the early 1960s, leading Zanzibari politicians and trade union functionaries had pointed out to East German contacts the relevance of racial criteria to strengthen their own position and discredit their rivals. Cosmopolitan socialists from the Zanzibar Nationalist Party, who would found the Umma Party in 1963, had highlighted their non-racialist and Marxist stand and successfully convinced GDR officials to keep the ASP, and affiliated trade unions, at bay by portraying it as operating on racial premises and being closely aligned with the British. A Soviet article from 1960, which also circulated in the GDR, denounced Karume’s ASP as a party of plantation owners who only advocated independence to defend their semi-feudal interests. It did not help that ASP members in the early 1960s tried to denounce their political opponents at the ZNP as being pro-Communist.

However, in 1962, the arguments of ASP-affiliated unionists swayed the opinion in East Berlin: Not only were their membership numbers three times greater than those of ZNP-affiliated unions, they also made clear that the ZNP was widely seen as an Arab party and thus remained isolated in African trade union circles that the GDR aimed to penetrate. In the same year, the Ministry of Foreign Affairs warned that further one-sided support for ZNP-affiliated unions would “threaten to estrange us from Black Africa’s trade union and liberation

54 The correct number is impossible to ascertain. The figures given are conservative estimates; the range of more daring estimates goes from “minimal” to 70,000 (Chachage, Environment, p. 41; Loimeier, Zeitlandschaft, pp. 37–38).
56 Wimmelbücker, Zur Entwicklung, p. 192.
57 Clayton, Zanzibar Revolution, p. 44.
movement". It was, in other words, considerations for racial relations, trade union membership, and prestige-building in the region as a whole that led East Germany, with its focus on class and workers' movements, to recalibrate its relations towards trade unions and political parties in pre-independence Zanzibar.

After the revolution, Karume instrumentalized aid flowing in from socialist countries as “means by which to fulfil African nationalist desires for racial development”, as G. Thomas Burgess asserts. Against standing union law, Karume proclaimed that only persons with at least one African parent qualified as Zanzibari citizens. He criticized the leaders of liberation movements such as the Mozambique Liberation Front for their explicitly non-racialist policy, allowing their ranks to be filled by supposed “aliens”, that is to say, non-Africans. In Zanzibar, many persons of Arab, South Asian, and Comorian origin were purged from the civil service, had their property nationalized, and were the target of slander and mistreatment; additionally, women were sexually assaulted and forced into marriages with members of the Revolutionary Council. The exodus of the discriminated communities as well as other educated Zanzibaris (including among them many teachers) and the expulsion of British civil servants was offset – at least partially – by the influx of technicians, teachers, and advisers from socialist countries. Of the 350,000 inhabitants, roughly one-tenth left Zanzibar in the ten years after the revolution. The number of 18,000 “Asians” in 1958 (of whom only 27 per cent had not been born in Zanzibar) dwindled to 3,500 by 1972.

58 Africa Department of the Ministry of Foreign Affairs to Deubner, 9 January 1962, Berlin, DY 34/2509, SAPMO BArch, Berlin.
60 Shivji, Pan-Africanism, 116.
61 FRELIMO members were being trained on Pemba (Clayton, Zanzibar Revolution, p. 153).
63 The revolutionary strategy was also “acted out on the bodies of women”, as male elites – with members of the Revolutionary Council and Karume himself giving an example – forced young “Arab”, “Indian”, and “Shirazi” women to marry them. This happened under the protection of a new integrationist legislation supposedly seeking to abolish racial and class-based hierarchies. S. Maoulidi, “Between Law and Culture: Contemplating Rights for Women in Zanzibar”, in: D.L. Hodgson (ed.), Gender and culture at the limit of rights, Philadelphia: University of Pennsylvania Press, 2011, pp. 32–54, at 44; Wilson, Threat of Liberation, pp. 55–56.
64 Martin, Zanzibar, p. 51, p. 69.
East Germans had to come to terms with these tensions that were so openly expressed in racial terms. Some GDR delegates and experts felt uneasy when they met functionaries who interpreted the world through race rather than class-based divisions, although racial tensions and essentializing demands for “Africanization” were by no means confined to Zanzibar. African nationalists both in Zanzibar and on the Tanzanian mainland easily appropriated “the language of socialism for the cause of addressing long-standing racial grievances […] to right a century of communal as opposed to class wrongs”, G. Thomas Burgess observes. Touring the mainland’s capital Dar es Salaam in 1966, a Tanzanian youth league functionary repeatedly pointed out to the East German vice consul the exploitative relations between Indians and Africans, which could so be observed by simply looking at the shops. The East German delegate acknowledged the “deeply anti-capitalist attitude” of his interlocutor, but he noted with concern in his report that this attitude boiled down to hate and “strongly racist tendencies”, which were directed exclusively against Indians. Many East Germans working in Zanzibar were convinced, however, that discrimination and the “harsh realities” in Zanzibar were to be viewed as necessary components and temporary contradictions of revolutionary upheaval, and some even came to share the view that “bourgeoisie” and “Indians” were correct synonyms in the Zanzibari context. Personal opinions mattered little, however. The GDR leadership still hoped for diplomatic recognition and advised all cadres to avoid open confrontation and intervention into sensitive “internal” matters. Even after they had witnessed demonstrations in

65 A narrowed down nationalism, expressing itself in hostility against groups of people seen as ethnic or racial foreigners, was a transnational phenomenon that could be observed in other African post-colonies in the second half of the 1960s and early 1970s as well. The connections between these different cases beg to be researched further. Apart from the well-known expulsion of Indians by Idi Amin in Uganda and anti-Indian policies in mainland Tanzania (though not explicitly racist), policies in Ghana also specifically targeted Lebanese traders in 1969/70. See E. Akyeampong, “‘Diasporas’, Mobility and the Social Imaginary: Getting Ahead in West Africa”, Journal of Third World Studies 27 (2010) 1, pp. 11–24; E. Burton, “… what tribe should we call him? The Indian diaspora, the state and the nation in Tanzania since ca. 1850”, Stichproben. Wiener Zeitschrift für Kritische Afrikastudien 13 (2013) 25, pp. 1–28.
66 Burgess, “Zanzibar Revolution”.
68 Interview #29, East German interpreter in a “Friendship Brigade” stationed in Zanzibar.
which participants called for the slaughtering of all Arabs or Indians, East Germans refrained from making critical remarks or getting involved.\(^{69}\)

Avoiding sensitive issues was also the strategy of government advisers like Gentsch. As the GDR was still inexperienced in filling high-level advisory positions in African countries, guidelines for the comportment in these highly delicate and influential spaces of interaction were still missing. In a pamphlet, Gentsch offered counsel to his successors. He recommended being “extremely cautious” in both professional and private encounters, avoiding a patronizing know-it-all attitude and not speaking about “certain problems that are deeply rooted here and about which we have an entirely different conception […], for instance religion, polygamy, race problems”.\(^{70}\) Advice should be given in a way that the Zanzibari counterparts would not recognize how their opinions had been formed by the foreign expert’s veiled recommendations. Gentsch also warned of a schematic transfer of GDR models to Zanzibar and stressed that East Germans should never belittle Zanzibar’s revolutionary achievements, thus proving to their counterparts that they did “not have the standpoint of the colonial masters that Zanzibaris would be dull and sluggish”.\(^{71}\)

As far as policy-making recommendations were concerned, all this meant that East German advisers had to resort to technocratic rather than political arguments. Pointing to economic consequences of policies instead of lecturing leaders like Karume about socialist principles and anti-racism was more promising. This became evident in a conversation with a GDR planning group in 1966. Discussing the establishment of a fruit canning factory, East German experts recommended temporarily importing the cans from a British company. Karume begged to differ: “The imperialists will try anything to damage us. For this reason, we shall not get into any dependency from them, especially not in the economic domain. That is why it is necessary that we produce the cans ourselves.”\(^{72}\) Karume’s anti-imperialism was, however, rooted in his own experiences – as a trade unionist Karume had fought against Indian companies

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71 Ibid.

threatening the existence of African enterprises already in past decades — and racial concerns rather than a principled rejection of trade relations with capitalist firms. Eventually, he changed his opinion due to the economic considerations forwarded by the East Germans and permitted importing cans, adding that he agreed only because it was a British company and not an Indian one. In the years to come, economic relations with British companies intensified, and Zanzibar also placed more orders with Crown Agents London again. 

While trade relations with Western countries were partly re-established, most aid continued to come from the East, and it remained linked to Karume’s objective of self-sufficiency. This applied, for instance, to East German support of a dairy state farm and industrialized fishing or Chinese support of the state’s rice and sugar farms. East German aid to Zanzibar was, thus, demand-driven, and it was judged according to its contribution to the objective of autarchic self-reliance. But the way in which the GDR delivered its aid proved to be a strain on bilateral relations. East German industrial projects and machinery exports, mostly for food processing and fishing, did not meet Karume’s expectations as they were overpriced (and to be paid in hard currency) or simply failed to function. Turnkey factories also did not produce as expected or produce goods for which there was no market, burdening Zanzibar’s economy with production costs rather than making the country self-sufficient. In 1969, in connection to a rice mill, another East German project, Karume stated that the cooperation seemed like a “step backwards, not progress”.

The GDR’s malperformance in economic matters had a negative impact on relations between Minister of Finance Twala and his new adviser, Gentsch’s successor Wolfgang Nimmrich, a well-qualified and experienced administrator. Already by early 1967, Twala had come under considerable pressure from

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76 Ibid., p. 134. Most of agricultural production remained, however, in the hands of individual peasant producers.
78 Nimmrich had been born to a peasant family in 1921, worked his way up in the financial bureaucracy and became the leader of the Ministry of Finance’s group responsible for cooperation with “developing countries”. Given that Nimmrich, who was, like Gentsch, a SED member, had over 20 years of professional experience — including the preparation of other GDR cadres for assignments abroad and the training of administrators from “developing countries” — his selection may be seen as proof that the GDR attached considerable significance to the advisory post
domestic political circles due to the GDR’s projects and Zanzibar’s accumulation of debt. The East German reputation of solidarity was tainted by profit-interested trade with obsolete, backward machinery and delays. Gentsch complained about the bad moves and distressing miscalculations of his compatriot foreign trade functionaries, who made the advisers’ work more difficult as their Zanzibari counterparts lost confidence in the GDR’s intentions and capacities. In May 1967, Twala asked that the loan amounting to GPB 15 million, earmarked for East German imports, be reduced to avoid further debt. This meant, in effect, that no additional projects would be implemented. Also, repayment of the loan should only commence once the factories had started generating profit. This was a clear sign that a closer entanglement of economic spheres was unwanted from Zanzibar’s side. GDR experts were well aware that instead of helping to decolonize the economy, rising interest payments in connection with failing industrial projects seriously tarnished their country’s reputation in the isles, created dependencies and strained Zanzibar’s budget.

The pressure on Twala mounted not only because of the issues with East Germany but also because of Zanzibar’s shifting power tectonics. Karume’s suspicion of potential rivals and all Zanzibari Marxists reached a new high. Together with other left-wing ASP members, Twala was arrested on trumped-up charges in October 1967. According to information available to the East German Ministry of State Security (commonly referred to as the Stasi), the final fallout between Twala and the Karume clique came after it had come to light that Twala had not only transferred a substantial amount to a US bank to import rice from a US firm but had also sent a letter to a US university, requesting admission for higher education. Karume condemned this as an act of friendship with imperialists in the Revolutionary Council, which in turn decided to reassign Twala to the post of minister of health and social services. As the Stasi report emphasized, Twala was generally distrusted as a close ally of his fellow leftist and Moscow graduate Hanga, who had recently been ousted from the Dar es Salaam government.

80 “Einzel-Information über einige innenpolitische Probleme Tansanias”, 29 September 1967, Berlin, MfS, HVA 228, Teil 1 von 2, Das Archiv des Bundesbeauftragten für die Stasi-Unterlagen, Berlin (BSfU). A broader survey of speculations about the pretext for Twala’s arrest yields wildly diverging explanations, but all agree that, on the bottom line, personal relations between Karume and Twala had considerably soured already before the transfer to the Ministry of Health.
Twala eventually died under unknown circumstances, most likely as a result of torture in detainment.83

Following the transfer (and subsequent arrest) of his counterpart Twala, adviser Nimmrich now reported directly to Karume. Theoretically, this was a promotion to a significantly higher degree of direct influence upon Zanzibar’s most important leader. On a lower level, Nimmrich also continued to enjoy cordial relations with leading financial administrators in the ministry, who had returned from training in East Germany. In practice, however, he was pushed aside by Aboud Jumbe, a former teacher and the head of the Revolutionary Council’s finance committee. As the post of the minister of finance had been left vacant, the fairly moderate Jumbe (described as reactionary by some Zanzibari leftists) was powerful enough to sideline the East German adviser. Jumbe did not consult Nimmrich before any decisions were taken, and neither did Nimmrich dare to push for the implementation of measures to further “decolonize” existing regulations as he had planned with Twala.84 It was a clear sign of estrangement that Jumbe, as one of the most influential politicians in the new arrangement, did not have a serious personal conversation with GDR diplomats for the two years to come.

Disagreements over economic policies reached new heights one month after Twala’s arrest, in November 1967, when Karume fully nationalized all retail trade, put all shops into the hands of the women’s organization affiliated to the ASP, and thereby “liquidated the Indian merchant strata”, as Nimmrich reported to East Berlin.85 Neither he nor any other East German or Soviet advisers had encouraged Karume to do so. Eastern bloc advisers rather pointed to the lack of expertise and rudimentary organizational structures and perceived these nationalizations – which the government portrayed as crucial steps of the proclaimed “economic revolution” – as premature and incomprehensible.86

The Stasi reported that several Zanzibari politicians were concerned about this

83 According to some sources, Twala was executed soon after the arrest; according to others, he passed away in 1971 in (Kwa) Ba Mkwe prison where torture was a common technique of interrogation. See M.-A. Fouéré, “Sortie de clandestinité des années sombres à Zanzibar (1964–1975)”, *Cahiers d’Études africaines* 197 (2010), pp. 95–121.
85 Ibid.
86 Klee to Panse, 1 September 1967, DN 10/985, BArch, Berlin.
move but dared not to speak out openly. In 1968, Karume even stopped the import of food, including flour, rice, and sugar, to mobilize the population to cultivate more rice – a measure designed to foster self-sufficiency but in reality leading to widespread food shortages (though not famine). Karume’s economic decisions of 1967/68 were historically crucial.

Unchecked by the union government, which feared worsening relations with Zanzibar, the policies paved the way towards Zanzibar’s further economic isolation and a total breakdown of local trade. Apparently, the strategy was backed by the Chinese and may thus partially be interpreted in the global context of the Sino-Soviet split. As Gregg Brazinsky shows, Chinese advisers supported radical nationalization and wholeheartedly recommended that the Zanzibari state take full control of the retail trade. At least in this area, Chinese radicalism suited Karume’s vision of self-reliance better than the more pragmatic advice of East Germans. More generally, as Young-Sun Hong argues, “the conception of South-South solidarity set out by the Chinese […] had greater appeal than did the more stodgy, bureaucratic approach of the Soviets and the East Germans”.

Yet for gaining trust in the Revolutionary Council, it seemed even more important that China kept to a large extent what its “Eight Principles for Economic Aid and Technical Assistance to Other Countries” promised. Chinese loans were interest free while personnel lived and worked under extremely frugal conditions, unlike Soviets or East Germans, who received comparatively large salaries and often occupied the former homes of colonial officers. Gentsch received the maximum income that was allowed under the revolutionary government’s capped salary schemes for expatriates. China capitalized the new People’s Bank of Zanzibar with 800,000 British pounds (GBP) and effectively ran agricultural projects (like irrigation schemes) and industrial ventures (including a leather and shoe factory) with large numbers of personnel. East German tractors, unsuitable for the mechanized cultivation of rice, were exchanged with Chinese machines specifically built for this purpose. In short, measured against Chinese aid, East German offers appeared increasingly unattractive. The GDR’s efforts to improve relations became less and less forceful and were further undermined by Karume’s systematic devaluation of expert knowledge and academic qualifications.

88 Ibid.
90 Hong, Cold War Germany, p. 10.
91 Brazinsky, Winning the Third World, p. 295.
Towards the Split: Anti-intellectualism and the Devaluation of Expertise

After a short period of openness for transnational knowledge exchange directly after the revolution, Karume reduced opportunities for East Germans – and Chinese – to disseminate their own models and ideologies via education, exhibitions, and further propagandistic activities on their own accord. The GDR had offered manifold activities at a cultural centre, established in 1964, and also showed East German documentaries and feature films in remote areas using mobile cinema equipment, which dovetailed the efforts of the official film censorship’s board to replace Western films with “Eastern” and communist productions. Many East German activities came to a halt, however, as a new directive stipulated in 1967 that all cultural and propaganda activities had to be sanctioned by Zanzibar’s Information Office. The government extended its gatekeeper role not only in terms of cultural imports, but also in regard to overseas education. While Karume, who had only four years of school education, promoted free and universal primary education, he eventually restricted higher education abroad – including the Tanzanian mainland – to prevent the emergence of a socialist-cum-technocratic class of educated Zanzibaris that could challenge his personal rule. He replaced all the educated in the Revolutionary Council (with the exception of Aboud Jumbe) with semi-literate loyalists and cancelled all but a few educational journeys from the islands. Following the revolution, significant numbers of Zanzibaris had been sent to East Germany (123 were present in the GDR in 1966), the Soviet Union (58), and China (21) for vocational training and education on scholarships fully financed by the receiving governments. Between 1968 and Karume’s death in 1972, however, all emigration was extremely restricted, and only a handful of Zanzibaris were allowed to study overseas. The GDR continued to offer grants for university studies, but none were accepted after 1966. Karume’s anti-intellectualism stood in an uneasy contrast to East German efforts to establish a class of technocratic cadres in Zanzibar.

92 This included the closing of foreign-run libraries, the prohibition to screen movies, and a ban on ideological and political education through expatriates. Such measures were taken rather erratically beginning in 1966 and more consequently in the late 1960s (Clayton, Zanzibar Revolution, p. 153).
95 Shivji, Pan-Africanism, p. 109, pp. 113–114.
96 Burgess, A Socialist Diaspora, p. 281.
The anti-intellectual current also struck the School of Economics, established by Twala and supported by the GDR. The school had a practical rather than a theoretical orientation, offering courses in more complex matters of management and trade administration as well as basic skills like bookkeeping and typing, which would enable Zanzibaris to run all financial affairs on their own. Teaching began in April 1967 with an intake of over hundred students, many of whom were experienced high-level and mid-level administrators who attended classes in the morning and returned to their jobs in the afternoon. The curriculum had been prepared by an East German adviser, another five East Germans who came from vocational schools rather than universities supported the Zanzibari teaching staff.

The expatriate teachers lamented the lack of English political economy textbooks with the proper Marxist-Leninist standpoint, a lack that was particularly felt because the responsible Zanzibaris had almost exclusively purchased what East German lecturers saw as “capitalist” literature and received book donations from the US consulate. Students read these books attentively and as the East German lecturers had no English language text books to refer to, their words often lacked the authority inherent in written texts. These problems led one of the teachers to suggest a Council for Mutual Economic Assistance (CMEA) cooperation to produce the needed teaching materials in English.

The school, the brainchild of the executed Twala and his East German advisers, eventually fell victim to the leadership’s anti-intellectual and anti-technocratic stance. Even though not all courses had been finished, it was closed by Jumbe in August 1968. Already in the months before, many of the students had had problems applying their new knowledge. They reported that they faced opposition to their arguments, or, because of the all-prevalent culture of fear, they hesitated to voice their informed opinion on touchy issues. Students, as well as teachers, were delegated to studies in non-economic fields or even relocated to teach religion. Economic knowledge of any provenience, both “socialist” and “bourgeois”, was marginalized. The US consulate tapped into the frustrations of the students, promised stipends for further studies in the United States,
and employed at least one of the school’s graduates directly. At about the same time, East German and Soviet advisers fell out of favour. In October 1968, the Revolutionary Council enacted a policy that released all foreign advisers from their duties as soon as possible. This gave Jumbe sufficient leverage to finally let Nimmrich go as his contract ended in February 1969. Nimmrich himself supposed that Karume personally might have opted for the renewal of his contract but refrained from openly advocating an extension due to political reasons.

Whereas Gentsch’s farewell had been celebrated in 1967, East Germans were now relegated to the role of scapegoats. In a 1970 speech in front of 150 people, including consuls, politicians, and other dignitaries, Karume complained that foreign experts not only had failed to liberate Zanzibar economically, but had also brought the country to the verge of bankruptcy. This was an attack directed not at the Chinese experts but at the East Germans – at least, this is how GDR officials received the speech. This scapegoating occurred in a paradoxical situation brought about by Karume’s aim to achieve self-sufficiency: while the local economy had indeed faltered and the population suffered from a lack of basic consumer goods and foodstuffs, clove exports continued unabated. Due to a hike in world market prices for cloves and the state’s marketing monopoly, the government had accumulated foreign currency reserves of GBP 25 million in the Moscow Narodny Bank’s account in London – but Karume preferred hoarding to purchasing or investing.

Keeping with the theme of expertise, Karume continued his speech: “We do not need engineers in Zanzibar. We construct our houses by ourselves. I myself, as you all know, build houses without being an engineer.” (Indeed, East Germans architects had come to dread Karume’s personal surprise visits on building sites, during which he frequently demanded substantial changes that, according to the GDR experts, did not conform to international standards or were outright unsuitable.) An economic or financial expert could only be

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105 The clove price hiked from 310 pounds per ton in 1966 to 1,430 per ton in 1974/75 (Martin, Zanzibar, pp. 78–79).
a person who “provided each citizen with something to eat, to drink and a place to sleep”. Instead of foreign experts – or Zanzibari economists – Karume put two loyalists in charge of economic policy. As he admitted, still in the same speech, both “do not have university education. They are not economists. But they are political leaders and will correctly lead the economy”.108

Karume continued to neglect economic and technical aspects and bolstered his rule through a system of patronage, fear, and surveillance, established with the aid of the Stasi. Nationalized houses and land had been redistributed, but with a clear preference for members of the Revolutionary Council and loyalists. Policies to curb the political elite’s economic accumulation, like the leadership code on the mainland (which barred leaders from economic activities), were firmly refused by Karume. According to him, they curtailed the emergence of African entrepreneurs and perpetuated the “Indians” economic dominance.109 By 1972, Karume and his allies had become wealthy landowners themselves. The revolution had not levelled out inequalities but had effected “a transfer of privileges from the dominantly rich Arab and Indian sections of the population to those loyal to the Afro-Shirazi Party”.110 In 1970, the final report of a GDR delegation concluded that Karume – the “anti-imperialist progressive” – had turned into a “nationalist-conservative” who artificially fuelled racial tensions for personal interests.111 As East Germany’s political interest in Zanzibar had also waned, not least because the drive for diplomatic recognition had been successful in a number of North African and Arab countries, all future relations with the islands were to be undertaken on a commercial rather than a political basis.

On 7 April 1972, Karume was assassinated. The post-Karume government under Aboud Jumbe (the moderate who had side-lined the East German financial adviser and exerted considerable influence already in earlier years) linked the assassination to a plot supposedly engineered by the influential leftist Babu. The five men identified as members of the killing party were all former members of Babu’s Umma Party; nevertheless, Babu himself publicly denied any involvement in the murder. Together with several of his socialist associates from the former Umma Party, he was found guilty of treason and sentenced to death in a process with anti-communist undertones. Of the 43 defendants, 17 were tried in absentia and imprisoned on the mainland until 1978, which

109 Chachage, Environment, pp. 42–43.
110 Ibid.
saved them from execution in Zanzibar. Jumbe also put Zanzibar on a path of modest liberalization. Living conditions slightly improved, and the Revolutionary Council’s power was reduced with the establishment of a legislative body. The socialist rhetoric, aspirations, and connections – at least as far as China was concerned – of the 1960s did not suddenly disappear, but they did fade over the course of the 1970s.

**Conclusion**

Following the overthrow of the Omani sultanate, Zanzibar quickly turned into a site of lively interactions between the socialist camp and the Global South. The Zanzibari-East German relationship was marked with the sudden emergence of manifold spaces of interaction, including Zanzibar’s government institutions, where foreign advisers encountered local – and, at times, well-travelled – politicians and administrators, forging new alliances and inciting antagonisms. The exchanges between advisors and decision-makers brought about radical policies unprecedented in the region.

China, the GDR’s greatest rival in Zanzibar, eventually seemed to have “won” the race against East Germany (and the Soviet Union). One frame to interpret China’s “victory” would be Jeremy Friedman’s hypothesis about the significant role ideology played in the Sino-Soviet struggle for the Third World. According to Friedman, autonomy and independence were the supreme objectives of post-colonial leaders, most of whom saw anti-capitalism as a means rather than an end in itself. Reading the relations between the GDR and Zanzibar through this interpretive prism, there was an uneasy cooperation between race-based anti-imperialism in the Third World, as represented by Karume, and class-based anti-capitalism of the Second World, as represented by East German advisers, who never found a way to deal with the intricate links between economic and racial issues they encountered in Zanzibar. Still, it would be misleading to see these tensions between a Third World race-based anti-imperialism and Second World class-based anti-capitalism as clear-cut or solely responsible for the mutual disillusionment. Based on this case study, three arguments relevant to the study of East-South relations and a global history of socialisms may be advanced.

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First, agency mattered. Without a doubt, the Sino-Soviet conflict played out in Zanzibar, but reading the relations solely through the prism of the “shadow Cold War”, as this intra-socialist schism is called by Friedman, risks reducing actors on the ground, especially African actors, to pawns in a Cold War game that was not of their own making and in which they could not hope to make a difference. It is important to show in which ways politicians of small states could capitalize on the Cold War’s rivalries and multipolarity. Unlike, for instance, Albania, which switched patrons two times with clear resulting ruptures (from Yugoslavia to the Soviet Union to China), Zanzibar’s elite was successful in securing substantial assistance from parties on both sides of the Sino-Soviet divide at the same time and even channelled resources from the competing factions into one and the same project, the creation of the People’s Bank of Zanzibar. This was not a matter of ideological orientation: both Karume and Babu straddled Sino-Soviet lines of conflict, and neither can be situated neatly in a dichotomy of Second World anti-capitalism vs. Third World anti-imperialism. Despite the number and often high-ranking positions of East German, Soviet, and Chinese advisers surrounding Zanzibar’s politicians and administrators, their influence has been a black box in the literature.

In the analysis above, East German advisers emerge as less powerful and influential than they have often been imagined in Cold War narratives and lingering memories of the revolution.\(^{114}\) The Stasi’s involvement, in particular, is often singled out. But in the security apparatus, as in other spheres of the state, appropriation was key. Zanzibar’s state socialism was a socialism in its own right with both global and local roots, underpinned by imaginaries of both “scientific socialism” and racial populism. East German advisers had a hand in shaping economic policies understood as revolutionary and decolonizing and were crucial in the set-up of a national bank and a school of economics, yet their opinions were additions to a repertoire of alternative strategies rather than guidelines. The revolutionary experiment was not derivative but based upon the active appropriation and reworking of ideas through Zanzibari actors like Twala, Babu, or Karume, who put these models to use in their own Marxist, nationalist, and race-based understandings of the revolution.\(^{115}\) In fact, there was no such thing as a homogeneous Zanzibari vision or a unitary East German perspective. GDR advisers complained about GDR foreign trade officials, the GDR minister of finance criticized Gentsch’s views of socialist development in


\(^{115}\) This point is also emphasized by Burgess, “Zanzibar Revolution”.
Zanzibar, and Karume side-lined, arrested, exiled, and executed his political opponents. Revolutionary Zanzibar’s ideological content and policies cannot be explained by the influx of abstract East German, Soviet, or Chinese models, but only with reference to the co-construction of knowledge and practices in tangible exchanges with advisers like Gentsch that took place in the midst of ongoing power struggles in the region.

A second point to be made is that the lines between race- and class-based positions and policies were blurred in the complexities of these struggles. As James Brennan argues in reference to Julius Nyerere, “wrapping policies with sharp racialist effects in the language of socialism” was a common strategy of Tanzanian politicians.\footnote{116 J.R. Brennan, *Taifa: Making Nation and Race in Urban Tanzania*, Athens: Ohio University Press, 2012, p. 156.} For diplomatic reasons, GDR advisers refrained from openly criticizing Karume’s strategy of “racial development”, as it has been called by G. Thomas Burgess, that discriminated against parts of the population.\footnote{117 Burgess, *Race*, p. 22.} To some extent, East Germans even shared the view that measures targeting Indians, at least in the economic realm, were necessary if Tanzania wanted to become socialist. As Gentsch would write in his 1968 dissertation, building on materials and experiences from his stay in East Africa, Indians retained the monopoly in retail trade on the mainland and continued to exploit the African population there. Gentsch had had some time to reflect upon his experiences, but even in his armchair writing back in the GDR, racialized categories such as Indians and terms borrowed from the Marxist repertoire such as “bourgeoisie” easily bled into each other. The view Gentsch had appropriated in Zanzibar eventually shaped his interpretation of class and race relations on the mainland. As Gentsch concluded, it was particularly problematic that “the class question and the race question were becoming enmeshed.”\footnote{118 M. Gentsch, “Die Entwicklung des Staatshaushalts Sansibars in den ersten drei Jahren nach der Befreiung von der britischen Kolonialherrschaft”, July 1968, Berlin, Dissertation, DN 1/15580, p. 67, BArch, Berlin.} Apart from the role of foreign capital, Gentsch saw Indians – as the domestic capitalist class – representing the main obstacle to Tanzania’s socialist development. A Marxist-Leninist worldview was not necessarily an antidote to racialized policies – the two could coexist and even reinforce each other.

A third conclusion is that on the Zanzibari side, perceptions of economic performance trumped ideological considerations, largely irrespective of political affiliation. Zanzibar’s leaders had entered the relations with differing visions, but all were hoping for an economically strong partner in development, a role that the GDR had failed to assume. Cultural affinities and shared visions of self-
sufficiency cannot fully explain the shifting sands of Zanzibari alliances. Chinese ideology may have been more attractive in many regards, but the clear decision in favour of China in 1970/71, when the last Soviet and East German experts left, was primarily the result of economic disappointment with the GDR. In fact, Karume had approached the Soviet consul as late as April 1970, asking if the Soviet Union would be ready to salvage the GDR’s ailing industrial projects. Clearly, he did not conceive of the world as being composed of blocs and camps. When the consul replied that the Soviet Union itself had to import machines suitable for export to tropical countries from the GDR and continued to profit from the GDR’s advanced and highly modern technology (that had surely been delivered to Zanzibar under the best terms possible), Karume snapped and huffishly cancelled the conversation.\footnote{GDR Consulate, “Record of Conversation with Soviet Consul”, 27 April 1970, DY 30/98145, Zanzibar, SAPMO BArch, Berlin.}

Zanzibar’s unravelling relations with the Soviet camp signalled a mutual disappointment very similar to the mutual disillusionment in Soviet relations with Mali, Guinea, and Ghana in the early 1960s\footnote{A. Iandolo, “The Rise and Fall of the ‘Soviet Model of Development’ in West Africa, 1957–64”, \textit{Cold War History} 12 (2012) 4, pp. 683–704.}. Towards the end of the 1960s, East German hopes for diplomatic recognition and aiding the world revolution in Zanzibar waned. Partially as a result of the experience in Zanzibar, the GDR would shun risks and larger aid commitments in the years to come, channelling resources to liberation movements and regimes that seemed both politically approachable and ideologically more “reliable”. The preceding interactions with Zanzibar’s government institutions were part of the demise of East Africa’s transnational left-wing politics and Marxist internationalism as the post-colonial regimes asserted their national sovereignty, be it the parochial and racially defined version of nationalism in Zanzibar or \textit{ujamaa} on the Tanzanian mainland. In sum, Zanzibar’s connections to the socialist world after January 1964 paved the way for the consolidation of Karume’s autocratic rule, the legitimization and silencing of a history of revolutionary violence, as well as the remaking of the isles’ sociocultural and political landscape.
During the Cold War, the German Democratic Republic (GDR) stressed its solidarity with both liberation movements and governments in the Third World. It did so in part because it shared the anti-colonialism of the socialist bloc of which it was part, but the GDR had reasons of its own: it sought recognition in international fora, including the United Nations (UN), for example, and hoped to reap economic benefits from newly independent countries in the Third World. In the late 1970s and 1980s, the GDR gave major support to two liberation movements in Southern Africa: the African National Congress (ANC) of South Africa and the South West Africa People’s Organisation (SWAPO) of Namibia. The GDR established a special relationship with SWAPO, believing it would come to power in an independent Namibia. This chapter explores aspects of the nature of that relationship and how they changed over time. In the following pages, I consider both SWAPO’s liberation struggle and the various institutions in the GDR that supported that struggle.

During its liberation struggle against the South African occupation of Namibia, SWAPO received external support of many different kinds from governments, international organizations, and other sympathizers. Cuban forces assisted SWAPO in Angola, the main site of SWAPO’s war against the military of apartheid South Africa; Sweden provided large-scale financial and humanitarian aid; and the People’s Republic of China and North Korea offered training facilities for SWAPO guerrillas. The Soviet Union was the main supplier of military hardware to Namibia.

Note: In its original form, this paper was co-authored with Thorsten Kern and in part drew upon research that Kern had done for his PhD thesis: “West Germany and Namibia’s Path to Independence: 1969–1990: Foreign Policy and Rivalry with East Germany”, University of Cape Town, 2016 (to be published in a revised form in 2019 by the Basler Afrika Bibliographien). Kern and Saunders discussed the topic with Hans-Georg Schleicher, the pre-eminent authority, in Berlin in June 2017. My thanks to Thorsten and Hans-Georg and to the reviewers of this chapter, which draws on ideas in Anne-Kristin Hartmetz, Bence Kocsev, and Jan Zofka, East-South Relations during the Global Cold War: Economic Activities and Area Studies Interests of East Central European CMEA Countries in Africa, SFB Working Paper 11 (September 2018), https://research.un-leipzig.de/~slb1199/publication/east-south-relations-during-the-global-cold-war/ (accessed 27 February 2019).

https://doi.org/10.1515/9783110646030-005
SWAPO and provided various forms of educational and training support.\(^1\) And the GDR was second only to the Soviet Union in providing military hardware and training to SWAPO, along with other forms of assistance, such as financial and humanitarian. Speaking at the launch of a book related to the GDR’s aid to SWAPO in June 2017, Sam Nujoma, the founding president of SWAPO and then of an independent Namibia, said that “the history of Namibia’s liberation struggle cannot be told without mentioning countries that made immense contribution to our struggle, such as the then German Democratic Republic.”\(^2\)

## Forms of Interaction

Events in both Southern Africa and Eastern Europe opened new opportunities for interaction between the GDR and Namibians from the mid-1970s. The independence of Angola in November 1975 and the coming to power there of the Popular Movement for the Liberation of Angola (MPLA), which was sympathetic to the armed struggle SWAPO had been waging against the South African occupation of Namibia since 1966, made it possible for SWAPO’s struggle to be intensified.

At roughly the same time, the GDR began more actively to campaign to support liberation movements in the Third World, in the belief that such support would boost its international profile. The GDR’s ruling Socialist Unity Party (SED) now began to establish direct party relations with Southern African liberation movements,\(^3\) while the GDR’s Ministry of State Security (MfS) began to offer training to

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intelligence and military personnel from those movements. While these initiatives ran in parallel with similar Soviet ones, and there was regular consultation with the Soviet Union on policy towards liberation movements in Southern Africa – with solidarity committees holding regular meetings, for example – the GDR did not take orders from the Soviet Union and was able to act with a considerable degree of independence, hoping it would benefit, economically and otherwise, when the liberation movements it supported in Southern Africa came to power. Angola and Mozambique proclaimed themselves Marxist-Leninist soon after becoming independent, and Mozambique in particular seemed to offer a model of what the GDR hoped would happen elsewhere in Southern Africa.

At the UN and in other international fora, the GDR argued against South Africa’s continued rule of Namibia, accepting that SWAPO was, as UN General Assembly Resolution 385 (1976) stated, the “sole and authentic representative of the Namibian people”. From 1977, the GDR and other members of the socialist bloc criticized the attempt by the so-called Western Contact Group – made up of the United States and the other Western members of the UN Security Council – to weaken the effect of the relevant UN Security Council Resolution on the way in which Namibia should move to independence. A joint communiqué issued by the SED and SWAPO in 1977 condemned “the intrigues and manoeuvres engineered by international imperialism and its new strategy”.

After Nujoma visited the GDR in December that year and told his hosts of SWAPO’s wish to intensify its armed struggle against South Africa, the GDR began to supply SWAPO with light arms and ammunition. In 1978, SWAPO received 135 tons of small arms, with a value of 1.15 million East German marks (DDM). GDR military assistance increased after Nujoma met Erich Honecker, the general secretary of the SED, in Angola in February 1979. The GDR now

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5 Schleicher, GDR Solidarity, p. 1082; V. Shubin to the author, E-mail, August 2017.

6 Shubin to the author, E-mail, August 2017.

supplied SWAPO with vehicles, which SWAPO used both to transport supplies to refugee camps and soldiers to the front lines. The GDR sent SWAPO uniforms for 10,000 guerrillas. The value of the GDR’s material and financial assistance to SWAPO increased from DDM 1 million in 1975 to over DDM 6 million in 1979.\(^8\) Aid for SWAPO was unaffected by the rebellion that broke out in SWAPO’s ranks in 1976 and led some of the dissidents in the organization to form a separate party, the SWAPO Democrats (SWAPO-D), in 1978.\(^9\) The GDR continued to give full support to the SWAPO leadership under Nujoma.

Nujoma made 13 official visits to the GDR between 1975 and 1988, and he and other SWAPO officials met leading GDR politicians who visited Southern Africa.\(^10\) Some GDR teachers and health workers were sent to work in SWAPO’s camps in Angola. Thanks to support it received from the Solidarity Committee, which was largely funded by members of the Free German Trade Union Federation SWAPO was able in October 1978 to open an office in a house in a semi-residential area of East Berlin.\(^11\) This became the chief place for Namibians to congregate when they visited the GDR. The head of the SWAPO office was accorded semi-diplomatic status.\(^12\) SWAPO’s publications – most notably the monthly *Namibia Today*, which called itself SWAPO’s “official organ” and was produced by SWAPO’s Department for Information and Publicity, first in Lusaka and then in Luanda – were printed in Erfurt by the printing house Fortschritt for worldwide distribution.

After South African troops massacred hundreds of Namibians at SWAPO’s Cassinga camp in southern Angola in May 1978, 80 Namibian refugee children were flown to the GDR, where they were provided with education in Mecklenburg.\(^13\) Other Namibians were given technical training or granted scholarships at universities in the GDR, while places at the SED party schools in Rostock and

\(^9\) This even though the leading figure in the rebellion against the SWAPO leadership, Andreas Shipanga, had visited the GDR not long beforehand.
\(^11\) Schleicher, *GDR Solidarity*, p. 1088. The Solidary Committee had been established in 1960 as the Committee for Solidarity with the Peoples of Africa (ibid., p. 1092).
\(^12\) Van der Heyden, *GDR Development Policy*, p. 172.
elsewhere were allocated to SWAPO cadres. Members of SWAPO’s People’s Liberation Army of Namibia (PLAN) who had been wounded in the course of the war received medical treatment at hospitals in the GDR. Medical supplies were sent from the GDR to Angola, where two hospitals were equipped in SWAPO’s camps. SWAPO personnel received specialist training in security and intelligence from the MfS, especially after a visit to the GDR by Peter Nanyemba, SWAPO’s secretary of defence, in April 1979. The GDR’s National People’s Army (NVA) trained SWAPO cadres at a number of its military academies.

For a time in 1979, the GDR and others thought that UN Security Council Resolution 435 (1978), which had emerged from the Western Contact Group process and provided a roadmap for Namibian independence, might be implemented rapidly. Had it been, SWAPO cadres trained in the GDR would then have returned to an independent Namibia. Because South Africa refused, for a decade, to allow the resolution to be implemented, those trained in the GDR instead returned to Southern Africa either to engage in military activity in PLAN in Angola or to some other exile existence in the SWAPO camps there. The GDR supplied these camps in Angola with a wide range of supplies, including tents, mattresses, blankets, clothing, and educational materials.

While most of the types of interaction that had developed between the GDR and SWAPO before the 1980s continued through that decade, new forms of interaction emerged. Having backed the wrong party in Zimbabwe before that country became independent in 1980, the GDR had then to develop new ties with the Zimbabwe African National Union-Patriotic Front. In the Namibian struggle, by contrast, SWAPO had no serious rival and the GDR continued to

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14 For example, 21 SWAPO cadres underwent a six-month course in Marxism-Leninism in Saxony in 1978 (Schleicher, GDR Solidarity, pp. 1139–1140).
18 Because of the origins of the resolution, Moscow did not support it, but because it had the support of African states, the Soviet Union did not use its veto in the UN Security Council.
support the SWAPO leadership under Nujoma, ignoring the larger scandal that
enveloped the organization in the early 1980s, when thousands of SWAPO
members were accused of being spies and were imprisoned, tortured, and in
some cases killed.\footnote{On SWAPO’s treatment of its own members, including
detentions and executions, see, esp., C. Williams, \textit{National Liberation in Post-Colonial Southern Africa: A Historical Ethnography of
and solidarity, cf. Schleicher, \textit{GDR Solidarity}, pp. 1094–1097.} Despite the GDR’s increasing economic difficulties in
the 1980s, the value of the material aid it supplied to SWAPO remained relatively
steady during that decade. Though it fell somewhat from a peak of DDM
10.5 million in 1982, it never dropped below the 1977 level; in 1989, it was still
over DDM 9 million, and this did not include either military supplies or some
assistance that was given SWAPO by the United Protestant Churches, which
have been called “East Germany’s only semi-independent institution”.\footnote{Schleicher, \textit{The German Democratic Republic}, pp. 528–529.}

When he visited East Berlin in 1981, Nujoma made an urgent plea for more
food aid and weapons and for the GDR to take in further refugee children.
Although the GDR’s economy was in a poor state, Honecker ensured that SWAPO
received increased aid. The GDR helped fund and build a nursery school in the
main SWAPO refugee camp at Kwanza Sul in central Angola, which was opened
in 1985, for example. Each year SWAPO sent about 30 of its members on political
education courses in the GDR. Hifikepunye Pohamba, who was to succeed
Nujoma as president of Namibia, attended a two-month course on economic pol-
icy in 1983, which, he remembers, was “tailored to correspond to prospective con-
ditions in an independent Namibia”.\footnote{They were initially housed at Bellin, a hunting castle, then received secondary instruction
at the School of Friendship in Strassfurt (see, e.g., C. Sasman, “In the Footsteps of Namibia’s
Exiled Children”, \textit{Namibian Sun} 27 [2017]). Some Namibian trade unionists were trained at the
Free German Trade Union Federation School.} More Namibian children were flown to the
GDR to receive primary education in the 1980s, 340 in all.\footnote{Van der Heyden, \textit{GDR Development Policy}, pp. 174–175.} In the first half of that
decade, the quantity and sophistication of the weaponry that the GDR supplied to
SWAPO significantly increased. Though the population of Namibia was minute
compared to that of South Africa, which was a much more important country eco-
nomically, the GDR provided SWAPO with more aid in the 1980s than it did the
African National Congress (ANC) for its struggle against apartheid in South Africa,
in part because the Namibian struggle seemed more likely to end in victory for
the liberation movement.\footnote{Van der Heyden, \textit{GDR Development Policy}, pp. 174–175.}
In the second half of the 1980s, major changes took place in the forms of interaction between the GDR and SWAPO. This was partly a result of the changed situation in the war in southern Angola, the beginning of the winding down of the Cold War, and the diplomatic activity that led to the agreements of 1988 signed between South Africa, Angola, and Cuba, providing for the implementation of the UN plan for the transition to Namibia’s independence. GDR officials now began very covertly to explore the possibility of supplying goods to the apartheid regime in South Africa, despite its continued occupation of Namibia. From 1986, the GDR stationed an adviser to SWAPO in the GDR embassy in Luanda “to prepare”, in his words, “the GDR’s relation with Namibia for the times after the achievement of independence, so that the GDR would be politically present, on an equal footing with the Federal Republic of Germany”. In 1988 a large group of PLAN members received training in the GDR as bodyguards in preparation for SWAPO’s return to Namibia. From mid-1989, they helped guard the SWAPO officials who arrived back in the country in an operation the details of which were worked out, in part, with GDR officials. Immediately after he had paid a longer than usual visit to the GDR, Nujoma himself finally returned to Namibia, in September 1989. That year, the GDR’s Solidarity Committee organized special flights to repatriate Namibians from Angola, at a cost of DDM 1.2 million.

Peter Ekandjo a leading member of PLAN, has left an account of the time he spent studying leadership training at Rostock’s Institute of Political Science in 1988/89. In a course on reconciliation, he “learnt about the importance of reconciling the masses divided by the war” and how reconciliation could help prevent civil war. Together with other Namibians, Ekandja spoke to SED and worker meetings about SWAPO, Namibia, and its natural resources and briefed

26 Statement by Professor J. Pilz, the GDR adviser, quoted in: Schleicher, The German Democratic Republic, p. 528.
27 Ibid., p. 530.
Namibian children “about the political situation in Namibia and how the PLAN fighters had intensified the liberation war inside the country”. While in the GDR, he and other Namibians were able to interact with members of other liberation movements, such as the Palestine Liberation Organization. When he was told that the implementation of Resolution 435 was proceeding, he initially refused to return directly to Namibia, fearing “a complete sell-out”. He and others wanted to collect weapons in Angola before proceeding to Namibia, and it was only after a SWAPO delegation had been sent to the GDR from Angola to explain the process to them that they reluctantly agreed to fly directly to Namibia, which they did in July 1989.29

In 1989, the GDR, for the first time, became involved directly with Namibia itself. As the formal transition period began, the GDR agreed to supply personnel to the civil component of the UN Transitional Assistance Group (UNTAG) mission to the territory. The GDR had always accepted that the UN had a “special responsibility” for Namibia and approved of the UN leading the country to independence. The GDR initially sent 30 police monitors as part of UNTAG and then 25 election monitors, who arrived before the November 1989 democratic election. Remarkably, GDR personnel worked together with those from the Federal Republic of Germany (FRG).30 The feud between the two Germanys, which had been so heated in the 1970s, had now faded, though the GDR Ministry of Foreign Affairs did say that it was participating in UNTAG “to counter attempts by imperialist quarters to gain influence through broad involvement of their nations in the military and civil components [of UNTAG]”.31 The GDR was still very much concerned with trying to enhance its international status, and participation in the joint mission was a way to do that.

To help ensure that SWAPO was treated fairly in the run up to the election, two GDR officials from the Ministry of Foreign Affairs travelled to Namibia as an observer mission. An ambassador was then appointed to run a GDR embassy in Windhoek as soon as Namibia became independent.32 A GDR delegation attended the independence celebrations on 21 March 1990 and the embassy opened its doors, the last ever established by the GDR. But the ambassador, the last such appointee the GDR made, was never officially accredited, for as

32 Ibid., p. 530.
SWAPO came to power in an independent Namibia, the old GDR leadership was swept away and soon the country itself disappeared. Further special flights were, however, organized later in 1990 to take over 400 of those who would be called, when they were back in Namibia, “GDR Kids” from East Germany to Namibia.33

**Analysing the Interaction**

GDR-SWAPO interactions should be considered from both GDR and SWAPO points of view. The GDR was influenced in part by general Soviet bloc support for Third World liberation movements, in part by a wish to establish the basis for future cooperation with an independent Namibia, which it assumed was an inevitable development and which it anticipated would happen much sooner than it did. The GDR sought to advance its international standing as a sovereign state and equal member of the community of nations as well as to boost its position within the Eastern bloc countries. Having supported liberation movements, it expected to gain privileged access to natural resources after the achievement of independence.34 For the GDR, as for others, the struggle for Namibian independence was part of a wider campaign against apartheid: the advent of Namibian independence would, it was hoped, be a major step towards the end of apartheid in South Africa.35

Both general and specific factors influenced the relationship that developed between the GDR and SWAPO in these decades. Anti-colonial liberation wars were seen as just wars, and solidarity with Southern African liberation movements in their struggles against imperialism and racism aided the GDR’s self-perception of itself as a morally superior state, one that was “on the right side of history” in the Cold War.36 Solidarity with the plight of the world’s

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33 Schleicher and Schleicher, *Special Flights*.
proletariat and a belief in the goal of world revolution were cornerstones of Soviet bloc ideology. For the SED and the GDR Solidarity Committee, SWAPO’s struggle could be seen as part of a worldwide movement against capitalist exploitation.\(^{37}\) Despite the contradiction between the GDR’s support for national independence and self-determination elsewhere and its own dictatorial rule at home, many in the GDR identified with the state’s solidarity with Southern African liberation struggles, though no grass-roots solidarity movement developed in the GDR similar to those in the United Kingdom and the United States.\(^{38}\)

Support for SWAPO was also influenced by the particular history of Namibia as a former German colony. The GDR tried to distance itself from the German role in colonizing Namibia and from the 30,000 Germans who remained in Namibia, descendants of those who had settled there when the territory had been a German colony. Their ties were mainly with West Germany, and the GDR sought to emphasize the link between the FRG and former German colonization as well as its ties with the apartheid regime.\(^{39}\) As West Germany began to engage with SWAPO from 1977, when the FRG was a member of the Western Contact Group, and the West German Minister of Foreign Affairs, Hans-Dietrich Genscher, began to develop cordial relations with Nujoma, the GDR increased its ties with SWAPO and its support for SWAPO’s armed struggle.\(^{40}\)


\(^{40}\) For relations between SWAPO and the FRG, see Kern, *West Germany and Namibia’s Path to Independence*. A SWAPO office was opened in Bonn in 1982 (see Weiss, *Politics
The increased interaction between the GDR and Namibians in the late 1970s followed the adoption by SWAPO in 1976 of a political programme that talked of “scientific socialism” as the goal of the struggle. But that language mainly reflected SWAPO’s new relationship with the ruling party in Angola, which called itself Marxist-Leninist, and did not signal a major ideological shift in SWAPO itself.\(^{41}\) Despite the many visits and the fraternal relations that developed between the GDR and the SWAPO leadership, the latter was little influenced ideologically by the GDR’s brand of socialism. Nujoma himself remained uninfluenced by Marxism – a leading UN official wrote facetiously that if Nujoma were to meet Marx he would not recognize him\(^{42}\) – and the GDR had to accept that SWAPO was essentially a nationalist movement seeking Namibia’s independence, and not concerned primarily with introducing socialism in Namibia. Within SWAPO, Christian views were held much more strongly than Marxist ones, and as an organization SWAPO welcomed support for its goal of independence from a wide range of countries. Despite its 1976 political programme, it sought to avoid alienating potential supporters by committing to a particular ideological line. While the GDR hoped that the political education it provided to Namibians would help shape their thinking and feed into SWAPO’s policies, there is little evidence that this happened to any significant extent. It was many years before most of those trained in the GDR were eventually able to return to Namibia. Though Christian Williams argues that SWAPO created something of a “nation-in-being” in its camps in Angola, which ultimately housed some 40,000 Namibians who had fled their country, conditions in the camps were very different from those that the refugees found on their return to Namibia. As the refugees returned, the socialist regimes of Eastern Europe were collapsing. The political education that the GDR had given its Namibian visitors did not influence Namibia’s post-independence policies in any significant way.\(^{43}\)

Nor did the GDR try to impose a particular development model on SWAPO for the post-independence state. It knew that SWAPO was open to a variety of ideas about the form the future Namibia should take – ideas that were being

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Machine, p. 362), despite the fact that Nujoma was very critical of West Germany which eventually decided to close its consulate in Windhoek. Significantly, there is today a Genscher street in Windhoek.

43 In his A–Z of political personalities in his Guide to Namibian Politics, Windhoek: Namibia Institute for Democracy, 2008, Graham Hopwood lists only six people who were educated in the GDR. Sackey Kayone, Aram Martin, Laura McLeod, Aron Mushimba, Phillemone Ndjambula, and Erkki Nghostina. Two others among members of the National Assembly in 2015 were educated in the GDR. Hopwood to the author, E-mail, 29 September 2017.
generated at the UN Institute for Namibia (UNIN) in Lusaka and elsewhere.\textsuperscript{44} By the mid-1980s, Mozambique and other countries that the GDR aided in Africa were seeking economic relations with the West as well as with the Soviet bloc. The GDR’s adviser to SWAPO told its leadership “that SWAPO ought to develop its own ideas and should not blindly copy the GDR, since a socialist development for Namibia after independence was out of the question under the prevailing circumstances”.\textsuperscript{45} Meanwhile, some of the Namibian youth taken to the GDR for education, whom the GDR saw as potential future leaders of Namibia, were critical of the GDR for keeping them separate from the local population and restricting their movements while also complaining of experiencing racism.\textsuperscript{46} While in the GDR, they became aware that they were being fed SWAPO propaganda.\textsuperscript{47} After they settled in Namibia, many of them continued to cohere as a group and remembered their upbringing in the GDR with some nostalgia, but this did not mean that they retained a commitment to socialist ideas.\textsuperscript{48} Though SWAPO security personnel sent to the GDR for training were taught by the Ministry of State Security, commonly known as the Stasi, how to run an efficient operation, there is no evidence that the very harsh interrogation

\textsuperscript{44} The UN Institute for Namibia, founded in 1976 to train Namibians and plan for independence, was headed by a man educated in the United States (the present Namibian president, Hage Geingob), and produced the major plan for Namibia’s future (United Nations Institute for Namibia, \textit{Namibia: Perspectives for National Reconstruction and Development}, Lusaka: UNIN, 1986).

\textsuperscript{45} Quoting interviews with Namibians: Schleicher, \textit{The German Democratic Republic}, 1996.


\textsuperscript{48} At the launch of \textit{Children in Exile}, one of the GDR children, I. Sakaria, said he remembered “how it was instilled in us, and expected of us, to be the next generation of PLAN combatants” (\textit{The Namibian}, 30 June 2017). Nujoma, giving the book his imprimatur, recalled how Honecker had welcomed the children in the GDR.
methods used in Angola from 1979 on, which included different forms of torture and the imprisonment of those alleged to be spies in pits, were learned from the Stasi.\textsuperscript{49}

Western perceptions that the GDR’s solidarity work in support of Southern African liberation movements was to further the Soviet Union’s geopolitical ambitions in Southern Africa – to gain control over the strategically important Cape route and the region’s natural resources and raw materials – were far from the mark.\textsuperscript{50} The GDR continued to need the Kremlin’s support on the German question in Europe and remained dependent on its close economic relationship with the Soviet Union, but as the Cold War wound down in the late 1980s the GDR was increasingly able to act on its own, including in respect of its relations with liberation movements.

By the late 1980s, the GDR had come to accept that Western interests would remain strong in an independent Namibia and was prepared to work together with the FRG on the UNTAG mission, thereby hoping to strengthen its position at the UN. Namibia possessed important mineral and fishing resources, and the GDR hoped that it would benefit from its relations with SWAPO if and when that party came to power in an independent Namibia. Even as the GDR’s economy came under severe strain in the mid-1980s, economic considerations remained secondary, however, and the GDR disappeared before any benefits accrued to it from an independent Namibia.

While SWAPO valued its relationship with the GDR above all because of the extensive assistance, military and non-military, that the GDR gave it, German was one of Namibia’s languages, spoken by some in SWAPO, and so there were cultural ties, despite the negative legacy of German rule of Namibia and the influence that the German-speaking minority, with its links to West Germany, still had in the territory. With the collapse of the GDR, SWAPO lost one of its most loyal allies, but even before that collapse happened the GDR did not, to any significant degree, help SWAPO bankroll its election campaign in 1989 because it was by then working within a UN framework that did not permit such assistance.


\textsuperscript{50} For such perceptions, see, e.g., United States Congress Senate, Committee on the Judiciary, Subcommittee on Security and Terrorism, \textit{The Role of the Soviet Union, Cuba, And East Germany In Fomenting Terrorist In Southern Africa: Hearings Before the Subcommittee On Security And Terrorism of the Committee On the Judiciary}, United States Senate, Ninety-seventh Congress, Second Session, Washington, DC: Government Publishing Office, 1982.
For its part, SWAPO sought good relations with both the Eastern bloc and the capitalist West, even if the latter did not provide the support it sought. Though SWAPO officials sometimes used militant Marxist-Leninist rhetoric, especially when negotiations stalled and Namibia’s independence seemed unattainable, their prime goal was always the liberation of the Namibian people from foreign rule. SWAPO believed, correctly, that it could maintain its friendship with the GDR and gain benefits from the relationship without becoming overly committed to it. The nature of the interaction between the two, then, was not one-sided; SWAPO continued to shape it in its own interests. Whereas in independent Mozambique GDR advisers hoped to exert influence on state policy, and extensive trade relations developed, the most the GDR could do in respect of Namibia in these decades was to try to influence its future leaders, whether the Namibian children whom the GDR educated or the SWAPO officials who visited and took courses in the GDR.

When Namibia did become independent in 1990, the Washington Consensus was dominant and it was mainly technical knowledge that had been acquired in the GDR, such as how to organize a trade union or repair motor vehicles, that was transferred, not the socialism the GDR had tried to inculcate in the SWAPO cadres who visited it. Though the GDR wanted the Namibians who visited to return to Southern Africa as soldiers or leading members of society who would, hopefully, share ideals with the GDR and have a strong affinity with Marxism-Leninism, by the late 1980s the GDR knew that those it supported in Southern Africa would engage economically with the West.

By the time the UN asked the two German states to provide peace-keepers for the UNTAG mission, the GDR’s ideological rivalry with the FRG had fallen away, and the GDR leadership had accepted the idea of cooperating with West Germany if it seemed to be in its interests. At the same time, the two German states continued to compete with each other economically, which in the Namibian case meant mainly in respect of access to its rich mineral and fishing

51 For an excellent case study of GDR aid to independent Mozambique, see Howell, End of an Era.
52 Wolf writes that though “some basic instruction on the principles of Marxism-Leninism was included […] our student guests politely made it plain that this was not what they had come for” and that the GDR learnt “that it was unwise to force our worldview on our partners”: Man Without a Face, p. 281. Cf. A. Babing, “The Role of the German Democratic Republic (GDR) in the international struggle against Racism, Apartheid and Colonialism”, Presented paper, International Anti-apartheid Conference, Durban, 2004, [http://disa.ukzn.ac.za/sites/default/files/DC%20Metadata%20Files/Gandhi-Luthuli%20Documentation%20Centre/2357/13/2357/13.pdf](http://disa.ukzn.ac.za/sites/default/files/DC%20Metadata%20Files/Gandhi-Luthuli%20Documentation%20Centre/2357/13/2357/13.pdf) (accessed 27 February 2019).
53 Schleicher, GDR Solidarity, p. 1087.
resources, for Namibia was one of the world’s leading suppliers of diamonds, had in Rössing the world’s largest open-pit uranium mine, and was known to be rich in other minerals, while there were vast fish stocks in the waters of the Benguela Current offshore. Which German state would receive preferential or favourable treatment in a SWAPO-ruled Namibia? Would the GDR’s history of unwavering solidarity with SWAPO count for more than the FRG’s economic power? With the end of the GDR and the unification of Germany, such questions faded away.

Conclusion

In tracing and analysing different forms of interaction, it is important not only to emphasize spatial and other contexts and to consider the actions of individuals, but also to have a comparative perspective. The Soviet Union gave SWAPO more military hardware than the GDR, while Sweden provided more non-military aid. Unlike the Soviet Union, the GDR did not send considerable numbers of military advisers and specialists to aid SWAPO in Angola, let alone combat troops, as Cuba did, to fight alongside SWAPO units there. There were never more than a few hundred Namibians in the GDR at any one time, and even fewer personnel from the GDR went to Angola to work with SWAPO. But the aid that the GDR gave SWAPO was, as we have seen, significant. Without it, SWAPO’s armed struggle would have suffered severely. And, as we have also seen, that support continued despite the GDR’s increasing economic difficulties in the 1980s.

But economic considerations did not dominate GDR interaction with SWAPO in the last decades of the Cold War. As SWAPO was a liberation movement and not yet a government, all the GDR could expect was that it would benefit from future trade relations with an independent Namibia. To the extent that this was a consideration, the GDR pursued a course independent of Moscow, while being influenced in part by its rivalry with the FRG. The extensive aid that the GDR gave SWAPO continued despite SWAPO’s independent ideological line and its engagement with states on the other side of the Cold War divide.

54 Fish resources were by the late 1980s more potential than actual, thanks in part to Soviet overfishing in the offshore waters. See, e.g., A van der Westhuizen, “A Decade of Exploitation and Management of the Namibian Hake Stocks”, South African Journal of Marine Science 23 (2001) 1, p. 307.
With Namibian independence long delayed, the transfer of knowledge from the GDR turned out to be limited. The technical expertise the Namibians gained in the GDR was relatively little used in independent Namibia, while the ideological instruction the GDR had provided did not shape the future thinking of those who received it. In 1989, a new space of direct interaction did open, with a few GDR personnel now visiting Namibia itself, but, with the collapse of the GDR, the social capital built through the decades of the evolving relationship between the two countries dissipated. Independent Namibia, with its liberal democratic constitution, sought Western foreign investment, and few of the ideas propagated by the GDR, which by then had disappeared, found any resonance in the new country.

Though the GDR gave SWAPO significant help over more than two decades to reach its goal of Namibia’s independence, few legacies survive from the GDR’s relationship with SWAPO. Today, it is rare to find any acknowledgement of the GDR’s contribution to the struggle; Nujoma’s, quoted at the beginning of this chapter, is a rare exception. When the first chancellor of a united Germany, Helmut Kohl, visited Windhoek in 1995, Nujoma made no mention of the support given SWAPO by the GDR in his speech in honour of the visit. No major streets in Namibia’s capital, Windhoek, are named after a GDR figure, and there is no significant monument relating to the GDR in Namibia.55 Today, the GDR’s interactions with SWAPO largely remain of interest among historians concerned with how those interactions changed over time as circumstances shifted, in both Europe and Southern Africa. As this chapter has noted, the GDR pursued its own agenda within the socialist bloc in these Cold War decades, while SWAPO was able to maintain its ideological distance while accepting large quantities of material and other forms of assistance. Had Namibian independence not arrived as the GDR collapsed, new economic and other interactions would undoubtedly have taken place.

55 S. Nujoma, Speeches of the President of the Republic of Namibia March 1995–20 March 2000, Windhoek: Ministry of Information and Broadcasting, 2000, pp. 68–69. On his first visit to Germany as Namibian president, however, Nujoma did insist on meeting people from the former GDR who had supported SWAPO (R. Kößler to the author, October 2018). P. Katjavivi only mentions the GDR in relation to the Solidarity Service International (SODI), founded in 1990 as successor to the GDR’s Solidarity Committee (P. Katjavivi, “Namibia’s Bilateral Relations with Germany”, in: A. Bosl et al. [eds.] Namibia’s Foreign Relations, Windhoek: Macmillan Educational, 2014, p. 151). SODI has continued to work in Namibia (Babing, Role of the German Democratic Republic, p. 5). Katjavivi visited the GDR as a SWAPO official many times.
Introduction

In early 1973, a memorandum sent by the Mozambique Liberation Front (FRELIMO) to the Romanian Communist Party’s (RCP) Central Committee detailed the impact of Bucharest’s support in the Mozambican national liberation war:

Your trucks helped us to send weapons and ammunition to the front, transport medicine, school material, and agricultural tools […] Ambulances saved many of our wounded […] Tractors […] contributed to the increase in agricultural production. Uniforms and weapons, of excellent quality, played a decisive role in our military progress.¹

Throughout the early 1970s, FRELIMO and the RCP built a relationship founded on the Bucharest leadership’s enthusiastic support of FRELIMO’s struggle against Portuguese colonial rule. Samora Machel, FRELIMO’s president, described Romania as “one of the great trenches against imperialism”.²

In this context, a bond developed between Machel and Nicolae Ceaușescu that exuded familiarity and was supposed to underline the special connection between the two parties and peoples. The Romanian government decided, in spring


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1972, to allow FRELIMO to open a diplomatic mission in Bucharest, the first of its kind in Eastern Europe. In 1973, during a meeting in Bucharest, Ceaușescu and Machel issued an official communiqué that recognized FRELIMO as “the only legitimate representative of the Mozambican people.” The Romanian position constituted an important precedent, as Machel underlined: “We hope that Romania’s example will be followed by other socialist countries […] so that we would be recognized not only in Europe but also in other socialist and African countries.” He even stressed that during his trip to the Union of Soviet Socialist Republics (USSR), the Soviet authorities granted him and his delegation “the status that we are entitled to” because of Romania’s official recognition of FRELIMO.

This chapter tests the premise of the elective affinity between Mozambique and Romania by focusing on the personal experiences of two groups of Romanian specialists/medical workers in Quelimane (a seaport, the administrative capital of the Zambezia province) and Maputo (1977–1979) and oilmen at the national oil company, Petróleos de Moçambique (PETROMOC), sent to offer aid and assistance to the government in Maputo (1977–1984). We investigate the translation of macro, official discourses of solidarity into microhistories of experiencing Mozambique. The contribution discusses the Romanian conception of technical assistance in the context of bilateralism with an Afro-Marxist regime while comparing it with other socialist states. We stress several discursive and lived paradoxes resulting from the overlap between ideological, national, and even neocolonial filters employed by Romanians in order to normalize Mozambican realities. Drawing on historian Young-Sun Hong’s analysis of aid from the German Democratic Republic (GDR) to the Third World, we argue that such premises of bilateralism inherently reproduced many of the problematic features of Western assistance, thereby diluting the anti-imperialist and counter-hegemonic rhetoric extolled by the RCP and FRELIMO. The various spaces of interaction – oil refineries, hospitals, apartments – between Romanian cooperantes (experts) and local officials or population are terrains where the stated Mozambican-Romanian friendship was tested by commercial and personal interests and by cultural hierarchies and complexes of superiority extolled by Romania’s representatives. The transnationality of these specialists’ presence in Mozambique was counterbalanced by paternalist narratives and practices of self-ghettoization. We show how

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the Romanian regime’s exceptionalism trickled down to the experts’ perceptions of local conditions.

By the mid-1980s, Romanian officials focused exclusively on cooperation in the field of agriculture, giving up on more investment-intensive projects requiring highly skilled labour. Bucharest had also stopped aid in the field of healthcare. The relationship between the two countries, despite the leadership’s rhetoric in both parties, was characterized by clashing commercial and state-building interests. War and economic crisis transformed Mozambique into a space of liability in the Romanian perspective, fundamentally defined by its rural conditions rather than by its status as a modernizing African socialist society. Our case study reveals the gradual disaggregation of socialist internationalism at the level of state policies and individual narratives.

The contribution relies on two types of personal accounts: the doctors’ activity reports from the archives of the Ministry of Health in Bucharest and discussion-interviews.6 These sources were combined with archival information from the Ministry of Foreign Affairs and the RCP’s Central Committee as well as collections at the Mozambican archives in Maputo. The doctors’ activity reports reveal the personalization of the official discourse, which combined “socialist expert witnessing” of the Mozambican healthcare situation with projections of the self in the postcolonial context. The discussion-interviews were done by Iolanda Vasile between August and September 2017. These were four conversations with two oilmen from PETROMOC and their wives as well as one with the wife of a former agricultural engineer who worked in Pemba (northern Mozambique) between 1979 and 1985.

There is a significant difference between the physicians’ activity reports and the discussion-interviews with the oilmen and their families. The first were written while the physicians were in the country and influenced by everything that was new, with little time for reflection. The activity reports include the interactions with officials of the Ministry of Health and communist party authorities. In the case of the second source, we encounter settled memories, negotiated and conversing with each other as well as in multiple inner voices. Nostalgia over the lost years of youth, not necessarily of the experience itself or the times of state

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6 This is a research method that uses a set of conductive questions meant to put at ease the person one is speaking with and engage her/him in uninhibited dialogue. Similar to a certain extent to the “life story” method, this practice argues that the researcher’s interlocutors are not “informants” or “interviewees”, but co-participants in the research. C. B. T. Peixoto, “Ser, não ser, voltar a ser ou tornar-se? Uma reflexão sobre a (re)inserção social dos angolanos de ascendência portuguesa à luz dos estudos pós-coloniais”, PhD thesis, University of Coimbra, 2015.
socialism blends with the memory of making the most of a unique experience. All the while, the interlocutor is an informed researcher. We brought these sources together because this way we could balance and compare subjectivities with official accounts of this East-South interaction. We are looking at the particularities of these East-South interactions at a micro level and at the way they nuanced macro readings of bilateralism, pushing them outside of Cold War binaries. How did aid and solidarity overlap and to what extent can we speak of shared ideals between East and South as exemplified by the Romanian-Mozambican case? Did economic benefits play into these dynamics?

**FRELIMO and Assisted Socialist Construction**

Formed in 1962, in Tanganyika, as a unified liberation movement of three other groupings, FRELIMO led the armed struggle against Portuguese colonial rule since 1964. In 1975, once the country declared its independence, it became the ruling party under the leadership of Samora Machel.

Eduardo Mondlane, FRELIMO’s president – until his death in 1969 – and the movement’s “cupola” during the early years, created the initial networks of collaboration against the background of the Cold War. Outside the Frontline States, the established contacts were with countries from the socialist bloc, Cuba, and the Scandinavian states. The aid – designated for either FRELIMO or the Mozambican refugees in Tanzania – varied from food, weapons and uniforms, cigarettes and trucks to full scholarships or medical treatment. Initially,

7 For example, M. dos Santos (vice president and secretary of foreign affairs), U. Simango (vice president), or P. Mocumbi (secretary of foreign affairs).

8 The Frontline States was a political coalition born in the 1960 with the intention of fighting apartheid and white minority rule in the region. The founding countries were Botswana, Tanzania, and Zambia. Angola, Mozambique, and Zimbabwe joined after independence, although representatives of national liberation movements, such as FRELIMO, participated before 1975.

the aid took the form of donations, frequently coming from Tanzanian duty concessions; the cooperation and accords established after 1975 fell under the category of bilateral arrangements that presupposed different types of contracts negotiated with each country separately. Mozambique employed foreign specialists in various fields: agriculture, healthcare, petroleum, mining, and textile industries. Due to poorly organized education and healthcare systems reserved mostly for the colonizers and the *assimilado* (assimilated) population, independent Mozambique was left with a difficult colonial legacy. The situation was made worse by the exodus of the *reto...ados* (the returning settlers), who started fleeing the country since 1974.

The first group of FRELIMO representatives visited Romania in 1966, after first passing through Bulgaria. An official letter inviting a delegation led by Mondlane was sent from Bucharest in March 1968. In 1969, Marcelino dos Santos (the future head of planning in Mozambique), together with other African comrades, attended the 10th Congress of the RCP. In 1971, Samora Machel visited Romania. A year later, during Nicolae Ceaușescu’s visit to Tanzania, he met with Machel. Between 1973 and 1974, there was a flurry of FRELIMO visits to Bucharest triggered by the RCP’s international recognition of the movement. These interactions reflected the RCP’s support for national liberation movements in general and the fact that the authorities in Bucharest strategically laid the groundwork for interstate bilateralism.

Since the early 1970s, Ceaușescu engineered a turn toward the developing world that was supposed to reinforce Romania’s political autonomy and

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10 During Portuguese colonial rule, the Indigenous Statute or Native Statute (Estatuto do Indigenato) legislated the racial segregation of the population in Angola, Mozambique, and Guinea-Bissau. *Assimilado* – as opposed to *indígena* (indigenous), who had no legal status – was the indigenous “trained” in the linguistic and cultural habits of the European settler. Acquiring this status did not automatically benefit its recipients. The law was formally abolished in 1961 after the international situation of the Portuguese state considerably worsened, which culminated with the beginning of the armed struggle in Angola.

11 An estimate of half a million to one million people fled from Mozambique to Portugal, Brazil, South Africa, etc. (R.P. Pires, *Os retornados: um estudo sociográfico*, Lisboa: IED, 1984).

12 Marcelino dos Santos had already been to Romania in 1953, along with colleagues from the former Portuguese colonies, as representatives of the Movement of Democratic Youth Unit (MUDJ), a Portuguese youth organization, to take part in the Festival of the World Federation of Democratic Youth. Here, he claimed, they first marched not under the Portuguese flag, as it was expected, but as representatives of their own countries.

13 “No title”, 1966, FRELIMO Archive, Box 29FF, National Archive of Mozambique, Maputo.

14 Mondlane never got to make this trip. He was assassinated on 3 February 1969 in Tanzania.

15 A. Cabral (African Party for the Independence of Guinea and Cape Vert, PAIGC) and A. Neto (The People’s Movement for the Liberation of Angola, MPLA) also attended.
economic self-sufficiency within the socialist camp and the world. Mozambique was another terrain where Romansians could strengthen sovereignty through mutually advantageous relations. The symbol of the Romanian regime’s Cold War heterodoxy was its membership, since 1976, in the Group of 77 (G77), the coalition of developing states at the United Nations (UN). This solidarity with the South was apparent even in the RCP’s definition of Romania as a European, socialist, developing country.

Bilateral relations between Romania and Mozambique were highlighted by successive high-level visits of the two countries’ leaderships after 1975, with diplomatic relations being established well before Mozambique’s independence. In April 1979, during the third “friendship tour” to Africa (the first was in 1972 and the second in 1977), Nicolae and Elena Ceaușescu visited Angola and Mozambique. In September 1980, Samora Machel returned the courtesy and travelled to Bucharest as part of a two-week tour that also took him to Bulgaria and the GDR. In July 1983, the Ceaușescus again toured African countries, Mozambique included, in an effort to consolidate Romania’s position and economic partnerships in the Global South as the government in Bucharest had taken the radical decision a year earlier of repaying in full its foreign debt. In May 1989, Joaquim Alberto Chissano, then president of Mozambique, was one of the last world leaders to meet Ceaușescu in Bucharest. Despite a common declaration condemning imperialism, the main topic of the discussion was Mozambique’s outstanding debt to Romania evaluated at over 100 million US dollars (USD). Before the meeting, the Romanian ambassador in Maputo declared that the two sides should not “idealize cooperation as it happened in the past”. The order of the day was pragmatism and efficacy as both states were confronted with extreme economic crises.

In the late 1970s, the newly established relationship between Mozambique and Romania materialized in a series of long-term agreements for economic and technical-scientific cooperation. The first was signed in 1978, and renewed

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17 On Romania’s membership in G77 and evolving representations of the country as a consequence of its turn toward the South and the Non-Aligned Movement, see M. Malița, Secolul meu scurt, Bucharest: RAO Class, 2015.
18 The other leaders who visited Bucharest in 1989 were the president of Iran, Seyyed Ali Khamenei (February), and the prime minister of Afghanistan, Mohammad Najibullah (September). In July, a session of the Warsaw Pact was organized in Bucharest.
in 1980 and 1983, which was complemented by a Friendship and Collaboration Treaty in 1979. On paper, Romania was supposed to play a significant role in Mozambique’s socialist construction. After all, as Chissano, at that time the Mozambican minister of foreign affairs, remarked in 1978, Nicolae Ceaușescu had been “the first leader among socialist countries who showed genuine respect to our movement in the way he treated our leader [Samora Machel] these are things that we cannot forget.” He continued by underlining that “other countries with much better conditions did not respond according to their possibilities, as Romania did.”

Until 1982, the number of Romanian specialists steadily increased. That year, over 120 experts were active in the country’s mining, agriculture, textile, and oil industries. However, the nature of Bucharest’s help shifted from aid to commercialized assistance focused on extracting raw materials, such as oil, iron ore, coal, asbestos, and cotton, and receiving hard currency. As the economic situation worsened and the civil war ravaged the country, Romania, along with other states (socialist or otherwise), rapidly grew disenchanted with the prospects of investment in Mozambique. Between 1985 and 1989, there was no meeting of the joint commission for cooperation, while most of the Romanian personnel left the country in the second half of the decade. The last specialist returned to Bucharest in April 1989.

**State Socialism: The Mozambican Way**

The model of a planned economy and internal organization, promoted by FRELIMO even before independence in the Nachingwea training camp in

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22 The civil war ravaged the country between 1977 and 1992, and it opposed the ruling party FRELIMO and Mozambican National Resistance guerrillas. Although an internal conflict that affected every aspect of the life of the Mozambican citizens, the civil war must also be seen as part of the Cold War dynamic, a regional and transnational conflict, since both parties received significant support from a range of international organizations, public and private, and there was direct meddling by other states, with significant attacks coming from neighbouring South Africa and Southern Rhodesia.

Tanzania, was founded on a fundamental spatial differentiation of the Mozambican society: the rural population (80 per cent of the country), the main economic provider and reservoir for the “Homem Novo” (New Men), as opposed to the urban sections, often seen as potential class enemies of the new state. After the Lusaka Accord (7 September 1974), which paved the way for independence, FRELIMO launched Operação Limpeza (Cleaning Operation), which aimed to purge the cities of immorality, from drunkenness to prostitution. This speaks to the self-proclaimed virtuous nature of the revolution in Mozambique. The transfer of the national liberation experience into state-building culminated with the creation of aldeias comunais (communal villages), a blend between socialist discipline and the Mozambican particularities interpreted by FRELIMO.

The 3rd Congress of FRELIMO, in February 1977, resulted in the official adoption of a Marxist-Leninist line. The party was the supreme ruling body, and the leadership reoriented its political-economic strategies, pursuing closer ties with the socialist bloc at the expense of China, its main ally before independence. FRELIMO drew closer to the Soviet Union, with whom it signed a Treaty of Friendship and Cooperation (1977), while socialist bloc aid pledges amounted to USD 17 million (the USD 59 million offered by China remained undisbursed). By 1980, because of differing positions in various Cold War crises (Angola, Cambodia, and Afghanistan), Mozambican-Chinese relations froze.

In 1981, FRELIMO adopted Linhas Fundamentais do Plano Prospectivo Indicativo para 1981–1990 (Key Lines of the Indicative Prospective Plan for 1981–1990). It was a programme meant to end underdevelopment and poverty through simultaneous industrial and agricultural development. At the 4th Congress of FRELIMO, in 1983, Operação Produção (Production Operation) was launched. Its purpose was to relocate people from urban areas to the machambas (rural settlements designed for intensive agricultural production). The largest number of displacements was to Niassa, where Romanian cooperantes played prominent roles in agriculture as engineers or machine operators. War and

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24 The camp organization of Nachingwea was the model for communal villages (O. Ribeiro, “‘Escravos sem dono’: A experiência social dos campos de trabalho em Moçambique no período socialista”, Revista de Antropologia 51 [2008] 1, pp. 177–214).
25 See the movie Virgem Margarida (2012) by L. de Azevedo.
economic crises reversed this dynamic in the Mozambican society, as many citizens sought refuge and work in big cities such as Maputo or Beira.

Although an active member of the Frontline States and of the Southern African Development Coordination Council (SADCC), Mozambique being one of the founding members, the country could not sustain its planned economy programme. After twice being refused membership in the Council for Mutual Economic Assistance (CMEA), by the mid-1980s FRELIMO leadership turned to the International Monetary Fund (IMF) and the World Bank for assistance and became a structural adjustment state. Sara Lorenzini argued that the rejection of Mozambique’s entry into the CMEA “signaled the collapse of the rhetoric of a special East-South solidarity: Not all Third World countries were equal; not all possessed the right level of development to integrate with the socialist system.” With the exception of the GDR, all the other socialist countries had strong reservations regarding Mozambique joining the organization. Along with the Soviet Union, they were reluctant to take on the financial burden implied by such membership, especially considering the difficulties of the assistance to actual non-European members, North Vietnam, Cuba, and Mongolia. The “old” terms of socialist solidarity did not hold under circumstances of economic crisis in the socialist bloc. As we will show below, in Romania’s case, in spite of the stated friendship proclamations from Bucharest, support for Mozambican development was constantly framed in a commercialized, self-interested fashion, which defied the Mozambican conception of special, less-monetized terms of aid from and trade with socialist countries.

Though assistance from Eastern Europe continued after being rejected by the CMEA, FRELIMO was forced into “an acute dialectic between sovereignty and bankruptcy”: on the one hand, it tried to preserve and continue the accomplishments

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of the revolution; on the other hand, it was forced to adjust its policies in accordance with donors’ requests (e.g. marketization, liberalization, etc.). In 1983, Mozambique obtained a considerable loan from the IMF, and a year later in 1984 it signed the Lomé Convention, a trade and aid agreement between the European Economic Community (EEC) and 71 African, Caribbean, and Pacific countries. Cooperation with Eastern Europe and the Soviet Union prevented the collapse of the country’s infrastructure and production, though it did not displace South Africa and Western Europe as Mozambique’s main trade partners.34

**Romanians in Mozambique**

From 1975 until 1977, the trade between Romania and Mozambique was close to non-existent: Bucharest exports amounted to the meagre sum of USD 0.2 million. By 1978, these jumped to USD 9.7 million dollars (agricultural machinery, textiles, fertilizers, cans, radios, etc.). Since July 1976, there was a mixed commission regulating the interaction between the two governments, a regular practice across the socialist bloc. The commission was supposed to meet on a yearly basis, but the frequency of its sessions depended on the volume of bilateral exchanges. The Romanian authorities considered these bodies the main instruments for regulating exchanges with developing countries. They were highly reluctant toward projects of coordination of expert missions under the CMEA umbrella.35

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34 Between 1977 and 1982, the share of Mozambique exports to countries belonging to the Organisation for Economic Co-operation and Development (OECD) dropped from 76 per cent to 40 per cent and imports decreased from 59 per cent to 39 per cent. Simultaneously, exports from the socialist countries (China included) rose from 0 per cent to 13 per cent, while imports grew from 0 per cent to 23 per cent (A. Jinadu, “The Interplay between Materialist and Ideological Factors in Soviet Relations with Ethiopia and Mozambique”, *African Journal of Political Economy* 2 [1988] 1, p. 37).

35 For early reservations on the coordination of the CMEA aid to Arab countries, see “Notă cu privire la propunerea R.D. Germane de a se examina în cadrul ședinței a XXX-a a Comitetului Executiv al CAER problema coordonării ajutorului aacordat RAU, Siriei, Algeriei și altor țări arabe”, Fond CC al PCR, Secția Cancelarie, 104/1967, p. 113, ANIC, Bucharest. On a similar Romanian criticism against perceived Soviet control through the CMEA over socialist states’ bilateralism with the Global South, see “Stenograma ședinței Prezidiului Permanent al CC al PCR, 04.02.1974”, Fond CC al PCR, Cancelarie 6/1974, pp. 25–26, ANIC, Bucharest.
An expression of the upsurge in bilateralism was the presence of Romanian specialists in various fields in Mozambique: there were 23 specialists who were paid by the Romanian state (among them 4 doctors and 1 pharmacist) and 31 specialists paid by the Mozambican state (18 oilmen worked at the Matola refinery). The peak of this bilateralism was 1982, when the number of Romanian experts more than doubled. Even then, among socialist countries, Romania lagged behind East Germany and the Soviet Union. In 1984, GDR officials in Maputo informed their Romanian counterparts that 450 of its citizens were present in Mozambique (this figure includes the embassy personnel and the specialists’ families).

The Romanian government was reluctant to grant financial loans to its counterpart in Maputo. Nevertheless, the RCP went to great lengths to present its involvement as being founded on a genuine commitment to mutually advantageous cooperation despite its different approach as compared to the other socialist countries. In 1978, the Ministry of Foreign Affairs in Bucharest instructed the ambassador in Maputo to inform FRELIMO’s leadership that assistance “was not offered for commercial reasons” and that Bucharest was willing “to make sacrifices by taking cadres from [local] production” in order to “assign them to fields of particular interest for the Mozambican side”. This, however, did not mean that Romania had “the obligation to permanently subsidize” technical assistance in Mozambique. The objective was collaboration that would generate the structures necessary for Mozambique’s socialist development while simultaneously producing the necessary income for Romanians to recoup their investment and cover economic necessities (raw materials or manufactured goods) back home.

At first glance, such reasoning seems exclusively driven by cost-benefit calculations. Indeed, the sticking point during the negotiations was the fact that Romania requested a share of the specialists’ wages to be paid in hard currency that was larger than the 25 per cent that the Mozambican side was

willing to concede. This position contrasted with the Soviet, East German, and Bulgarian authorities’ acceptance of this “non-negotiable” condition requested by Maputo – a clause supposed to reflect the country’s special relationship with other socialist regimes. To make matters worse, Cuban, Chinese, and Korean experts did not receive any wages or payment in hard currency; they only got per diems in local currency (Mozambican metical) and had their living expenses covered by the Mozambican government.\textsuperscript{39} Officials in Bucharest described such arrangements as potential sources of dependency:

> experience has shown that this so-called aid given by some countries by sending specialists without requesting remittances or at very low fares ultimately transforms into forms of pressure, a meddling that our country does not engage in […] we cannot envisage foreign relations with a friendly state at a loss.\textsuperscript{40}

The RCP rejected veiled accusations from other socialist states (the main culprits seemed to have been the Soviets, Bulgarians, and East Germans) that it adopted a “commercial” approach when dealing with Mozambique. It projected an anti-hegemonic understanding of bilateralism based on its own emancipation within the socialist camp. From Bucharest’s perspective, the proof of Romania’s disinterested assistance to Mozambique’s development was the allocation of medical personnel to the country as well as the participation of oilmen in the rehabilitation and expansion of the refinery in Matola (near Maputo). The experience of the latter became a model of bilateral economic cooperation. Agreements in other fields between Romania and Mozambique were constructed on the basis of the payment conditions for the oilmen. Initially only 25 per cent of their wages were paid in hard currency; by 1980, this rate had doubled. An identical clause was used for the two engineers who prospected for Mozambique’s natural gas extraction potential. A year later, the same type of contract was applied to all Romanian specialists working in the country: 31 worked in the textile industry, 18 performed maintenance for train wagons and engines, as well as 64 provided assistance in agriculture.\textsuperscript{41} This situation stood in contrast to the payments for Bulgarian experts (physicians received only 40 per cent in hard currency) or Soviet experts (whose wages were exclusively in meticals).\textsuperscript{42} An explanation for

\textsuperscript{40} “Telegram no. 623”, p. 23 (verso).
this differentiation is the fact that FRELIMO as well as the other governments from SADCC countries had become apprehensive toward overdependence on personnel from socialist countries, opting to preserve their options for tapping into other assistance resources beyond Eastern Europe. At the second SADCC conference, held in 1980 in Maputo, Mozambican officials argued that “we do not want underdevelopment and we do not want perpetual economic domination by foreign powers. But there is a way to pull all that behind us. We have the raw materials, you have the technology – let’s do some exchanging.” Considering Mozambique troubles with joining the CMEA, the assistance from Romania reinforced FRELIMO’s own non-aligned position, especially at a time when its leadership expanded the search for assistance to more countries because of growing economic difficulties.

43 Considering Mozambique troubles with joining the CMEA, the assistance from Romania reinforced FRELIMO’s own non-aligned position, especially at a time when its leadership expanded the search for assistance to more countries because of growing economic difficulties.

44 The Romanian medical team departed for Mozambique in two stages: July and November 1977. The first group of oilmen (14) left in April. In both cases, there was little official preparation for the trips. The doctors received a two-week course at the party’s school Ştefan Gheorghiu Academy, but the oilmen only had a one-day briefing and no knowledge about the language or the realities of the country they were about to embark to. The medical workers were specialized in radiology (2), paediatrics, ophthalmology, and pharmaceutics. The first three worked at the Maputo Central Hospital, the main healthcare institution in Mozambique. The fourth was in Maputo for a month, and then she was moved to Quelimane, a provincial hospital, where the fifth team member worked as well. The doctors were part of Romania’s aid to Mozambique, so Bucharest covered their plane tickets and other travel costs (e.g. transportation of medicine). For the oilmen, who were part of a joint enterprise agreement, the Romanian state received monthly payments from Mozambique of around USD 1,500 per month for each person of which 50 per cent was transferred directly in hard currency to the Romanian Foreign Trade Bank and the other half was

43 Agência de Informação de Moçambique (AIM), “No title”, Information Bulletin 53 (November 1980), p. 2. Present at the SADCC conference were 38 countries and 17 international organizations, including the United Nations Conference on Trade and Development (UNCTAD), the World Bank, the African Development Bank, and the European Economic Community.

44 In 1982, at the National Seminar on International Cooperation held in Maputo, “it was decided that a specialist firm should be set up to handle the recruitment of foreign technicians and negotiate technical assistance deals. This is aimed at avoiding problems caused by recruiting poorly trained or low-level technicians from abroad who then take jobs from equally qualified Mozambicans. It will also eliminate situations of overstaffing with foreigners when suitably trained Mozambicans exist” (AIM, “No title”, Information Bulletin 75 [September 1982], pp. 10–11).

45 As it appears from the discussion-interviews, the company Industrial Import-Export was an intermediary, facilitating the sending of the Romanian oilmen to Mozambique.
paid in meticals to the workers directly. Their plane tickets were paid by the Mozambicans, including the trip for a one-month leave per year. Another significant difference between the two groups lay in fact that the doctors were not encouraged to bring their families. The Ministry of Health in Bucharest justified it by arguing that they would stay for only one year and sending family members to Mozambique incurred additional expenses for the state, which, in the context of the economic difficulties at home, had to be avoided.

In contrast, the oilmen were joined by their wives and children a few months after settling in. The expenses of such dependents were covered by the government in Maputo. Medical aid was seen from the beginning as only a short-term commitment. The assistance in the oil industry was a long-term engagement that reflected the strategic economic interests of both sides. The Romanian authorities encouraged specialists to bring their families because this was a method to optimize their work and to insure the commitment to their mission overseas. The spouses were supposed to find jobs in the host countries, but only with the prior approval of the Romanian state.

The accounts about living conditions differ according to the nature of each group’s activity. The oilmen and their families associate their experience in Mozambique with the nostalgia of lost youth, or, as one wife put it: “Truly, a beautiful time in our lives. And we were so young.” While the men were picked up by van or car to work every day, the wives often visited each other or the former colonial spaces, for example Hotel Polana and Hotel Cardoso, for the amenities (e.g. swimming pool). However, their contacts with foreigners were carefully tracked by other colleagues who had been given the task of surveying and informing on the group’s activities. The fear of secret police informers that dominated Romanian society at that time was transferred into the social relations of specialists sent to Mozambique.

The three doctors working at Maputo Central Hospital were assigned similarly comfortable apartments close to the institution. The Romanian experts’

46 Because of Mozambique’s high inflation and price fluctuations, the Romanian embassy in Maputo complained that the part of the wages paid in meticals “cannot be used” and advised, in 1981, a renegotiation of the oilmen collective contract so that at least 75 per cent, if not all, of their wages be transferred in hard currency (“Telegram no. 079145, Embassy of Romania in Maputo”, 23 December 1981, 1336/1981, p. 96, MAE-Mozambic). A year later, the officials at the embassy complained that the payments in hard currency had not been wired for six months (“Telegram no. 078095, Embassy of Romania in Maputo”, 20 April 1982, 1635/1982, p. 19, MAE-Mozambic).

47 “Untitled document”, 28 September 1977, MS-DCCPI Relații Externe 1/1976–1980 (the folder has no page numbers; the page numbers below refer to individual documents).

48 Interview with G. family, August 2017, Ploiești.
living conditions in the capital reflected their unequal status in comparison with the locals. The quasi-colonial subtext of such situation is reinforced based on the reactions of the ophthalmologist and the pharmacist in Quelimane, who were not as lucky as their colleagues in Maputo. The pharmacist received “a one room-apartment well below the necessary minimum, without water and electricity, full of 15–20 cm long bugs in an apartment building with no security”.49 The ophthalmologist complained about having her bag, money, and passport stolen. According to her, this was not a singular event, because other foreigners complained about having things stolen from their homes.50 These radically different accounts are a reflection of the conditions within Mozambique at that time: a job in Maputo meant access to better and safer living conditions; being in the provinces exposed cooperantes to higher levels of insecurity and poverty.

The special status held by the oilmen situated them and their families in hierarchical relations with the locals. Mrs. G. fondly remembers her life in Mozambique, the “fine and honest people, although not that educated.”51 She keeps a vivid memory of Maria, the girl who helped them in the house and how she always refused to sit with them at the table since they were the patrâo (bosses), a reminiscence of former colonial relations. Although, she insisted: “I told her in our country there is no patrâo. We are all the same. […] At the end of the day I would give her whatever food was left or whatever I could. When we left we gave her everything from the house.”52 Outside of work, the oilmen were reserved in terms of interactions with non-Romanians, a rule drilled into them before departure, an expression of the draconian regulation of any communication with foreigners implemented at the end of the 1970s by the regime in Bucharest.

The activity reports of the medical workers conspicuously lack any reference to personal entanglements with specialists of other nationalities. In fact, the two working in Quelimane (over 1,500 km from Maputo), who were more isolated from the Romanian embassy and their fellow citizens, underlined the fact that they had no contacts with locals or other foreigners outside of work. In contrast, the three doctors at Maputo Central Hospital were at the heart of the transformations that were taking place in Mozambique’s healthcare system (see below).

A general feature of the discussion-interviews and the activity reports is the shock with the scarcity of essential goods. An oilman remembered that he had

51 Interview with G. family, August 2017, Ploiești.
52 Ibid.
to borrow a car and drive to Swaziland to buy necessities (a bed, clothes, and food) for their newborn due to the shortages in Mozambique. The oilmen were aware of the socioeconomic situation in Mozambique – extreme poverty and famine after 1982. Despite experiencing some of these conditions, their positions were privileged. An excellent example of this status divergence is the story of Mrs. G., who had her third child, the “Mozambican” as the family calls him, at the Maputo Central Hospital in 1979. The birth was assisted by a Mozambican midwife and a Russian doctor. A far more positive account of her birth experience, in 1983, was given by Mrs. S. Her case was exceptional as she was giving piano lessons to the sons and daughters of the FRELIMO elite at the Center of Cultural Studies in Maputo. She was therefore offered VIP treatment at the behest of Pascoal Mocumbi, then the minister of health.

These two stories stand in sharp contrast with the conditions at the Maputo Central Hospital, as described by the Romanian doctors, further showing the hierarchical relationship between the experts and the locals. The paediatrist reported that the section where he worked had no air conditioning and extreme humidity increased the danger of infection and contagion. He stressed the high rates of mortality: “among the 1600 patients hospitalized every month, the mortality in some sections was 10–15 percent, sometimes even 18 percent, of which approximately 6–8 percent in the first 24 hours since hospitalization.”

The two medical workers in Quelimane emphasized the absence of basic products such as meat, sugar, or milk as well as the long queues at local stores. The paediatrist in Maputo bemoaned the lack of bread for two months (June–July 1978). Combined with the difficult climate, the intense workload, and extensive responsibilities given to them by local authorities, the physicians reported states of depression and over-exhaustion. Only a few years later, the medical personnel would face a cruel irony. In the second half of the 1980s, the Romanian cooperantes experienced queues and rationing at home as well, encountering everyday hardships that in late 1970s only seemed possible in a postcolonial context.

In a country devastated by hardships, war, and famine, the self-ghettoized Romanian families from PETROMOC lived a decent life and managed to make the proper connections to have access to goods otherwise difficult to obtain. The G. family was buying their merchandise at a local shop owned by a French

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53 Interview with Mr. S., August 2017, Ploiești.
54 Interview with G. family, August 2017, Ploiești.
55 Interview with Mr. S., August 2017, Ploiești.
57 VF, Raport de activitate, 1 July 1978, MS-DCCIPI Relații Externe 1/1976–1980, p. 2
family, not at the *loja popular* (people’s shop). Sometimes, through the embassy, they would change money so that they could buy goods from the diplomats’ shop. They recalled the queues for food and how a simple rock meant someone had reserved a place in line for something. And, as Mrs. G. put it, although she felt bad to ask for eggs or flour to be put aside for her and take it through the back door, while the local population was queuing, that was the reality she had to adapt to.\(^{58}\)

A detail that stands out in the discussion-interviews and the activity reports is the absence of any reference to the civil war. One explanation is that, with two exceptions, the pharmacist and ophthalmologist in Quelimane, the two groups of Romanian *cooperantes* lived in Maputo mostly shielded from the military conflict. One hint from the doctors’ activity reports was the excessive number of patients and their dreadful medical condition at the Maputo Central Hospital – a possible indication of displaced persons in the capital from the war-ravaged territories. The oilmen witnessed the bombardment of Matola by South African planes in 1981.

Documents from the archives of the Romanian Ministry of Foreign Affairs tell a different story. In 1982, the embassy in Maputo reported to Bucharest that local authorities instructed *cooperantes* to take preventive measures in order to insure their personal safety because of a surge in “delinquent acts” targeting foreign citizens.\(^{59}\) The attacks of the Mozambican National Resistance (RENAMO), FRELIMO’s main antagonist during the civil war, against 270 East German specialists working at the coal mine in Moatize forced the authorities in Berlin to withdraw the experts’ families. For similar reasons, the Bulgarian government decided to remove its agricultural personnel in the Angonia district (both locations in Tete province).\(^{60}\) The situation reached a boiling point in 1984, when 11 *cooperantes* (8 East Germans, 1 Yugoslav, 1 Swede, and 1 Portuguese) were killed by RENAMO forces. Most foreign governments, including socialist ones, completely withdrew some of their specialists, while others’ activity was limited to urban centres where the presence of the Mozambican military was strong and their safety could be insured.\(^{61}\)

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\(^{58}\) Interview with G. family, August 2017, Ploiești.


Since 1982, Romanian authorities worried about the geographical dispersal of their experts, because it made them more vulnerable to attacks. In some cases, such as those working in agriculture in Southern Mozambique (Catuane and Salamanga), they were relocated to other provinces. In general, Romanians remained committed to their mission in the country. In 1984, Alberto Chipande, minister of defense and governor of the Cabo Delgado province (where a large contingent of Romanians were employed), thanked the ambassador that Romania did not withdraw its specialists as other socialist countries had done. Nevertheless, the civil war (fuelled by South Africa and Southern Rhodesia) rapidly destabilized Romanian-Mozambican bilateralism. The oilmen left Matola at the end of the year, and the specialists working in agriculture (104 out of the 106 left) were removed in the following years. Extreme poverty, combined with domestic turmoil, transformed postcolonial Mozambique into a space of untenable interaction from Romania’s standpoint.

Romanians as Agents of Decolonization

Doctors

The Romanian specialists were tasked with providing assistance in two crucial fields for socialist construction in Mozambique: the healthcare and oil industries. Their responsibilities and activities could be subsumed under the label of decolonizing agents in the newly independent state.

The medical team showcased Romanian medical knowledge and practice with potential developments in pharmaceutical and technological exports. They symbolized Bucharest’s commitment to the betterment of Mozambican society and willingness to transfer socialist modernity into the postcolonial context. However, a degree of desynchronization developed between the authorities in Maputo and the Romanian medical workers’ vision of socialist medicine. Before independence Mozambique had 550 doctors, out of which only 87 stayed after independence. Another source paints a much more dire picture: after 1975, there were only 30

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physicians for a population of 11 million people.\textsuperscript{64} Besides providing much needed treatment, foreign physicians were also tasked with preparing new cohorts of local medical workers. As Machel pointed out in one of his many speeches concerning the health sector, “the doctor comes principally to train cadres for the new system of health we are building.”\textsuperscript{65}

In October 1975, Mozambique nationalized all health institutions and abolished private medicine. A year later, during a speech at the Maputo Central Hospital, Machel initiated a process of democratization and collective administration through ward councils, which was his expression of his pre-independence conception of the “FRELIMO hospital”. The latter was not an institution focused solely on offering medical service but was also a centre for the education of patients as well as for production with staff and patients tending to plots for vegetables. The “FRELIMO hospital”, an expression of the anti-colonial struggle, was a “center of national unity, a center of class unity, a center of clarification of ideas, a center of revolutionary and organizational propaganda, [and] a combat unit”.\textsuperscript{66} This vision of healthcare carried over into the postcolonial state. Machel argued in 1976 that medicine had to be politicized so that “it will not be transformed into a dangerous instrument against the people and undermine our political line.”\textsuperscript{67} The ward councils were a way of insuring collective leadership among medical workers, while hospital committees were controlled by FRELIMO.

Two years later, in December 1979, Machel, a trained nurse himself, who had worked at the Lourenço Marques Central Hospital\textsuperscript{68} before joining FRELIMO, moved away from what he termed “leftism” and “petty bourgeois radicalism with a revolutionary facade” in healthcare. Again in a speech at the Maputo Central Hospital, the Mozambican leader insisted that the previous dispersal of power caused by overemphasis on ward councils affected decision-making in hospitals.\textsuperscript{69} By 1980, the director of the Enlarged Consultative Council of the Ministry of Health argued for significant reform along three directions: a better balance between curative and preventive medicine (previously, the latter was emphasized); a reduction of the number of paramedical training centres and an


\textsuperscript{65} Excerpts from a meeting Machel held with health service personnel (AIM, “No title”, Information Bulletin 42 [December 1979], p. 5).

\textsuperscript{66} Quoted in: Barker, Bringing Health Care, p. 322.

\textsuperscript{67} Ibid., p. 326.

\textsuperscript{68} The pre-independence name of Maputo.

\textsuperscript{69} Barker, Bringing Health Care, p. 329.
elevation in entry qualifications for trainees; and local doctors had the right to
specialized training in order to create a “core of national specialists.”70 This was
the final step in the progressive turn of the Mozambican medical system towards
specialist, hospital-based care.

The summary above reflects the shift in healthcare models in the country that
mirrored the alternation of FRELIMO’s allegiance from China to the Soviet Union
within the global socialist camp. By the late 1970s, Mozambique officials gradually
moved away from a nearly unilateral embrace of the Chinese template of horizon-
tal, revolutionary medicine built around community-based paramedical workers
drawing on the model of “barefoot” doctors trained for rural settings. This model
was centred on the principle of fundamentally democratizing medical practice and
extending basic preventive medicine and healthcare provision to remote rural
areas.71 However, since 1980, Machel started emphasizing the Soviet healthcare
blueprint, which was hierarchical, centralized, and specialist-oriented. This trans-
formation happened for several reasons: first, as part of their overtures to the
CMEA, Mozambican authorities attempted to adjust their healthcare system, at
least partially, to the Soviet model;72 second, after Mao’s death and Deng Xiaoping
ascent to power (1978), the Chinese government adopted less ideological and more
pragmatic assistance policies in Africa, disengaging from Mozambique;73 and,
third, the government in Maputo adopted a hospital and specialist-centred ap-
proach once the initial global support for primary healthcare (PHC) waned.74

The hybridity of Mozambique’s medical system was fundamentally defined
by its enthusiastic adoption in 1978 of PHC as a state policy. The government
controlled and took over the pharmaceutics trade. There were crash courses for
medical and paramedical personal. Authorities implemented preventive medi-
cine activities through community participation in order to counterbalance the
nearly exclusive focus on curative practices and the racial segregation of patients

70 Ibid., p. 331.
71 On the complexities of Chinese revolutionary medicine, see Fang Xiaoping, *Barefoot
72 In 1975, a Standing Commission on Collaboration in Health Protection was organized
within the CMEA. Until the mid-1980s, Mozambique had attended the Standing Commission
based on its observer status within the organization (“Comisia permanentă CAER pentru cola-
borare în domeniul ocrotirii sănătății. Cele mai importante sarcini în perspectiva apropiață”,
Baltimore: Johns Hopkins University Press, 2016, pp. 259–266.
During the colonial period. According to a Mozambican report submitted in 1981 to the World Health Organization (WHO), “health deliveries and most drugs are virtually free, since only ambulatory care is paid for, and that at a symbolic price.” After the creation of Medimoc, a state company that monopolized the import and export of medicine, “the proportion of the health budget spent on drugs is to be maintained within the range of 10–20% regarded as ideal in the international literature compared to 30–40% for most Third World countries.” During the second half of the 1970s, there was a strong sense that FRELIMO was engineering a radical transformation of the Mozambican healthcare system. However, as the accounts of Romanian doctors will show, the results and reception of this reform were mixed.

One of the central issues in the Mozambican medical system was the integration and status of cooperante doctors. After independence, FRELIMO extensively relied on foreign expertise. In 1980, there were 302 physicians in Mozambique, the majority of them at the Maputo Central Hospital and in the surrounding region. Two-thirds of them were expats from some 20 different countries. In 1978, the Soviet Union and China sent the most doctors, another sign that Mozambique was a site of competition between the two countries: 44 versus 35, respectively. This rivalry was complemented by Cuba and North Korea, a reflection of these two countries’ individual allegiances to the two socialist hegemons: 10 versus 12. Eastern European involvement was significantly lower: 5 each from East Germany, Bulgaria, and Romania; 4 from Hungary; and none from Poland or Czechoslovakia. The total number of Italian physicians was higher than that of all Eastern Europeans: 22. There were 10 Chileans as well as personnel from the US, Brazil, England, Portugal, the Netherlands, France, Sweden, Finland, Denmark, Australia, Tanzania, Ghana, India, Zambia, and Guinea-Conakry. While financial gain should not be overlooked, an important motivation of these medical workers was political: personal or state solidarity with Mozambique’s reconstruction.

Foreign doctors had to comply with the horizontal, activist vision of medical practice promoted by FRELIMO. Romanian specialists reported back home about their participation in the ward councils, the practice of collective leadership in hospital decision-making, and the periodic collective, educational

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77 Cliff, Mozambique Health Holding the Line, p. 10.
meetings with patients and their dependents. Their activity reports contain negative assessments of the local auxiliary and mid-level personnel. In a reassertion of hierarchies – which were muddled in Mozambique – the doctors complained about their lack of discipline and cleanliness, unreliability, “their delayed reflexes”, and “low cultural level”. They contrasted these accounts with an emphasis on “the great respect shown by locals to doctors”. The same differentiation was made by Machel in 1979, when he lambasted the absence of respect toward physicians and asked that they be addressed with the title Senhor Doctor. WHO reports also flagged the questionable quality of the newly trained auxiliary staff. A WHO expert underlined in 1982 that “although a consistent number of new technicians has been produced, their performances cannot be expected to correspond to their terms of reference.”

Mozambique’s dependence on foreign medical personnel was seen by one doctor as an opportunity for the Romanian state. He recommended that Bucharest could export pharmaceuticals and medical instruments to Maputo. Romanian authorities attempted to participate in bids on the Mozambican medical market. In 1979, the economic section of the embassy forwarded an offer sheet of 16 different types of pharmaceutical products. They competed with firms from West Germany, the US, France, Switzerland, and South Africa as well as from the GDR, Hungary, Czechoslovakia, China, Bulgaria, and Yugoslavia. The range of products provided by Romanians was woefully inadequate as Maputo had requested no less than 500 different types of medicine. Some of Bucharest’s competitors were more comprehensive in their response to these requirements. Unsurprisingly, the bid was not successful, further diminishing Romanian involvement in the Mozambican healthcare system.

In an attempt to avoid economic exploitation and expand affordable care to larger sectors of the population, between 1975 and 1980 FRELIMO issued several national formularies. These documents reduced the number of pharmaceutical products for use in the health services from 13,000 to ultimately 355 medications. Moreover, Mozambican authorities imposed on doctors specific plans of treatment for the most recurrent diseases in the country. This focus on cost-efficiency and self-reliance generated dissatisfaction among Romanian and other foreign doctors. A radiologist complained that he was forced to limit

84 Barker, Bringing Health Care, p. 324.
the use of film while noticing the reductions in the medicine allocated to pa-
tients in the Maputo Central Hospital.\textsuperscript{85} The paediatrist reported that “it was
sometimes difficult to accept” the treatment plans for the most encountered
diseases imposed by the Ministry of Health. He considered this focus on “the
cheapest therapeutic schemes” to be questionable. He underlined that the gov-
ernment focus on using only the generic name of medicine prevented informa-
tion to be obtained on the best pharmaceutics available on the market.\textsuperscript{86} The
pharmacist in Quelimane added that despite the existence of a national formu-
lary and of treatment manuals for certain diseases, there was no planning,
which made distribution very difficult.\textsuperscript{87} Constant shortages across the country
showed the inability of the centrally planned economy to ensure the type of
health coverage that FRELIMO aimed at. The ophthalmologist working in the
same city criticized the local bureaucracy, seeing it as significant roadblock to
the improvement of the healthcare system. She considered that the authorities’
search for the most advantageous contracts for pharmaceuticals and medical
instruments generated extreme differences in the quality and profile of medical
products. This affected the physicians’ ability to provide appropriate
treatment.\textsuperscript{88}

Romanian doctors’ criticism of the Mozambican medical system reflected
a larger battle ongoing in global health at that time: Maputo’s focus on free and
generic “basic medicine” and formalized treatment plans reflected two elements
of a PHC-structured reform: the emphasis on “appropriate technology” (technol-
ogy effective in a given circumstance) and the WHO’s essential drug pro-
gramme.\textsuperscript{89} Romanians as well as other foreign doctors disliked the fact that local
authorities were overriding their expertise by drastically regulating their ability
for to provide prescriptions and treatments. Ironically, a similar development
would take place in Romania during the second half of the 1980s. Ceaușescu’s
decision to repay the country’s foreign debt in full forced the government to forgo
most imports of foreign medicine (which required hard currency). The communist
leader urged self-reliance, that is to say by focusing on domestic production,
while also significantly limiting the list of medicine available on the market.

Romanian doctors complained about the malfunctioning or unusable ma-
chinery available in the hospitals. In fact, they were confronted with yet another

\textsuperscript{86} VF, Raport de activitate, 1 July 1978, MS-DCCIPI Relații Externe 1/1976–1980, p. 2.
\textsuperscript{89} M. Cueto, “The Origins of Primary Health Care and Selective Primary Health Care”,
colonial legacy: on the eve of Mozambique's independence, the medical personnel, knowing that there would be little accountability because of the regime change, ordered very expensive technology for their institutions. After 1975, the government did not have the money required for their upkeep. For instance, in 1977 the Maputo Central Hospital had top-of-the-line Siemens X-ray machines; some of them stood idle because the ministry did not have the hard currency for spare parts. Simultaneously, the existence of this sophisticated technology created a two-sided perception of hospitals: sometimes they were ambivalently perceived as postcolonial spaces, and other times, from the standpoint of their endowments, they were considered a site of medical modernity comprising up-to-date specialized machineries. According to a Romanian medical worker, the laboratory in Pemba “could compete with any laboratory in England, France, or Germany” as some of the machinery had been donated by socialist or Western states. For the Romanians, they had the opportunity to participate in such technological progress and get accustomed to new equipment on the market.

In spite of economic hardship and professional difficulties, the Romanian doctors’ activity reports ultimately exude optimism rooted in narratives of personal, heroic, and civilizing stories emerging from their double mission of treating illness and training specialized local cadres. Among the multiple medical schools available in Mozambique, in their view the Romanian one stood out. The radiologists detailed how they brought discipline within their wards, while imposing physical and haematological check-ups for the hospital’s employees in order to prevent irradiation. The paediatrist claimed that his colleagues and subordinates became interested in Romanian practices, even studying, with his help, textbooks from Bucharest. He introduced the “Romanian method of oral rehydration for newborns”, a practice that was in general use across the entire country. The pharmacist and ophthalmologist insisted that they had a central

90 We see postcolonial spaces as physical and symbolic terrains where various actors, domestic and foreign, in our case experts and politicians, engage in activities and interactions aimed at overcoming and resignifying colonial legacies specific of certain localities, occupations, and economic sectors. Postcolonial spaces are characterized by ongoing negotiation and cross-fertilization between different types of agency conditioned by national and international economy and politics. That is why we opt for writing the term in a single word, since the “post” has not been yet overcome, and we do not see it standing for a mere chronological separation. For further reference on this conceptualization, see L. Gandhi, Postcolonial Theory: A Critical Introduction, St. Leonards: Allen & Unwin, 1998; B. de Sousa Santos, “Between Prospero and Caliban: Colonialism, Postcolonialism, and Inter-identity”, Luso-Brazilian Review 39 (2002) 2, pp. 9–43.

91 Interview with Mrs. G., September 2017, Bucharest.

role in some of the treatment plans designed by the authorities. An additional aspect of the Romanians’ modernizing mission was their teaching, which took two forms: mass “sanitary enlightenment” of the people and training of mid-level personnel or specialization of their Mozambican peers. The paediatrist even stated that he drafted the curriculum for his professional specialty for local higher education.

The motif of Romanian exceptionalism is obvious in one account of the departure of the three people working at the Maputo Central Hospital. They received from the institution’s director an official document (declaração), which expressed the high esteem these professionals were held in throughout Mozambique. During a formal meeting with Samora Machel, the latter told his audience that “wherever they worked, Romanians always rose to the occasion.”\(^93\) Echoing the stories of oilmen, it appears that, despite their criticisms of local conditions, the doctors were eager to point out the alleged unique position of Romanians in Mozambique. The nationalization of solidarity narratives in the South reflected the individualization of state socialisms in Eastern Europe.\(^94\) However, the exceptionalism embraced by physicians from Bucharest was a result of the Romanian regime’s self-definition in a global context: it aimed to stand out among the socialist camp, where it jealously defended its individuality and righteously claimed to defend the anti-colonial and anti-imperial cause of developing peoples. As this chapter shows, such self-representation was only selectively backed by reality; bilateralism often broke down beyond the pomp of high politics.

Exceptionalism and solidarity did not blend well. Perceptions of the postcolonial space among the physicians were permeated by a socialist complex of superiority based on cultural hierarchies. Romanian doctors saw Mozambican hospitals and the population as loci of maximum contagion and hygienic illiteracy. They argued that the difficult health situation in the country was made worse by the population’s “obscurantism”, “mysticism”, lack of education, “dubious habits”, and “superstitions”.\(^95\) Their assertions echoed FRELIMO’s self-colonizing modernization mission, as Mozambican officials attempted to civilize

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their own people to rid them of perceived backwardness. Its leadership simultaneously aimed at “the postcolonial state’s tentative construction of a strict party and cadre structure steeped in an ideology of state centralism,” and the “attempted eradication of what they saw as traditional structures, agrarian practices, and bodies of knowledge.” In a re-enactment of the Romanian medical personnel’s practices back home during the 1950s and 1960s, when they were engaged in a similar civilizing mission within Romania, they embraced FRELIMO’s campaign against “obscurantism” while questioning the possibilities of socialist progress in the country.

Romanian-Mozambican medical bilateralism ended in 1979, just two years after it started. The joint governmental commission negotiated the continuation of healthcare assistance and 19 professionals were selected. This time, however, Maputo was supposed to pay the wages of the larger team. The salaries offered, USD 750/month, were far from Romanian expectations. Bucharest had set a payment threshold of USD 1400/month. No common ground was found and the programme was cancelled. Between 1982 and 1984, two Romanian medical workers were active in Mozambique, but they were hired on individual contracts upon arrival in the country as spouses of specialists working in other fields. The outcome of Romanian medical assistance indicates the RCP’s pragmatic approach to mutually advantageous cooperation. In contrast with the partnership in Matola, the physicians only benefited the Mozambican side; they were not a source of hard currency for Bucharest. Romania’s solidarity with FRELIMO would go only as far as the cost effectiveness of their bilateralism.

**Oilmen**

The team of oilmen shared the same task as the healthcare personnel: they were agents of decolonization with the mission of nationalizing PETROMOC, one of Mozambique’s most lucrative companies. The story of their journey to Mozambique indicates that their mission was classified in the context of the Mozambican Civil War, which was fuelled by South African and Southern Rhodesian military meddling. As a result, there was no spare money for the Romanians; the authorities did not give them any for the trip and they did not allow them to carry hard currency. They had canned food, which proved useful when they had an unexpected layover of five days in Dar es Salam. The oilmen

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travelled dressed in sportswear, carrying football equipment. They were supposed to pass as a Romanian football team going to Mozambique for a friendly game. Their mission was part and parcel of the wider nationalization measures taken in 1977 by Mozambican authorities, who attempted to establish control over the country’s economy and resources – an essential step in the consolidation of its newly acquired independence. While agriculture was considered the base of Mozambican economy, industry was meant to be the dynamic and decisive sector of development. The nationalization of previously colonially owned companies was vital, in FRELIMO’s perspective, for anchoring the role of the newly independent state in the economy. At the 3rd Congress of FRELIMO, the leadership proclaimed that this new stage of the class struggle went hand in hand with the formation of a Marxist-Leninist vanguard party, a new FRELIMO capable of achieving economic development, independent of foreign monopolies. In this respect, “the formation of cadres qualified politically, scientifically and technically” became a crucial task of the new party.97

The 14 Romanians replaced 34 “French bosses” that controlled the oil company Sociedade Nacional de Petroleos (SONAP) and helped with the training of Mozambicans that were supposed to replace them when the time came. The group was supposed to prepare the establishment of the new national oil company, PETROMOC, on the country’s independence day (25 June). They were ridiculed by their French colleagues, who did not believe that such work could be done by a much smaller number of people. As Mr. G insisted, they had no choice. He remembered fondly his Mozambican colleagues who were crucial in the Romanians’ adaptation to the new working environment. Since they had no knowledge of Portuguese, with the help of a dictionary and of one Mozambican colleague who had been previously trained in Romania and spoke the language, they managed to communicate with the local workers after the French left.

PETROMOC, the entity that owned the refinery in Matola, had its roots in SONAP. The latter was founded in 1933 and was one of the most notorious Portuguese oil companies. With 13 per cent of French capital from the Compagnie Française des Pétroles (CFP, later renamed Total), SONAP was chaired by the Galician Manuel Bulhosa, who was highly influential within the high ranks of the new fascist Spanish state. The proposal to open a refinery in Matola was made in 1958; in 1961, it was officially inaugurated. It had distribution points in Mozambique, South Africa, and Malawi. With the

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international ban against the government in Salisbury (Southern Rhodesia),\(^98\) Portugal, via Mozambique, became one of the main oil providers for Ian Smith’s regime.\(^99\)

At the time of its inauguration, PETROMOC had three facilities: the refinery in Matola and extraction points in Beira (central Mozambique) and Nacala (northern Mozambique). According to an audit from the World Bank in 2001, before its closure in 1984, the refinery produced 17,000 barrels a day. From 1984 onwards, the refinery was only used for distribution. Though working in Matola, the Romanian oilmen provided assistance in the other two locations. They drafted pre-feasibility plans for a planned refinery in Nacala (in competition with Czechoslovakian experts), but the plan never materialized.\(^100\) The civil war was the main culprit for this outcome, but the Romanian side has also been slow in finalizing the research required for the new refinery.\(^101\)

Romania’s ambassador in Maputo best expressed Bucharest’s interest in Mozambique’s oil, gas, and mining industry. In 1979, he wrote to his superiors at the Ministry of Foreign Affairs that swift action was required in terms of assisting PETROMOC because

\[\text{as you well know [. . .] nowadays there is a bitter struggle for energy sources and raw materials [. . .] Here, many efforts for breaking through have been and are made by the USSR, GDR, USA, Sweden, [and] Italy.}\]


\(^100\) More than one team of specialists or *cooperantes* worked in the same area, hospital, or community, so common agendas as well as conflict were inevitable. In 1982, Romania and former Yugoslavia signed with Mozambique protocols on military cooperation (AIM, “No title”, Information Bulletin 75 [September 1982], p. 23). Romanian authorities (either embassy representatives or party officials in Bucharest) constantly depicted their bilateralism in Mozambique in competition with similar initiatives by other socialist countries.

He asked that Bucharest would redouble the efforts to consolidate the “positions won” in the oil and mining fields. Otherwise, “the country’s long-term interests” would be ignored.\textsuperscript{102} Persevere they did: the same year, Machel approved the Romanian proposal to negotiate with US companies (e.g. Gulf Oil) a partnership for prospecting and extracting Mozambique’s oil deposits.\textsuperscript{103} Since 1948, Gulf Oil had been allowed to prospect the Mozambican coast for oil and natural gas.\textsuperscript{104} A trilateral meeting was scheduled for 1980, but the archives of the Ministry of Foreign Affairs do not offer further information about the fate of this East-South-West partnership.

Oil was a recurrent topic in bilateral meetings between the two leaderships. On the one hand, ever since the late 1950s, expertise in oil extraction was one of the main Romanian know-how exports to the Global South. On the other hand, Mozambique was eager to take advantage of such knowledge available from one of its allies. Furthermore, in 1979, because of the Islamic Revolution in Iran, Romania lost its main oil supplier (Ceaușescu had an excellent relationship with the Shah Mohammad Reza Pahlavi),\textsuperscript{105} which increased Bucharest’s urgency in finding alternative import resources.

As early as 1973, two years before independence, Machel enticed his hosts by saying: “we have a lot of oil, we are very interested in how Romania developed its oil and chemical industry.”\textsuperscript{106} A year later, Ceaușescu boasted to Machel about the presence of Romanian oil specialists in over 15 countries.\textsuperscript{107} Oilmen were the first category of \textit{cooperantes} proposed by Romania to Mozambique during bilateral negotiations in 1976. Voicing the RCP leadership’s attempt to evade Western markets and superpower economic interference, Ceaușescu declared during a Politburo meeting in 1979 about the state of Romania’s relations with African countries that

\begin{footnotesize}
\begin{enumerate}
\item \textsuperscript{102} “Telegram no. 054003, Embassy of Romania in Maputo”, 2 January 1979, pp. 3–4, MAE-Mozambic.
\item \textsuperscript{103} “Telegram no. 033385, Embassy of Romania in Dar Es Salaam (Maputo)”, 22 October 1979, pp. 125–127, MAE-Mozambic.
\item \textsuperscript{107} “Stenogramă întâlnire Nicolae Ceaușescu cu Samora Moises Machel”, 16 December, Fond CC al PCR, Relații Externe 307/1974, p. 21 (verso), ANIC, Bucharest.
\end{enumerate}
\end{footnotesize}
the Ministry of Mines, Oil, and Geology was “the most important sector in Africa both for our needs in general and for the implementation of our policy of cooperation.”

The mutual importance of the refinery in Matola was obvious during a meeting between the Romanian ambassador in Maputo and Marcelino dos Santos (FRELIMO’s secretary of the economy) in May 1982. As the contracts of the oilmen were about to expire, dos Santos insisted on the continuation of their activity. According to the Mozambican ambassador’s account, the refinery was of “vital importance” for the country’s economy and “it could not function” without them. Despite the worsening domestic situation, the oilmen’s contracts were renegotiated and the authorities in Bucharest obtained full payment of wages and per diems in hard currency. The total amount of the agreement was of USD 480,000 for (now) 12 specialists. Bilateralism with PETROMOC, spearheaded by the refinery in Matola as the most important space of economic interaction between the two countries until 1984, fulfilled two interrelated roles: it helped Mozambicans to take control of national resources and strengthen the state economy, and it offered Romanians direct, unmediated access to raw materials and hard currency, which reinforced economic self-reliance at home.

**Conclusion**

The story of Romanian-Mozambican cooperation and the particular account of physicians and oilmen show that the elective affinity, which characterized the RCP-FRELIMO relationship, was fundamentally affected by the teacher-pupil theme of this bilateralism. A tendency that existed before Mozambique’s independence had now become state policy. Machel and his colleagues saw Romania, alongside other socialist countries, as Mozambique’s path to achieving its long time goals of development and stability. In 1974, Machel told Ceaușescu that Mozambique was in the same situation as “Romania thirty years ago” and that FRELIMO had to emulate the RCP’s success in constructing socialism. Romanian *cooperantes* operated within a similar hierarchal mindset: they were harbingers of socialist civilization and “agents of modernity” in a decolonizing

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108 “Stenogramă ședinței Comitetului Politic Executiv”, 27 April, Fond CC al PCR, Cancelarie 32/1979, p. 26 (verso), ANIC, Bucharest.


context. Such discursive and practical scales of socialist agency generated their own hierarchies, which perceived Mozambicans as struggling under the weight of cultural, economic, and political backwardness, with Romanians generously imparting the wisdom and experience of their advanced socialism.

In spite of Romania’s recognition of FRELIMO as sole representative of the Mozambican people before independence, regardless of the warm relationship between Ceaușescu and Machel, the government in Bucharest and the experts it sent to the Southern African country manifested superiority complexes rooted in what they saw as their “civilizing” mission and different development stages in the construction of socialism. In this context, solidarity and affinity between Maputo and Bucharest were selective in accordance with contextualizations determined by self-interest. Such unequal relationships were compounded by Bucharest’s cost-benefit approach to cooperation. Particularly since 1980, the RCP aimed to engage in a bilateralism that eliminated any possibility of financial and investment loss. This approach did have a socialist flavour because Romanian officials still perceived such assistance in terms of genuine, mutually advantageous collaboration. In their opinion, the better conditions and subsidies granted by the Soviet Union, Bulgaria, Cuba, or the GDR potentially destabilized Mozambique’s sovereignty, an interpretation not shared by their Mozambican partners.

The involvement in PETROMOC and the Mozambican hybrid healthcare system shows that Romanian experts were conscious of their participation in projects that aimed to counter the encroaching capitalist globalization from the West. These initiatives were cut short by severe economic crisis and civil war. The interaction between the two governments and immersion of Romanians in postcolonial spaces (e.g. the refinery and hospitals) were mired in ambivalence: anti-imperial solidarity was subordinated to a particular understanding of commercial interest and by hierarchies founded on Romanian exceptionalism and claims of civilizational superiority. Unsurprisingly, in May 1989, a Mozambican TV report condemned “the very disadvantageous cooperation” with Romania. At this time, the elective affinities of the past morphed into debt management.111 Even though the Romanian-Mozambican friendship and cooperation had been devised as factors of decolonization, they remained anchored in North-South structures of dependency.

7 Czechoslovak Economic Interests in Angola in the 1970s and 1980s

Introduction

The aim of this chapter is to analyse Czechoslovakia’s involvement in the economic and political development of Angola after the country gained independence in 1975. Focusing on the case of Angola helps to verify or refute the general argument that Czechoslovakia did not have an active and independent foreign policy in the 1970s and 1980s, being used only as an auxiliary for Soviet foreign interests. During this period, Angola became, together with Ethiopia and Mozambique, a priority country in Africa for the Czechoslovak Socialist Republic (ČSSR). Notwithstanding, the country’s activities in Angola did not receive as much attention as those of the Soviet Union or Cuba, which were militarily involved in the Angolan civil war.

Soon after the dissolution of the Eastern bloc, scholars started to analyse the Soviet, Cuban, and later East German activities in Africa. However, they tended to omit Czechoslovakia, at least until the early 2000s, when the Czech historians Petr Zídek and Karel Sieber systematically explored the archives of the Czech Ministry of Foreign Affairs and the former Archive of the Central Committee of the Communist Party of Czechoslovakia.¹ They published their conclusions in two monographs, concentrating on francophone and sub-Saharan Africa. Although these two publications are rather descriptive than analytical, they offer a very detailed insight into the Czechoslovak governmental documents regarding the relations to individual African states. The amount of accumulated and analysed documents by the authors shows that among the newly independent countries, Angola played a key role in Czechoslovakia’s interests on the continent. The authors demonstrate that Angola’s tremendous amounts of natural resources and crops were attractive for both the West and the East, and Czechoslovakia aimed to use them to meet the growing demands of the country’s industrial sector. That is why this country is such an excellent case for further research.

Furthermore, a renowned Czech scholar focusing on Portugal, historian, and former diplomat, Jan Klíma, has dedicated several publications to the history of lusophone African countries within the framework of the “History of States” series of the Lidové noviny publishing house. In the case of his *History of Angola*, Karel Sieber wrote a long chapter about the relations with Czechoslovakia/Czech Republic.\(^2\) A more coherent contribution to Czechoslovak policy toward Africa came with the publication of Philip Muehlenbeck in 2016, which analyses the Czechoslovak approach toward the continent up until 1968.\(^3\) Despite his logical analysis, his research does not go past the period of the Prague Spring, and the author limits himself according to the idea that the ČSSR did not play an active role in African matters after 1968. Regarding the 1970s and 1980s, Cold War historians have especially concentrated on weapon deliveries for socialist regimes in Africa, such as Angola, Mozambique, and Ethiopia, and have focused their research on Soviet, Cuban, and East German assistance. Czech and Slovak scholars have analysed Czechoslovak involvement and global conflicts in several regions like the Horn of Africa or Guinea but have only briefly mentioned Angola.\(^4\) My aim with this chapter is to demonstrate how much Czechoslovakia was involved not only by providing military assistance to pro-socialist regimes but also by engaging economically, particularly with the example of Angola. Similar to what new Cold War historians have revealed in the case of Cuba and East Germany, I aim to prove that Czechoslovakia was not just a proxy of Soviet political interest in Africa, but indeed pursued its own policies, which were mainly orchestrated on the basis of economic gains.\(^5\) This chapter is the outcome of intensive research in the Archive of the Czech Ministry of Foreign Affairs and National Archives of the Czech Republic.


Angola’s Way to Independence

Portugal, a relatively small country for European standards and comparable to present-day Czech Republic in both area and population, was until 1975 a notable overseas empire with colonies, or as it was officially proclaimed, overseas provinces, and since 1971 autonomous states (in the cases of Angola and Mozambique) in Africa and Southeast Asia, comprising a territory of almost 2.1 million square kilometres in comparison to a little more than 90,000 square kilometres in Europe. With large investment plans of the Portuguese government in the African provinces in the 1960s and 1970s, some parts of the Portuguese Empire became very wealthy. From the 1950s, when nationalist struggles became considerably pronounced, to the 1970s, 11 hydroelectric and 20 irrigation dams were built by the Portuguese government in Angola and Mozambique. Angola was the jewel in the crown of the empire. Mining, processing plants, and coffee and cotton plantations were ran by the white population, totalling nearly one-quarter of a million, which became the bourgeois elite of the province, with a level of wealth and lifestyle often superior to continental Portugal.

After Angola became independent in 1975, a majority of Portuguese settlers had to return to the mother country. In Portuguese historiography on the Angolan independence and the forced return of the settlers in Angola, this is often seen as a tragic chapter of the decolonization process. Only recently, the other side of the story has come to light, which is especially to the credit of the Portuguese historian Fernando Pimenta, who has investigated in depth the critical engagement of the white minority in Angola in achieving independence and creating an apartheid-alike regime in Angola. But as long as the conservative, authoritarian regime of Marcelo Caetano was holding onto power, Portugal was, to a certain degree, able to prevent its African colonies from becoming independent. As a founding member of the North Atlantic Treaty Organization (NATO), the country played a strategic role in the US and NATO European operations through the Azores air base in Lajes and had US backing in colonial matters, especially during the Richard Nixon administration.

Retrospectively, we may call the Popular Movement for the Liberation of Angola (MPLA) the main challenger to Portuguese colonialism. The MPLA is nowadays portrayed as a “crucible for a national, supra-ethnic, political

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machine”, 8 which proclaims itself to be the liberator of the nation. But, as Malyn Newitt points out, Luanda-based mestizos, 9 whites, and assimilados 10 who formed the MPLA in the early 1960s “needed a class-based ideology to deflect the accusations that they were not really African at all”. They declared a Marxist orientation but did not fully develop a Marxist ideology before the first party congress of the MPLA, which occurred only two years after the liberation of Angola. During the anti-colonial fight, the movement used the Marxist label mainly to be eligible for Soviet aid. The MPLA indeed caused severe problems for Portuguese units in provincial areas of the country, but the most populated coastal cities and economic centres continued to remain in Portuguese hands. In contrast to Portuguese Guinea, which was practically controlled entirely by the African Party for the Independence of Guinea and Cape Verde (PAIGC), not even the considerable material and financial support from the Soviet Union could turn the independence war in favour of the MPLA movement. In actuality, the fall of the authoritarian regime in Lisbon set the decolonization process – from above – in motion and led to a coordinated Portuguese withdrawal and the eventual independence of Angola in November 1975.

Portugal, Czechoslovakia, and the Angolan Fight for Recognition

Although Angola became an independent country only in 1975, as part of the Portuguese Empire it went into business with Czechoslovakia long before World War II. Evidence of contacts of Czechs and Slovaks with Angola can be found in memoirs, occasional diplomatic reports from the Czechoslovak embassy in Lisbon, and the Czechoslovak Export Institute. For the general public, Angola was a faraway unknown country, and only a handful of them lived in Angola. 11 In the second half of the 1920s, the Czech Ministry of Foreign Affairs considered

9 Mestizos are from mixed European and indigenous African origin, bearing Portuguese names and tending to be Portuguese culturally.
10 Assmilados was a group of indigenous Africans in Portuguese territories who, by Portuguese laws, reached a civilization level which theoretically allowed them to become regular citizens.
11 Some knowledge about Southern Africa was presented to the Czechoslovak public only in 1948 by the Czech travellers Miroslav Zigmund and Jiří Hanzelka (see J. Hanzelka, Afrika snů a skutečnosti I, 2, Prague: Družstevní práce, 1952).
opening consulates in two Portuguese colonies in Southern Africa – Angolan Luanda and Mozambican Lourenço Marques. Czechoslovak exporters mostly dealt with distributors in Lisbon and Porto and did not have direct contacts with Angolan businesses. Large enterprises like Českomoravská-Kolben-Daněk (ČKD), Škoda, and Baťa all hoped to establish new markets in Africa, and the Baťa company eventually started to invest in Africa in the 1930s. Although the Baťa family left Czechoslovakia in 1945, the company continued to expand and had 17 factories in Africa by 1980. Czechoslovakia, as an industrial country with a lack of natural resources, had reached out to European colonies in Africa for years, a situation that did not necessarily change with the communist coup in 1948. The Czech economist Václav Mondous wrote that the cooperation with African territories had “great significance for an industrially developed country with an insufficient energy base” such as Czechoslovakia.

In the new geopolitical situation of Czechoslovakia after World War II and especially after the beginning of the 1950s, political and ideological aims began to outweigh economic considerations. In the mid-1950s, Czechoslovakia provided African anti-colonial movements with logistical support in order to position itself alongside the Soviet Union against the USA. One of the most visible results of Czechoslovak influence on the continent was a large amount of Africans studying between 1961 and 1974 at the University of 17th November in Prague, which solely comprised foreign students. In 1963, there were almost 2,200 students from the Third World studying in the country. Offering scholarships, Czechoslovakia was competing directly with Western countries, who were also providing hundreds of university courses for African students. The university education went hand in hand with the ideological indoctrination of the East-West divide.

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13 Dvořáček, Piknerová and Záhořík, A History of Czechoslovak Involvement in Africa, p. 16.
18 Unfortunately, these students were often welcomed by the domestic population with open racism. See Dvořáček, Piknerová, and Záhořík, A History of Czechoslovak Involvement in Africa, p. 105. See also M. E. Holečková, “Konfliktní lekce z internacionalismu: Studenti z “třetího světa” a jejich konfrontace s českým prostředím (1961–1974)”, Soudobé dějiny 20 (2013) 1–2, pp. 158–177.
Similarly, the ideological aversion in Czechoslovakia to foreign trade with Western “enemies” was strongly visible until the late 1950s. However, the pre-war foreign trade of Czechoslovakia gradually re-emerged at the end of the decade and increasingly during the 1960s, with renewed contacts with Western European countries as well as their colonies and the newly independent countries in Africa and Asia. Czechoslovakia re-established economic connections with West Germany, France, and other Western European countries. Even direct ideological enemies, such as the authoritarian/fascist regimes of Spain and Portugal, were sought for economic partnerships. Between 1968 and 1974, the Czechoslovak government recognized, de facto, both of the Iberian authoritarian regimes as legitimate governments.\(^{19}\) There was less hesitation about doing business together because of mutual interests; Portugal and Spain were interested in Czech chemical production as well as porcelain and glass manufacturing, while Czechoslovakia needed rare metals like Portuguese wolfram as well as it was interested in the country’s cork production. The Czechoslovak newspaper *Rudé právo* went easier on Iberian dictators Marcelo Caetano and Francisco Franco.\(^{20}\) In the case of the Franco regime, the relations with Eastern bloc countries became increasingly friendly, not only within the framework of détente but also because of the open hostility that existed between the Soviet Union and the Eurocommunist Spanish Communist Party.\(^{21}\) Regarding Portugal’s colonial policy, Czechoslovakia continued to strongly criticize the country for attempting to suppress the fight for African independence, which created obstacles while trying to improve mutual relations. But, at the same time, the natural resources of Portugal were not only in Europe but mainly in

\(^{19}\) V. Nálevka, “Španělští v poválečném Československu”, in: M. Kovář and V. Nálevka (eds.), *Dvacáté století. Ročenka Semináře nejnovějších dějin Ústavu světových dějin Filozofické fakulty Univerzity Karlovy v Praze 2005*, Prague: Filozofická fakulta Univerzity Karlovy v Praze, 2005, pp. 77–95, at 95. News about important political events of the left in Portugal was either ignored or broadcast with considerable delay, such as a major strike by employees in the transport company Carris on 24 October 1969. The news was only broadcast on Czechoslovak radio on 26 December. See “Os trabalhado res da Carris realizaram uma importante concentração em Santo Amaro”, Boletim de informação, 12 (1969) supplement in: f. Secretário do Nacional de Informação, Cençura, p. 1, cx. 580, Arquivo Nacional Torre do Tombo (ANTT), Lisbon.


its African possessions. In this regard, the African territories were the centre of Czechoslovak business deals with Portugal.

When the British newspaper wrote about the Czechoslovak involvement in the construction of the Cabora Bassa dam in Mozambique, Prague strongly denied it. Czechoslovakia did not want to be associated with Portugal as a henchman in one of its colonies. Based on archival evidence, it is inconclusive whether ČSSR participated in the dam construction, but even if it did not, it had a history of business exchanges with Portuguese companies in African colonies, especially Angola in the 1960s. Czechoslovakia maintained a dualistic approach towards Angola. On the one hand, the country successfully exported trucks and imported iron ore. When asked to boycott trade with Portugal by the MPLA in 1965, Czechoslovak authorities refused to do so – with the argument that the trade relations with Portugal had been successfully developed and there was no reason to change foreign trade policies. On the other hand, Czechoslovakia strongly supported several independence movements in this Portuguese province, and after some doubts, full support was given to the MPLA. At the same time, the Angolan independent fighters had more trust in Czechoslovakia than in the Soviet Union. They understood that Czechoslovakia itself was a fledgling country that had never occupied others and had its own history of being a subject to a multinational Habsburg Empire until 1918 as well as of being occupied in 1938 by Nazi Germany. In this context, there was a natural prospect for mutual understanding.

**Independent Angola and Czechoslovakia in the 1970s**

After 1968, there was a general paradigmatic change from a relatively independent foreign policy to total obedience of Czechoslovakia to the Soviet foreign political strategies. The servility of the Czechoslovak diplomats went so far that when the Czechoslovak delegation suggested during the council

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23 Zídek and Sieber, Československo a subsaharská Afrika, p. 23.
meeting putting into the joint declaration of the 1976 Warsaw Pact that the peace efforts in the détente were the explicit contribution of the Communist Party of the Soviet Union and of Leonid Brezhnev personally, the Soviet delegate Nikolai Rodionov dismissed it as improper.\(^{25}\) This new paradigm fits the general approach to world politics during the 1970s at the Czechoslovak Ministry of Foreign Affairs. However, in the case of African regions, specifically Angola, Prague officials often took more actions than those requested by their Soviet comrades. As Philip Muehlenbeck states, Prague had already developed relations with each African region before even becoming communist, at a time when the Soviet Union was completely ignoring Africa. That is why Moscow entrusted its Czechoslovak comrades with the task of spearheading the communist cause on the continent.\(^{26}\) In 1971, the Comprehensive Programme of the Council for Mutual Economic Assistance (CMEA) meant an expansion of the members’ economic activities to the South. Not only Czechoslovakia but also most of the other socialist countries looked for new business opportunities in the developing countries in the South in order to find new markets for their goods.\(^{27}\) Angola was seen as a country with considerable economic potential; as a result, this led to a higher amount of aid and attention given to the MPLA in comparison to Mozambique, which was, at least on paper, also a priority country of Czechoslovak foreign policy.\(^{28}\)

Already one month prior to the independence of Angola, MPLA officials met the Czechoslovak Permanent Mission to the United Nations in New York to plead for a quick recognition of the country.\(^{29}\) The Czechoslovak Ministry of Foreign Affairs swiftly organized the process of accrediting the ambassador to Nigeria to Angola as well but as the relations started to develop rather suddenly, Czechoslovakia quickly recognized the necessity of opening


\(^{27}\) See, e.g., Lorenzini, East-South Relations in the 1970s, p. 109.


\(^{29}\) “Schůze předsednictva ÚV KSČ”, 7 November 1975, ÚV KSČ, f. 02/1, sv. 173, ar.j. 175, bod 16, Národní archive, Prague.
a regular embassy in Luanda.30 The new Angolan government expressed its goal to build socialism in the country, and there was optimism in Prague that the MPLA could be transformed from an anti-colonial nationalistic movement into a political party of the Marxist type.31 The official step in this direction was eventually undertaken at the first conference of the party in December 1977, when the MPLA movement transformed into the MPLA-PT (adding Labour Party [Partido do Trabalho] to the name).32

From the very beginning of Angolan independence in November 1975, Czechoslovak authorities, in accordance with the CMEA meetings, started to extensively support the new regime, sending food and hygienic material and making large military donations.33 It may be considered a curiosity that Czechoslovakia sent a gift of more than 1.5 million of match boxes to Angola; however, for many Angolans, even such a basic thing as making fire was not a simple task in the day-to-day life.34 Socialist countries also provided significant aid in the form of installed electricity production. In 1980, the Soviet Union helped to build gas power plants in Cabinda and Huambo and a coal power plant in Moçamedes. Czechoslovakia was asked to build various suitable micro-hydrocentrals with an output of 5–10 megawatts.35

The government officials in Prague recognized the fact that the exodus of one-quarter of a million of Portuguese settlers from Angola caused enormous economic difficulties.36 Five years after independence, the industry was

33 A big donation of the so-called lečo is to be mentioned here. Lečo is a traditional preserved meal consisting of sausage in an egg-tomato pepper sauce, which was certainly a new thing for the Angolan population.
34 “Podklady a projev pro delegaci ÚV KŠČ na sjezd MPLA”, 16 November 1977, f. TO-T Angola 1975–1979, ka. 1, obal 1, AMZV, Prague.
36 In 1974 and 1975, around 250,000 Portuguese inhabitants of Angola were evacuated to mainland Portugal (A.C. Pinto, O Fim do Império Português, Lisboa: Livros do Horizonte, 2001, p. 78).
working only at 60 per cent and agriculture only at 30 per cent of the 1973 levels due to the lack of qualified labour. In 1977, the first Czechoslovak industry and agro-technical specialists, as well as doctors and nurses, were sent to Angola to reconstruct the Portuguese infrastructure and to industrialize vast underdeveloped parts of the country. Besides the obvious ideological attachments, it was the economic perspective that made Angola a special partner in Africa. In Prague, there were high hopes to use the first openly communist regime in Africa to cover their own demand for resources with imports of not only raw materials like iron ore, oil, and diamonds but also agricultural goods like coffee and cotton in exchange for the exports of Czechoslovak machinery goods and entire factories. Czechoslovakia provided 300 trucks for the Angolan industry and started cooperation projects, specifically in light manufacturing. Prague officials planned to send around 270 experts to Angola by 1979 to help with the reconstruction of the infrastructure and enterprises. Due to the complicated selection process by the Czechoslovak organizations and low preparedness of Angolan companies, only 62 experts were eventually sent to Angola in 1978. As it turned out during the later years, this was the maximum Czechoslovakia was able to achieve. The number of Czechoslovak specialists working in Angola never surpassed this amount.

In the late 1970s, together with Czechoslovakia, the main socialist actors in Angola became Cuba, the Soviet Union, East Germany, and Bulgaria. Hungary did participate in economic collaboration with Angola in a minimal way, and despite planned joint projects, only a manufacturing facility for Ikarus buses in Luanda was realized. And Romania, increasingly annoyed by the Angolan delays in payment, completely ended all cooperation with the African country in 1988. It is obvious that especially East Germany and Czechoslovakia,

developed industrial countries with scarce natural resources, were eager to get good business deals with Angola, as they expected to exchange their industrial goods for Angolan raw materials. However, the largest exports from Czechoslovakia to Angola were not machinery or light industry goods but military equipment. Already in May 1976, Angola was given a gift of 400,000 artillery projectiles for 34 million Czech koruna (CZK) as well as a delivery of machine guns in the amount of CZK 6.5 million. Additionally, the first Czechoslovak ambassador to Angola, Stanislav Svoboda, who came to the country in July 1976, found out that a large amount of the military equipment, which was used by the Cuban expedition corps in the Angolan civil war, had come from the Czechoslovak sales to the Cuban government in the late 1960s and early 1970s. Czechoslovakia played along with other socialist countries led by the Soviet Union and Cuba; in the case of Angola, they moved from being policy and military adviser to clients, engaged in local or regional conflicts, to active participants in an escalating brutal conflict.\(^{42}\) Czechoslovakia informed its allies about its arms deliveries but undertook these decisions on its own, without the involvement of the Soviet Union, and used its own high seas ships *Iskra* or *Sitno*, or East German capacities for the deliveries.\(^{43}\)

In the first years of Angola’s independence, the officials of the Czechoslovak Ministry of Foreign Affairs believed that Angola would become a reliable business partner, as it was rich with resources, which should create assurances for Czechoslovak investments, and it would be able to pay in convertible currencies.\(^{44}\) This belief was also strengthened by the fact that Angola did not have diplomatic relations with United States or China. Czechoslovakia became the biggest exporter of shoes to Angola, being able to sideline the Italian and Portuguese competitors. In 1980, with 1.5 million of exported pairs, Czechoslovakia provided 65 per cent of the Angolan shoe imports.\(^{45}\) With such a large percentage, Czechoslovak industries planned to construct shoe factories


\(^{43}\) This finding contradicts the claim of Christopher Coker that the deliveries were often transported by Soviet planes. See C. Coker, “Pact, Pox or Proxy: Eastern Europe’s Security Relationship with Southern Africa”, in: *Soviet Studies* 40 (1988) 4, pp. 574–584, at 576.

\(^{44}\) “Záznam z porady predstaviteľov rezortov, ktoré sú zainteresované na plnení bodu II./2 uznesenia vlády ČSSR č. 304/79 o dlhodobej koncepcii čs. komplexnej pomoci a spolupráce s AĽR, so zvláštnym zreteľom na oblasť pôľnohospodárstva, potravinárskeho priemyslu a lesného hospodárstva”, 13 May 1980, f. TO-T Angola, 1980–1989, ka. 1, AMZV, Prague.

and leather processing plants directly in Angola.\textsuperscript{46} In addition, an exclusive contract on malt deliveries to all the three state breweries was signed in 1980, thanks to which Czechoslovakia became the only provider of malt and the main partner for Angolan beer production. Until September 1979, Czechoslovak specialists provided assistance and expertise at the breweries in Luanda and Huambo.\textsuperscript{47} In the capital city Luanda, Czechoslovak sprinklers were used to clean the streets on an everyday basis.\textsuperscript{48}

Czechoslovakia and other Eastern Bloc countries aimed to gain more say in the Angolan economy. Yet, it is fascinating that the economic connections with West Germany, France, Belgium, or Italy were not seen as a burden. On the contrary, the presence of private investors and shareholders in the Angolan petrochemical industry insured an undisturbed continuation of the main income of the Angolan economy. If MPLA would expropriate all private enterprises, Prague officials feared that the Angolan economy, after such a nationalization process, would collapse almost immediately and the regime would become completely dependent on the aid of the CMEA countries, like Cuba. Socialist countries expected that working with private businesses, Angola would have enough hard currency to pay for imported goods. In a meeting in Moscow in May 1976, MPLA leaders were asked by Prime Minister Alexei N. Kosygin to postpone the nationalization process.\textsuperscript{49} The business connection to the West eventually not only survived but even expanded. In the mid-1980s, Angola was the third largest business partner of the United States in sub-Saharan Africa, and taken all together, Western countries amounted to 90 per cent of Angola’s foreign trade. The Czechoslovak officials were aware of the fact that if the intensive business contacts with capitalist partners would not change, it would also affect Angolan domestic politics.\textsuperscript{50}

Most of the CMEA countries, which were closely following the development in the former colony, were cautious in their approach to Angola. Although the first party congress of the MPLA-PT was supposed to fully resemble the party congresses in socialist countries and was carried out in a Soviet style to impress

\textsuperscript{46} Ibid.
\textsuperscript{47} “Informácia pre s. ministra o poradách ekonomických a obchodných radcov zainteresovaných členských štátov Rady vzájomnej hospodárskej pomoci a Angolskej ľudovej republiky”, 19 May 1980, f. TO-T Angola, 1980–1989, ka. 1, obal 14, AMZV, Prague.
\textsuperscript{49} The meeting, which was held on 25 May, was attended also by Dmitriy F. Ustinov and Andrei A. Gromyko (“Informace o návštěvě angolské delegace v SSSR”, 4 June 1976, f. TO-T Angola, 1975–1979, ka. 1, obal 3, AMZV, Prague.
the invited delegations, it is certain that within the party there were many radical left, social democrat, and even open pro-capitalist high-ranking members. Opinions about how socialism should look like in Angola were very broad, and the MPLA maintained its ambivalent character in the 1980s, although proclaiming a socialist ideology. The reason why the party identified itself as Marxist was principally a means of removing political rivals.\textsuperscript{51} This was even more visible on the economic level. Throughout 1980 Soviet economists were assisting their Angolan counterparts with the first five-year plan, but were rather displeased with the execution—as the economic counsel of the Soviet embassy in Luanda stated, “Angolans themselves don’t have a clue what they actually want.”\textsuperscript{52} Cuban diplomats were even more explicit when they said to the Czechoslovak colleagues that not only did Angolans not know what they wanted, but they “have money, hard currency money and they want everything right now. This is welcomed by Western states, which promptly react to their requirements.”\textsuperscript{53}

Unfulfilled Hopes and Setbacks in Czechoslovak-Angolan Relations in the 1980s

Experts from the socialist countries travelled deep into the Angolan hinterland to rebuild factories and farms, electric grids and dams despite the ongoing war of the Luanda government against the National Union for the Total Independence of Angola (UNITA).\textsuperscript{54} Czechoslovak officials were also aware of the danger its citizens in Angola were facing. In December 1979, special security measures were taken because the leader of UNITA, Jonas Savimbi, stated in Munich that his movement would

\textsuperscript{54} The Angolan Civil War was a conflict between two former liberation movements, the MPLA and UNITA, which started with the independence of Angola in 1975 and ended in 2002. The conflict became part of the Cold War struggle as foreign powers, namely the USA, the Soviet Union, Cuba, China, and South Africa delivered military assistance to the opposing sides in the conflict. See, e.g., J. Pearce, \textit{A guerra civil em Angola 1975–2002}, Lisbon: Tinta da China, 2017.
undertake sabotage actions in all of Angola, including the property of other socialist countries. 55

Czechoslovakia sent its citizens to a paper mill facility in Alto Catumbela regardless of the very dangerous situation in the entire region of Benguela, where it was situated. In December 1979, the Minister of Industry Bohumil Urban officially opened the paper mill for operation, which was regarded as the most tangible result of the cooperation with Angolans. 56 The management, apart from the director, who was appointed by the Angolan government, were Czech and Slovak specialists sent from various paper mills across Czechoslovakia. In 1980, Soviet military advisers in Luanda warned the Czechoslovak ambassador that although the region seemed to be safe, it could become dangerous. 57 From today's viewpoint, the concerns certainly make sense, considering the fact that in 1980 a Hungarian veterinarian was shot there by the UNITA rebels and Cuban military advisers estimated that around 1,500 well-trained and equipped rebels were operating in the area. 58 The Czechoslovak embassy in Luanda was even informed by Cuban officials that on 16 February 1983 they were about to evacuate Cuban citizens in the region to Huambo and Luanda. Cubans offered Czechoslovakia the possibility to evacuate its citizens too, but this offer was declined. 59 The Angolan minister of industry, Alberto do Carmo Bento Ribeiro, dismissed the dangers to Czechoslovak citizens with the argument that the Alto Catumbela location was guarded by 1,100 Angolan armed men, and in case of emergency, the Luanda government would take care of the evacuation of the specialists. 60 It is thus understandable that when 66 Czechoslovak citizens working and living in Alto Catumbela were taken hostage by UNITA soldiers and the Angolan government furiously denied the possibility to negotiate the release of the

60 Ibid.
hostages with Savimbi, it meant a setback in the mutual relations for the upcoming years.\textsuperscript{61}

On the other hand, the Angolan government observed the development in the Eastern bloc with growing concerns. In 1980, the events in Poland led to mistrust among MPLA officials toward the further development of financial relations with the socialist states. One of the outcomes of a rather lukewarm approach of the Angolan government toward the CMEA countries was the reaction to the Czechoslovak proposal of establishing a schooling agricultural farm in Huambo. Czechoslovaks wanted to renew one of the abandoned farms to produce cattle fodder and crops, thereby providing Czechoslovak workers with jobs and after establishing high production results to sell the products on the domestic market and internationally, especially in Czechoslovakia. The estimated area of the proposed farm was 15–20 thousand hectares. Out of 300 anticipated employees, at least 50 would be Czechoslovak managers and specialized technicians. Although the possibility of a joint project was not refused as such by Angolan authorities, the slow reaction of the respective Czechoslovak ministries to deliver an estimate of economic costs and revenues led the Angolan government to lay the project aside.\textsuperscript{62} Angolans rejected the project in June 1980, and Cuban officials warned Czechoslovakia not to make further attempts to create joint enterprises with Angola, based on the Cuban-Angolan construction project, which failed due to a lack of building materials and finances on the Angolan side.\textsuperscript{63} It is possible that for this reason yet another considered joint venture between Czechoslovakia and Angola in lumber production in Cabinda did not materialize. In explaining the failed attempts, Czechoslovak diplomats referred to the recent poor experiences in cooperating and “getting to know local conditions”.\textsuperscript{64}

\textsuperscript{61} The incident occurred in March 1983. Women and children among the Czechoslovak hostages were released after three months of negotiations, followed by men that were ill. The remaining 20 men were only released in June 1984. For a detailed story of the hostage situation, see J. Klíma, \textit{Angolská anabáze}, Prague: Magnet, 1985; L. Sazeček, \textit{Zajati v Angole “Po 25 letech”}, Brno: Lubomír Sazeček, 2010, pp. 75–116.


A problem arising in the more advanced collaboration between Czechoslovakia and Angola was also created by the middle level of government and institutional structures, characterized by rather pro-Western technocrats such as Minister of Industry Bento Ribeiro, who criticized the limited flexibility of socialist countries and low quality of their production. Ribeiro himself was an influential politician and diplomat who had studied in West Germany, in Aachen (he currently serves as the Angolan ambassador to the United States). At this time, Bento Ribeiro also presided over the Angolan part of the Angolan-Czechoslovak joint commission, which was created to support the business relations between both countries. Ribeiro’s positions complicated the commission meetings and further attempts to make Czechoslovak products attractive to Angolans. There were also other high-ranking MPLA and cabinet members who were in direct contact with Western companies. The most peculiar case was the plan director at the Ministry of Agriculture, Agosto Caetano, who was known for his pro-capitalist position although he was a also a graduate of the Czech University of Life Sciences in Prague.

Moreover, Czechoslovak embassy employees referred to the growing number of bribes of Western companies, which easily outbid socialist competitors with the aim to exploit the rich natural resources in Angola. This became a common economic scheme and an inseparable part of all business deals in the years to come. Bribes and an automatic 10 per cent share of the deal with the responsible government official became a regular part of all Western business proposals. According to Polish sources, the Angolan Minister of Planning and Foreign Trade Lopo do Nascimento even received a villa in Switzerland as a gift. In return, he was supposed to advertise

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66 A small number of high-class Angolan graduates from Czechoslovakia maintained their pro-socialist and pro-Czechoslovak positions, such as Miguel da Silva Neto, who graduated from the University of Economics in Prague and held the position of plan director at the Angolan Ministry of Foreign Trade (“Záznam z rozhovoru”, 20 September 1982, f. TO-T Angola, 1980–1989, ka. 1, obal 7, AMZV, Prague).

Western companies and complain about the poor outcomes of cooperating with socialist countries. As David Birmingham writes,

the political class was kept on its toes by a constant game of musical chairs [...] The more tightly the owners of the oil held on to their assets, the more opened to Western corruption their political system became. This corruption was fed and encouraged by every foreign interest, European as well as American.

This situation was resented by socialist countries, together with the fact that when Western companies received a contract in Angola, their specialists received salaries three times higher than those from socialist countries. Yet another hit to the possible increase in economic cooperation with the CMEA countries were the Angolan negotiations over accessing the Lomé treaties II in 1983 and the eventual signing of the Lomé treaties III in 1985, which facilitated the Angolan trade with the European Economic Community.

In 1981, officials at the Federal Ministry of Foreign Trade started to express dismay with the growing habit of Angolans not to respect credit and investment agreements signed with socialist countries. The report of the embassy in Luanda from January 1982 states that among the leading groups of the APR [People’s Republic of Angola], the opinion prevails that ZSS [socialist countries] are obligated to support the APR especially materially without the Angolan obligation to pay for these credits at least partially. On the other hand, the Angolan State Bank pays the financial claims of Western states.

None of the socialist countries had balanced trade results with Angola and the Soviet Union did not receive payments for the deliveries from 1980 and 1981.

In the beginning of the 1980s, some Czechoslovak government officials still believed that the asymmetry in the mutual business relations was only a temporary issue related to the needs of economic reconstruction of Angola and the civil war, which would be resolved within a short

time period. But the Czechoslovak hopes for oil deliveries from Angola soon faded, as the Angolan Ministry of Petroleum informed the Bulgarian embassy that no socialist countries would receive Angolan oil before 1983, except for Romania, which was able to negotiate a certain amount. In 1984, the German Democratic Republic (GDR) was able to buy oil from Angola as well, but it was no more than 100,000 tons; Poland could buy even less. This was rather insignificant in comparison to the more than 17 million tons of oil that the GDR imported from the Soviet Union between 1981 and 1985. This exhibits the weakness of the generally accepted narrative that besides Cubans, East Germans were successful in their attempts to enter the Angolan economy. Werner Fromm, the GDR trade counsellor in Luanda, stated to his Czechoslovak counterparts in early 1981 that East Germans could not achieve any improvement of mutual economic relations despite the tremendous East German efforts to do so. From 60 experts in 1979, they were only able to increase their number to 169 by 1982. Furthermore, East Germans rather concentrated on the more promising cooperation with Mozambique. Oil as a strategic resource remained under the influence of not only Western private companies like Gulf Oil (Chevron) or Shell, but also non-profit initiatives with political backgrounds, such as the Citizens Energy Corporation, founded by Joseph Patrick Kennedy II. In 1984, the Angolan government offered socialist countries the possibility to explore oil reserves on

79 Lorenzini, East-South Relations in the 1970s, p. 112.
the mainland, but the Soviet engineers considered them to be barely profitable. Although Angola also offered access to oil shelf deposits, only US companies had the necessary technologies to exploit them.\textsuperscript{81} The competition among socialist countries for business projects in Angola significantly decreased during the 1980s because East Germany and Poland were struggling with their own financial problems. Neither of the countries could afford allocating significant investments in Angola without substantial revenues.\textsuperscript{82} When Poland was offered a position to participate in a copper mining facility in the Uíge region, it simply did not have the financial means to become a part of the endeavour.\textsuperscript{83} And when socialist countries organized a movie festival honouring the victory over fascism in May 1985, only the Soviet Union, Cuba, the GDR, and Czechoslovakia delivered movies to the festival; other CMEA countries did not show any interest.\textsuperscript{84} Among the remaining active socialist allies, Cuba intensified its penetration of the Angolan economy and society during this period, and by 1985, there were already 6,000 civilians working in the country.\textsuperscript{85} There was only one significant case of successful CMEA cooperation, this being the vaccination programme setup by socialist countries against foot-and-mouth disease, splenic fever, and other diseases of Angolan cattle.\textsuperscript{86} The attempt to create a joint Angolan-CMEA commission ended up with a meeting in May 1987 which was only official in character and, however, failed to result in any further cooperation.\textsuperscript{87}

The trade turnover between Angola and Czechoslovakia decreased between 1978 and 1980 from 28.9 million US dollars (USD) to only USD 14 million.\textsuperscript{88} The reasons for this were both pending payments of the Angolan partners and the

\textsuperscript{81} “Záznam z rozhovoru”, 7 October 1984, f. TO-T Angola, 1980–1989, ka. 1, obal 9, AMZV, Prague.
\textsuperscript{82} Lorenzini, East-South Relations in the 1970s, p. 112.
\textsuperscript{86} “Zpráva o návrhu dlouhodobé koncepce čs. komplexní pomoci a spolupráce s Nagoslkou lidovou republikou, se zvláštním zřetelem na oblast zemědělství, potravinářského průmyslu a lesního hospodářství, září 1979 (není přesná datace)”, TO-T Nagola, 1975–1979, ka. 1, obal 6, AMZV, Prague.
inability of Czechoslovak companies to provide the maintenance of their machinery equipment in Angola. Many of the Tatra trucks, which had begun to be delivered to Angola in 1976, could not be used due to the lack of maintenance as well as missing spare parts.89 In most cases, however, the malfunctioning of the trucks were caused by unskilled drivers, and in 1981, Angolans did not order new deliveries of these trucks and rather used the offers of Western companies like DAF, Scania, or Volvo.90 It was Volvo that eventually delivered 3,000 trucks to Angola in 1982.91 Czechoslovak exporters learned their lesson; they started to be more careful and counted on the construction of service shops in Angola to provide maintenance services for agricultural machines, which in turn led to the successful export of more than 600 Zetor and Škoda field tractors between 1979 and 1980 to Angola, being surpassed only by the Soviet Union.92 Due to this massive success, Czechoslovakia even planned to build an assembling line for the Zetor tractors, but this plan was not realized before 1989 due to Angola’s restrained engagement.93

Czechoslovak exporters did not see Angola only as a potential market for their goods. In the name of solidarity and internationalism, socialist countries committed themselves to provide help to their Angolan comrades with the industrialization of the country. The Czechoslovak investment credit from 1981 (USD 50 million) was supposed to cover mainly the construction of a textile factory in Malanje (USD 29 million), an unspecified brewery (USD 10 million), as well as some smaller ventures to build two shoe factories in Luanda and Huambo as well as a tannery.94 The premise of the credit was to contract Czechoslovak construction and machinery companies and to use Czechoslovak

89 Only by the end of 1979, both spare parts and Tatra technicians came to Angola to fix the problem (“Angola: Komplexná správa o plnení čs.zahranično-politických zámerov a ekonomických stykov vo vzťahu k AĽR /pre poradu kolegia ministra/”, 5 November 1980, f. TO-T Angola, 1980–1989, ka. 1, obal 14, AMZV, Prague).
technology for these projects. None of the plans materialized, and Angola did not make use of the the open credit line. The textile factory in Malanje could not be constructed due to a lack of employees as well as the limited financial and construction means of Angola.95 Further proposals to build a car service shop and an iron processing factory were not considered by the Angolan officials at all.96 Angolans eventually used only USD 1.3 million of the entire investment credit when they agreed to a service shop for Tatra trucks in Lobito.97

As an importer of natural resources and crops, Czechoslovakia was even less successful. In 1980, Czechoslovakia imported 1,700 tons of coffee and contracted 990 tons for the future years, which initially made it the third biggest buyer of Angolan coffee.98 But in coming years, especially in the second half of the 1980s, Angolan exports to Czechoslovakia were basically non-existent.

Impact of the 1983 Hostage Situation on Mutual Relations

In 1983, mutual political relations, especially on party, unions, and cultural exchange levels, accelerated and were expected to be crowned with the visit of General Secretary Gustáv Husák to Angola. The plans for this visit did not materialize due to the aforementioned hostage crisis. Despite various reassurances that Czechoslovak workers and their families in the town of Alto Catumbela were safe from the rebels and that the government would evacuate them immediately in case of an acute danger, the UNITA soldiers were able to pacify the poor defence of the town and take the foreign workers hostage. The Czechoslovak government was appalled by the fact that the Angolan authorities did little or nothing to solve the hostage situation, which considerably worsened the relations

between both countries. At the same time, Angolans categorically refused the possibility that UNITA should be engaged in roundtable negotiations. When Czechoslovak diplomats eventually dealt with UNITA members in Prague and achieved the release of all hostages in June 1984, Angolan partners were further alienated. Eventually, during his visit to Paris in September 1984, President José Eduardo dos Santos stated that the Angolan government perceived the Czechoslovak direct negotiations with UNITA as a purely humanitarian motivated action in order to release Czechoslovak hostages. With this statement, the Angolan issues with this case were solved. But despite the proclamation of the Angolan president, the Angolan embassy in East Berlin asked Czechoslovakia to postpone the broadcast of the first episodes of a new Czechoslovak series documenting the hostage story, when Ambassador Mendes Carvalho paid a surprise visit to Czechoslovakia in early 1985. Especially the mid-level officials of the Angolan government (Vice Minister of Foreign Affairs Venâncio de Moura) and of the party (head of the European section of the International Department in the Central Committee of the MPLA-PT), were offended the show broadcasting and did not want to intensify relations with Czechoslovakia any further.

The legacy of the hostage situation, however, resulted in a visible decline in the direct involvement of Czechoslovak specialists in Czechoslovak-Angolan factories and farms. Until March 1983, there were around 200 Czechoslovak specialists involved in various projects in Angola. By the end of 1985, the Soviet Union had 680 civilians in Angola, the GDR 139, Bulgaria 152, Sweden 115, and Cuba 1,870 workers in Angola, but only 2 specialists from Czechoslovakia worked in the country. Nevertheless, the Czechoslovak embassy continued to support the involvement of personnel in the construction of new factories and infrastructure, but strongly suggested

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to limit it to the safe territory surrounding the capital. During the years 1984 and 1985, it became obvious that UNITA would not be able to carry out organized military actions against Luanda but created considerable obstacles by destroying the electric grid and water supplies around the city, which caused extreme troubles for the population of more than 2 million in a municipality that had an infrastructure for 250,000 inhabitants. Czechoslovak officials feared the spread of cholera and typhus among their citizens. The antimalarial medications from Hungary did not work properly in Angola and had to be replaced by a Swedish drug.

Despite the obviously negative experiences with doing business with Angola, Czechoslovakia sent out CZK 15.4 million of material in form of food, medical supplies, and clothes as well as special aid for the victims of floods in 1984 in the amount of CZK 1 million. Based on the suggestion of the 109th meeting of the CMEA Executive Committee, Czechoslovakia was expected to provide Angola with further material and financial aid. Czechoslovakia’s response was basically to ignore the commitment. Instead of offering new credits, the overdue payments for already existing credits were merely prolonged until the end of 1985. The Czechoslovak State Bank was unenthusiastic about the possibility of providing Angola with new credits in general and reminded Angolan officials of the credit of USD 50 million, attached to Czechoslovak investment deliveries, that had not been touched by Angolans since the credit agreement in 1981. The Czechoslovak bank elites had a strong negotiating position in the federal government and expressed their concerns regarding the credibility of the comrades in Luanda. The Czechoslovak Trade Bank together with the Czechoslovak State Bank were even able to stop

104 Several notes of the Czechoslovak embassy on this issue can be found in TO-T Angola, 1980–1989, ka. 1, obal 32, AMZV, Prague.
a contract for 100 tractors in the form of a credit of USD 1 million despite the efforts
of the Czechoslovak Ministry of Foreign Affairs and the embassy in Luanda.109

Among the other ministry and high party officials, there was not much
enthusiasm either. Secretary Vasil Biľak, the party official responsible for interna-
tional relations, stated in a private discussion with Angolan officials that
Czechoslovakia lacks US dollar reserves and could not risk increasing its own debt
toward the West.110 Overall, the business thinking on the Czechoslovak side defi-
nitely prevailed over ideological solidarity. The Angolan government, finally recog-
nizing that it would not be able to achieve more concessions from Czechoslovakia,
paid during 1984 USD 17 million from USD 20 million of the pending debts.111 This
happened also due to the changes on the highest levels of the MPLA-PT and gov-
ernment structures in 1984. Pro-Western Minister Bento Ribeiro had to leave his
post, which was part of the agreement between President dos Santos and
President Fidel Castro to improve the economic ties with socialist countries over
the ones with Western partners. This promise became a foundation of the second
MPLA-PT conference in December 1985, planning to increase the relations with so-
cialist countries from the CMEA camp to at least 50 per cent of the whole trade
turnover.112 The first results of this agreement were giving preference to Vietnam in
a joint rice farm project over cooperation with China. In the same way,
Czechoslovak equipment for a chicken processing plant was preferred over
a Dutch offer.113 Eventually, in March 1987, Angola opened its embassy in Prague,
with Manuel Quarta Punza as first ambassador.114

But the continuing problems with Angolan payments were the reason why
Czechoslovakia tried to achieve a barter agreement with Luanda. When the state
visit of Prime Minister Lubomír Štougal was planned in 1986, one of his greatest

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ka. 1, obal 32, AMZV, Prague.
112 “Vztahy ALR se socialistickými zeměmi”, 6 April 1987, f. TO-T Angola, 1980–1989, ka. 1,
obal 23, AMZV, Prague.
113 “Záznam z rozhovoru”, 28 May 1984, f. TO-T Angola, 1980–1989, ka. 1, obal 9, AMZV,
Prague.
114 “Zaslání podkladů pro informace o plnění Zaměření a hlavních úkolů čs. zahraniční po-
litiky vůči ALR a DRSTPO”, 18 March 1988, in: “Vztahy ALR se socialistickými zeměmi”,
tasks was to negotiate barter payments in the form of crude oil. But as long the civil war was going on, Angolans were not ready for a barter agreement with any of the socialist countries as they preferred hard currency payments for their oil deliveries instead of a simple exchange of goods.

Probably the most visible part of the cooperation between Czechoslovakia and Angola were Angolan university students. While the military academy students were concentrated in the city of Brno, economic education was provided specifically by the economic universities in Prague and Bratislava. Czechoslovakia became the third most important foreign country in the total number of Angolan students abroad. In 1985, there were around 320 Angolan students at Czechoslovak universities and high schools; by 1987, this amount rose to 385. But students were not the only Angolans living in the ČSSR.

Czechoslovakia, together with other CMEA countries like East Germany, had reached a point by the 1980s at which, in the view of at least some of their economic planners, further economic growth could be compromised by labour shortages. Eventually, in the mid-1980s, the Czechoslovak government suggested receiving Angolan workers, who would receive more work experience with modern machinery tools and, at the same time, would fill the gap in the constant need of workforce in Czechoslovakia. In a similar way, Polish, Cuban, and Vietnamese workers already worked in Czechoslovak factories like the Škoda car company in Mlada Boleslav or the chemical factory North Bohemian Fat Company. Between 1983 and 1985, 22

116 Czechoslovakia was surpassed only by the Soviet Union and the GDR (“Podklady pro hodnocení práce ZÚ”, 19 November 1984, f. TO-T Angola, 1980–1989, ka., obal 32, AMZV, Prague).
workers were trained in Czechoslovakia, especially in paper processing as well as energy and aircraft industries. In 1987, 55 Angolan trainees were sent to Czechoslovak industries, and in January 1988, another 135 trainees and workers were planned to come. Between 1986 and 1990, around 200 workers and 200 trainees were supposed to work in Czech and Slovak enterprises. A small contribution to these mutual interactions were the international peace summer camps in Czechoslovakia and Angola. Although, for example, there were only 5 Angolan children coming to the ČSSR in the summer of 1986 and the Czechoslovak side even canceled the sending of Czech and Slovak children to Luanda due to hygienic issues in the Angolan camp, these encounters were actively covered by the Czechoslovak media as evidence of solidarity with nations from developing countries.

**Angolan Withdrawal from Socialism and Relations with Czechoslovakia in the late 1980s and early 1990s**

In the second half of the 1980s, the stagnation in mutual business cooperation was more than obvious, as the Czechoslovak State Bank denied any further short-term credits in convertible currencies. The archival documents from this period suggest that this was partly a reason why the Angolan Ministry of Planning denied the Czechoslovak project of an assembling line for Zetor tractors, and instead of an intensive cooperation in chemistry, pharmacology, and ecology, only one trainee was sent to Czechoslovakia to receive more experience in beer brewing. The Angolan officials seemed to condition further projects of Czechoslovakia in Angola on more aid in not only traditional military deliveries.

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but also specific medical equipment like two mobile X-ray devices (in the value of USD 200,000), which Angola eventually received from the ČSSR as a gift in 1987. This unsatisfactory state of business relations was succinctly described by the note of the Luanda embassy to Prague in March 1988:

The bigger investment projects (textile factory Malanje, brewery, tannery) or the smaller ones (tractor assembling line, shoe factory, socks factory) were not materialized and the credit line was definitely cut off (practically without any use). Angolan authorities did not show even the smallest interest; our inquiries respectively our attempts for the implementation of plans were received with discontent.

In some cases, the lack of interest on the Angolan side was purely practical – the planned construction of a brewery contradicted the fact that the existing Angolan breweries were working only at 30–40 per cent of their capacities due to logistic problems with the returnable bottles, lack of water, and periodic blackouts.

Angolans now had a different idea of business cooperation. They started to promote the concept of joint ventures, which would manage the entire factories and would pay their taxes to the Angolan government in the form of produced goods. It was suggested that Czechoslovakia could make investments in coffee production, mineral mining, or manufacturing. Even the paper mill in Alto Catumbela was for sale – the investor could use the facility as an independent company in exchange for 10,000 tons of paper for the Angolan government. The factory had been abandoned since the March 1983 incident and the subsequent offer of the United Nations Industrial Development Organization (UNIDO) in the amount of USD 800,000 to restart the paper production was originally turned down by Czechoslovak authorities as it was the period in which they were still dealing with the hostage situation. Nevertheless, even

125 Ibid.
further attempts to revive the factory did not bring any results and the paper mill lays in ruins today. Even the most basic paper products had to be imported from abroad, such as the paper material from the GDR for the production of the country’s main newspaper, *Jornal de Angola*.131

Nevertheless, the worsening economic situation of the country, closely connected to the low oil prices on the world market, led the Angolan elites to revise their commitment to increase the trade with the socialist countries. Western creditors were more flexible and business partners provided more advanced technologies while making hard currency payments for Angolan products. Only one large joint project with the Soviet Union, the construction of the Capanda hydroelectric power plant, was commenced in the second half of the 1980s.132 The shift to the West became obvious when, in 1986, the European Economic Community provided Angola with USD 50 million to develop the province of Huíla, and several Western European countries expressed their readiness to provide further assistance.133 A Czechoslovak-Bulgarian joint lumber mining project in the Uíge province including 30 Tatra trucks for lumber transport was cancelled – officially for security reasons.134 Angola moved economically further into the Western business network, and by 1987, only some 8 to 12 per cent of trade relations were with socialist countries.135 The Czechoslovak exports were now limited to malt, crown caps, spare parts for tractors, condensed milk, and army boots – certainly no goods of strategic meaning.136 Angola commenced a period of gradual reforms in 1987, which would then speed up after MPLA-PT’s official renunciation of Marxism-Leninism in 1990, setting up a market-based economy.137

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Czechoslovak embassy from 1988 simply states that “Angola is officially a country of our primary interest but it does not show in any way”.\textsuperscript{138}

Angola became more and more detached from the CMEA bloc. In 1988, the coffee and oil imports of the GDR were stopped by Angolan authorities.\textsuperscript{139} The number of Cuban civilian experts fell to 2,500.\textsuperscript{140} Even the military equipment issue started to become less attractive because the Czechoslovak licensed T-54 and T-55 tanks were getting too old to be effective in combat against the modern South African army and UNITA was receiving considerable arms deliveries from the United States after 1985.\textsuperscript{141}

Czechoslovak diplomats observed very closely the growing Western initiatives that provided Angola with financial aid, and among the officials of the Czechoslovak Ministry of Foreign Affairs, such initiatives were even nicknamed a “Mini-Marshall Plan” during the 43rd Session of the General Assembly of the United Nations.\textsuperscript{142} The newly established plan of the Angolan government from January 1988, the so called economic-financial stabilization (SEF), preferred cooperation with the International Monetary Fund and the World Bank to create new, large investment projects, further thwarting Czechoslovak attempts at setting up mutual projects in Angola.\textsuperscript{143}

In 1989, the Czechoslovak embassy in Luanda had to admit that although Angola had come a long way in its economic independence, the ties to the West and to its former colonial power, Portugal, could never been fully cut. It was obvious that the Portuguese knew the Angolan domestic market better: “The Angolan trade balance with Portugal is always passive, because Angola imports primarily food, clothes, shoes, colorants and other resources and equipment for the light industry”.\textsuperscript{144}

\textsuperscript{141} Coker, Pact, Pox or Proxy, p. 581.
Czechoslovakia maintained its presence in Angola after 1989. Even the new Czechoslovak regime continued to regard the country as a strategic economic partner in Africa. For Angolan citizens, Czechoslovakia was a place where they could find peace from the civil war. Between July 1990 and November 1992, out of 4,563 asylum seekers in Czechoslovak asylum camps, only 216 were Angolans, but they represented the highest number among developing countries, being followed by 172 Vietnamese as asylum seekers.145

Diplomatic observers watched the first democratic election in September 1992 with a hope it could end the civil war from which Angola had suffered since its independence. Unlike the Mozambican National Resistance, which gave some credit to the Mozambique Liberation Front as a founding organization of the independent country, UNITA never accepted MPLA-PT as a ruling party or as a political body as such, and Jonas Savimbi’s ultimate quest was to destroy MPLA-PT and to become the sole ruler of the country. Once the election results showed that MPLA-PT would maintain power, Savimbi broke the peace treaty and started a new war. The Czechoslovak embassy was evacuated in the aftermath of the unrest in Luanda. As this was also the period of the gradual breakup of the common Czechoslovak state, it practically turned into a last gasp in mutual relations, and the embassy was closed for several years. The relations between Czech Republic and Angola were normalized only in the end of 1999, and in 2002, the Czech embassy was opened again in Luanda.146 The revival of mutual relations was confirmed in 2004 when a Czech farm school commenced operations in the province of Bié.147

**Conclusion**

As shown in this chapter, Czechoslovakia had a long tradition of diplomatic relations and business interests in Africa. When the Soviet Union started to show

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145 The biggest group of asylum seekers in Czechoslovakia in this period were, by far, 2,177 Romanians, almost half of the total number of asylum seekers. D. Drbohlav, “International Migration in the Czech Republic and Slovakia and the Outlook for East Central Europe”, Czech Sociological Review 2 (1994) 1, pp. 89–106, at 98.


increasing interest in African matters in the Khrushchev era, Czechoslovakia was already an established partner of several African countries and did business with several European colonial territories, such as the example of Portugal and its oversea provinces shows.

With the independence of Angola and the Marxist MPLA movement taking control of the government, there was optimism among CMEA countries that Angola could be turned into a strategic socialist ally in Africa and, at the same time, into a noteworthy economic partner that could fill the lack of natural resources and crops on the socialist market. Soviet aid was concentrated on military deliveries, financial credits, and energetic investments while Cubans provided armed forces and large amounts of literacy teachers, and Bulgaria used its experience in advanced farming to build large agricultural projects in Angola. While Hungary and Romania were not considerably interested in an intensified cooperation with Angola, East Germany, Poland, and Czechoslovakia, with their advanced industries, saw Angola as a great opportunity to sell products and as a source of precious natural resources.

In the second half of the 1970s, especially East Germany and Czechoslovakia were competing for projects in Angola. On the example of Czechoslovakia, I have shown that East-Central European socialist countries, unlike Cuba or the Soviet Union, were rather interested in profitability than ideological solidarity. This was observed with concern by the high-ranking officers of the Czechoslovak Ministry of Foreign Affairs. One of the reports for the minister on the development of the Czechoslovak-Angolan relations in 1980 even stated, “in Czechoslovak-Angolan cooperation, the effort of Czechoslovak enterprises to increase the exports with profit for the ČSSR prevails. The sincere will to help the APR to build the material-technical base of a new social-economic order is getting lost.”

Although after the first party congress of the MPLA-PT, the Marxist orientation of the government was confirmed, within the government bodies, ministries, and MPLA-PT itself, there were people with Western education, pro-capitalist opinions, and even an open hostility toward socialism. In many cases, the technocratic pro-Western elites preferred the cooperation with private companies over the socialist competitors, and the use of bribes and profit shares became a usual part of business deals between the Western companies and Angolan officials.

One of the most tangible legacies of the Czechoslovak involvement in Angola are the political and business elites who graduated from

Czechoslovak universities and were employed in high positions in ministries, state agencies, and enterprises suchs as Empresa Nacional do Café, Petrangol, Sonangol, or even Shell. Although in the 1980s the ČSSR had a better position among the Eastern European countries, especially due to the problems in the East German and Polish domestic economies and the credit crisis, Czechoslovak exporters were not able to make use of this dominant position. They reacted slowly to the demands of Angolan partners and offered goods of second or third class quality, which were not marketable in the West, with the false assumption it would be good enough for the African country. But as Angolans paid for the deliveries in hard currency, the malfunctions of Tatra trucks and Zetor tractors convinced them to rather buy goods from Western companies, which were able to deliver quickly, provide high quality products, and offer competitive prices.

In the end of the 1980s, the Angolan foreign policy and business interests shifted to the Western hemisphere, which was strengthened by the financial problems most CMEA countries were facing. Democratic changes in Czechoslovakia did not change the attitude toward Angola as a strategic partner in sub-Saharan Africa, but the outbreak of violence in Luanda after the 1992 election and the dissolution of Czechoslovakia led to a radical drop in Czech-Angolan interactions in the decade to come.

8 Bartering Within and Outside the CMEA: The GDR’s Import of Cuban Fruits and Ethiopian Coffee

Introduction

The global economic trend of the late 1970s was a driving force for the establishment and intensification of trade relations between the German Democratic Republic (GDR) and socialist-leaning countries of the Third World. At that time, industrialized countries on both sides of the Iron Curtain were facing a phenomenon that Niall Ferguson calls “the shock of the global”.\(^1\) The 1973 oil crisis, rising interest rates on the international capital markets, increasing competition from the Far East, and the structural transition from manufacturing to service industries challenged both the economies of the East and the West, with the exception that the Eastern bloc countries had only limited opportunities to adjust to the new situation.\(^2\) One opportunity they did have was to change the nature of their foreign trade policy, focusing on different trade partners and alternative payment arrangements. Thus, bartering with newly independent nation-states in the Global South provided them with natural resources and agricultural products they could not have afforded otherwise. In turn, the Eastern bloc countries offered manufactured goods, development aid, and military support. With regard to intra-Council for Mutual Economic Assistance (CMEA) commodity exchange, bartering was nothing new at all: it had been a standard commercial practice between its member states since the early stages of the organization. But due to the deteriorating economic conditions in the Eastern bloc at the end of the 1970s, its nature changed significantly. More and more Eastern European CMEA member states wished to go their own way, putting their individual interests above general concerns to satisfy their own needs. As a result, they competed with each other for rare minerals, highly demanded agricultural products, and other scarce goods. In that context, GDR trade officials focused on Ethiopia and Cuba to provide the East

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German population with coffee and citrus fruits, which had been in short supply for the previous decades.

This chapter deals with the Cuban-East German intra-CMEA commodity exchange from 1976 onwards and a bilateral trade agreement that was concluded between the GDR and Ethiopia in 1977. It addresses the following questions: Why were these trade arrangements concluded initially? What were the different spaces of interaction? Who negotiated in favour of which party? Which problems occurred and which conflicts arose? And finally, which underlying motives played a role in the creation of these trade arrangements, as well as their continuation or termination, and which strategies were pursued by East German actors?

The chapter analyses bilateral and multilateral negotiations and concrete spaces of interaction, like a joint multinational enterprise (the citrus fruit processing plant in Ciego de Ávila as a subproject of the CMEA Citrus Programme) or infrastructural projects (the planned extension of the port of Assab) between the socialist states and their Southern partners that opened up along the supply chains. I turn to two East German strategies that were significant for both trade relations: bartering and exerting influence on the spot. Therefore, I focus on the coffee barter business with Ethiopia, which was initiated at the suggestion of East German representatives in the summer of 1977, and the intensification of the East German citrus imports from Cuba during the second half of the 1970s and the following decade. A barter deal, as a countertrade transaction, allowed raw materials, agricultural products, or manufactured goods to be acquired without the use of foreign currency. This form of commodity exchange was of particular interest for both trade partners at the end of the 1970s, the GDR, on the one side, and Ethiopia and Cuba, on the other side. While the East German consumer society suffered from coffee scarcity due to rising world market prices, the Derg regime, under Mengistu Haile Mariam, desperately needed weapons to fight the Somali invasion in the east of the country. In the case of Cuba, the increased production of citrus fruits helped to improve not only the East German tropical fruit supply but also the island’s own infrastructure. From that perspective, bartering agricultural products for manufactured goods offered advantages to both trade partners. Another common feature of both trade relations was the fact that the GDR not only acted as a mere customer, but also tried to become involved in the production process. Therefore, East German officials decided to invest in joint ventures in Cuba and Ethiopia.

The aim of this chapter is to prove that both the structure and purpose of the East German foreign trade policy changed due to economic crises on a global and national scale and to transformations within the socialist consumer societies at the end of the 1970s. As a result, the GDR’s foreign trade
officials’ motives shifted from ambitions of “international solidarity” to more pragmatic and economically oriented approaches. To be precise, instead of supporting countries in the Third World, saving foreign currency by means of economic cooperation became their primary objective. The bilateral coffee barter trade with Ethiopia in 1977 and 1978 illustrates this shift precisely. Furthermore, it demonstrates that the GDR not only acted on behalf of the Soviet Union in Cold War Africa, but also followed its own economic interests. The intra-CMEA commodity exchange with Cuba, on the other hand, was strongly influenced by Soviet stipulations, albeit subject to individual negotiations. As a result, each member state concluded individual bilateral contracts with the Caribbean country to meet its own needs, sometimes colliding with the demands of other member states, especially at the end of the 1970s.

In the following, I will outline the foundation of the supply agreement between Cuba and the GDR – within the framework of the CMEA Citrus Programme – and focus on the key actors involved in the negotiation process of the Coffee Agreement of 1977. This latter case is especially interesting because here one has to emphasize the strong personal links behind this agreement too. Not only East German and Ethiopian trade officials, but also members of the top leadership of both governments, acted as negotiating partners. Then I will clarify which problems occurred in the collaboration between the GDR and Cuba and which conflicts led to the termination of the East German Ethiopian countertrade in 1979. Finally, I will elaborate on a common feature of both trade agreements, which served as a strategy to exert influence in the producer country: East German officials decided to invest in joint ventures alongside the supply chain to guarantee a steady delivery of coffee and citrus fruits. This paper is based on German, Ethiopian, and Cuban archival sources, including ministerial documents and newspaper articles.

The CMEA Citrus Programme and the 1977 Coffee Agreement

Although there were several socialist-leaning countries in the Global South that offered tropical fruits on the basis of barter agreements, such as Mozambique and the Philippines, Cuba was the only one that profited from membership in the CMEA. Since its accession in 1972, Cuba benefited not only from preferential prices for its main export product – sugar – but also from a constant flow of capital, raw materials, products, and skilled workers from the Soviet Union and Eastern Europe. In order to set up a modern sugar industry and to increase the island’s supply capacities, the GDR exported industrial plants and technical equipment in particular, and East German representatives in an advisory capacity were sent to Cuba in the first half of the 1970s. Similarly, the Cubans expected significant improvements for their domestic citrus industry by a renewed cooperation with the GDR in the late 1970s and early 1980s. The Soviet Union and the GDR were Cuba’s main partners in the CMEA Citrus Programme. As a result, both countries absorbed huge quantities of fresh fruits from Cuba. Finally, East German officials decided to enter into a joint venture with Cuba to build a citrus fruit processing plant in Ciego de Ávila, in the centre of the island. This cooperation was supposed to guarantee a steady supply of processed fruits while allowing the East German officials to exert some influence on the spot.

The coffee barter business between the GDR and Ethiopia was part of a bilateral trade agreement between the two countries, which was signed in 1977 and replaced an earlier treaty from December 1976. Initially, the 1977 trade agreement met both East German and Ethiopian demands, as each trading party was requesting an exchange good the other could easily supply. While the GDR was seeking affordable raw coffee, Ethiopia’s Derg regime,4 under Mengistu Haile Mariam, desperately needed weapons and other military equipment to fight the Somali invasion in the east of the country, in the Ogaden region, as well as to persecute internal opponents. As the United States had stopped their deliveries of arms after Mengistu’s coup d’état in February 1977, the Provisional Military Administrative Council (PMAC) had to search for other military assistance, especially because Somalia and separatist groups in Eritrea, since 1950 a federated

4 In the coming pages, I will use the terms Provisional Military Administrative Council (PMAC) and Derg synonymously when referring to the military regime that governed Ethiopia from 1974 until 1987.
entity of Ethiopia, were still supported by the Soviet Union.\textsuperscript{5} Facing the global coffee price development in the second half of the 1970s, the GDR was more than willing to take over this task. Since a severe frost in 1975 had damaged a huge proportion of Brazil’s coffee plants, the country’s coffee production shrank by almost 75 per cent.\textsuperscript{6} The Brazilian crop failures caused a global coffee scarcity and soaring prices on the world market, which was a blessing for other coffee-exporting countries, especially in Africa, but a curse for the coffee-importing nations in Europe and North America. In early 1977, the average market price of coffee (ICO indicator price) reached its peak. That year the GDR had to pay the record amount of 667.2 million Valuta mark (VM)\textsuperscript{7} for only 53,307 tons of raw coffee.\textsuperscript{8} The previous years, between 1972 and 1975, it had already spent an average of VM 150 million annually on coffee imports. One has to keep in mind that these expenses hit the national economy of the GDR harder than those of the Western capitalist countries, as its fixed price guarantee eliminated any possibility to pass the rise in prices to the consumers. Moreover, prices for raw materials also increased rapidly over the course of the 1970s due to the increasing oil price, which was a consequence of the Yom Kippur War (1973), though its impact on the Eastern bloc was delayed by the CMEA price policy.\textsuperscript{9} At the same time, the debt crisis of the Eastern bloc did not permit higher state expenses on the basis of

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\footnotesize
\textsuperscript{7} VM 1 = approx. 1 Deutsche Mark (or USD 0.49) at that time. \\
\end{flushleft}
Western credits. As a result, the party leaders decided upon an austerity policy, which included the reduction of coffee, cocoa, and tropical fruits imports and intensified their efforts in developing alternative trade relations. Cuba’s recent specialization in the production of citrus fruits and the socialist orientation of the new government in Ethiopia, a country well known for its coffee production, were favourable conditions in this context.

Although both trade relations shared similar features with regard to the engagement of foreign trade companies, the establishment of joint multinational enterprises, and the implementation of infrastructural projects, the outcomes have been completely different. I argue that the East German coffee trade agreement with Ethiopia was advantageous for both parties in the beginning, but failed in the end since Ethiopia did not benefit to the same extent. Though the prospect of mutual support seemed promising, in the Ethiopian case the long-term outcome had not been as satisfying as the ideological ambitions. Nevertheless, it should be emphasized that the GDR had initially planned to invest in development projects in Ethiopia, such as the expansion of the port of Assab. When it came to the negotiation process with Cuba, in turn, East German foreign trade officials had to struggle with initial difficulties. But once implemented, the citrus barter arrangement proved to be successful in the long run.

In 1972, Cuba became a member of the CMEA, and from that point onwards it became fully integrated into the socialist economic system and foreign trade policy. In accordance with the terms of CMEA’s Comprehensive Programme for Socialist Economic Integration, Cuba would specialize in the production of citrus fruits in 1976. The general agreement on Cuba’s Citrus Programme was signed on 4 July 1981 by several member states during the 35th CMEA meeting in Sofia. Apart from Cuba, the Soviet Union Bulgaria, the GDR, Czechoslovakia, Poland, and Hungary were actively involved in the programme. They granted Cuba a loan on favourable terms for the next five years: a total amount of 300 million Cuban pesos, including convertible currency, and a period of 17 years for the repayment at an annual interest rate of 2 per cent. In addition, each party provided Cuba with agricultural and industrial technology: Bulgaria supplied pumping stations and refrigeration units, Czechoslovakia and the GDR provided forklifts, tractors, and other agricultural vehicles, and Hungary and the Soviet

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11 Cf. Ibid., p. 189.
13 Ibid., p. 37.
Union were in charge of sprinkler systems, irrigation plants, water supply systems, and packaging machinery. The latter was required for several citrus fruit processing plants, which were to be erected at different sites on the island in cooperation with Poland, Czechoslovakia, and the GDR. Prior to this, the Cubans themselves had begun to implement the most important measure of the CMEA Citrus Programme, which was to extend the areas under cultivation. As a result, farmland used for the cultivation of citrus fruits increased to a total size of 125,000 ha in 1981, compared to 12,000 ha in 1958.

At the same time, the initially small Cuban citrus export of lemons, oranges, tangerines, and grapefruits started to grow in numbers, and the GDR became one of its main customers. In total, Cuba exported 141,000 out of 286,800 tons of citrus fruits produced in 1978. In 1981, it set a new record by exporting 260,600 out of 455,500 tons. East German imports of Cuban citrus fruits were supposed to grow in a similar manner. The Ministry of Trade and Supply intended to ensure a steady improvement in tropical fruits supply by importing 80,000 tons in 1981, 94,000 tons in 1982, 107,000 tons in 1983, 123,000 tons in 1984, and finally 134,000 tons in 1985. More than once, Cuba was not able to deliver the required quantities in time. In fact, Cuban oranges and grapefruits often replaced the lack of lemons and tangerines. Cuba was also supposed to provide the Eastern bloc countries with juices, concentrates, extracts, and essences, but the country suffered from a number of emerging problems associated with the production of these.

Due to building delays, the Cuban citrus fruit processing plants failed to start operating in time. As a result, Cuba was not capable of supplying the
quantities agreed upon. However, Cuba’s specialization in the production of citrus fruits helped to reduce certain supply shortfalls with regard to the provision of tropical fruits in the Eastern bloc in general and in the GDR in particular, as described further below.

In contrast to the citrus trade agreement with Cuba, the Coffee Agreement (1977) between the GDR and Ethiopia was carried out bilaterally and with the utmost discretion. High officials of both governments were directly involved in the negotiation processes. The GDR government had chosen Werner Lamberz for the on-site discussions in Addis Ababa. The secretary for agitation and propaganda at the Central Committee of the Socialist Unity Party of Germany (SED) had proved to be skilled in negotiating with leaders from the Third World in the past. The country in the Horn of Africa was in turmoil when Lamberz visited Ethiopia for the first time in February 1977, immediately after Mengistu’s coup d’état. The previous PMAC chairman, Teferi Bante, had been killed during a shoot-out between members of the regime’s two opposing groups in the PMAC headquarters on 3 February. The new chairman, Mengistu Haile Mariam, was known for his pro-Soviet course and therefore attracted support from Moscow quite easily. Nevertheless, the Soviet Union still delivered weapons to Ethiopia’s enemy Somalia at that time. Mengistu had to search for other allies within the Eastern bloc. Thus, he sent a letter to Erich Honecker, the general secretary of the SED, asking him for help. Additionally, Werner Lamberz, who was in Maputo

22 Werner Lamberz started his political career in the East German youth organization Free German Youth. Since the early 1960s, he focused on the ideological aspects of foreign policy and the GDR’s Africa policy in particular. Lamberz, who later became the leader of the Central Committee’s Agitprop department, was well known for his outstanding social and language skills. He was a close confidant of Erich Honecker and considered his potential successor in office. He died in a helicopter crash in the Libyan desert in 1978, after he had met Muammar al-Gaddafi for secret negotiations about economic cooperation in Africa and the Middle East and North Africa (MENA) region (Cf. Döring, Es geht um unsere Existenz, pp. 62–69).
at the 3rd Mozambique Liberation Front congress at the time, was invited to visit Addis Ababa. 24 On 10 February, he arrived at Bole International Airport. 25 On the same day he met Mengistu, with whom he discussed the future bilateral relations between Ethiopia and the GDR. Back in the GDR, Lamberz met journalists of the official party newspaper of the SED, Neues Deutschland, and argued in favour of the Ethiopian Revolution and the new Derg regime led by Mengistu Haile Mariam. 26 In an interview with the East German magazine Horizont, he also supported Mengistu’s wish for military goods from the GDR. 27 Shortly afterwards, the first East German weapon deliveries arrived in Ethiopia. 28

When Werner Lamberz returned to Addis Ababa in June 1977, he had a new mission. General Secretary Erich Honecker and Günter Mittag, secretary for economy at the Central Committee of the SED, had briefed him beforehand to discuss the acquisition of Ethiopian coffee on a barter basis. This time, his delegation included representatives from the State Planning Commission, the Ministry of Foreign Affairs, and the Ministry of Foreign Trade of the GDR, and was given a warm welcome by General Secretary Fikre-Selassie Wogderess and other Ethiopian officials at Bole International Airport. 29 The East German delegation members stayed five days. During that time, they visited a farmers’ cooperative near Debre Zeyit and a coffee washing station in Djimma to learn about coffee planting and processing in the Oromia region. 30 On 14 June, they met Mengistu Haile Mariam and negotiated for more than three hours about bilateral trade relations and future economic cooperation between the GDR and Ethiopia. 31

In the end, a trade protocol was signed on 16 June by Friedmar Clausnitzer from the GDR Ministry of Foreign Trade, and the Ethiopian minister of commerce and tourism, Ashagre Yigletu. 32 It included the sum of 5,000 tons of raw coffee, which would be delivered annually, between 1977 and 1982, by the

26 Cf. Döring, Es geht um unsere Existenz, p. 22.
28 Döring, Es geht um unsere Existenz, p. 115.
29 Ministry of Foreign Affairs Archive (MoFA)/GDR-DMG-6/8, without page numbers; cf. Ethiopian Herald, 14 June 1977, pp. 1 and 6.
30 Ethiopian Herald, 17 June 1977, p. 4; Ethiopian Herald, 8 March 1978, p. 7
32 MoFA/GDR-DMG-6/15, without page numbers.
state-owned Coffee Marketing Corporation. In turn, the GDR would send trucks and military goods, especially smaller weapons, munitions, steel helmets, and durable bread (which the Ethiopians called “Lamberz-bread”) for the Ethiopian forces. As the GDR needed more coffee and Ethiopia more military equipment, a new trade arrangement was signed one month later in Berlin, which resulted in the delivery of 10,000 tons of Ethiopian coffee to the GDR in 1977. Responsible for the provision of the GDR exchange products was the leader of the Commercial Coordination Division (Bereich Kommerzielle Koordinierung, commonly known as KoKo) Alexander Schalck-Golodkowskii.

According to his calculations, the GDR exported 542 trucks, about 1.5 million US dollars (USD) worth of spare parts, 11,000 tons of durable bread, and 200 tons of dry milk to Ethiopia in 1977. Additionally, it delivered medicines, operation gowns, army field kitchens, radio technology and a position for which he used the vague expression “special technology” in his handwritten notes, amounting to USD 14.4 million. Meanwhile, Günter Mittag and Werner Lamberz had sent a confidential letter to Erich Honecker and informed him about the positive outcome of the coffee barter arrangement. The problem of the East German coffee supply seemed to be solved.

Complaints and Conflicts: The Outcomes of the Barter Arrangements with Ethiopia and Cuba

Nevertheless, the coffee barter business between Ethiopia and the GDR only lasted until 1979. From the very beginning, the East German foreign trade firm AHB Genußmittel complained about the inability of its Ethiopian partners to deliver raw coffee in time. In addition to general delivery problems, caused by the destruction of important transport routes and port facilities, the reluctance of

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33 Ibid.
35 MoFA/GDR-DMG-6/15, without page numbers.
36 Cf. Döring, *Es geht um unsere Existenz*, p. 118; The KoKo was primarily responsible for the procurement of foreign currencies by more or less legal means.
certain Ethiopian representatives of the Ministry of Trade and Tourism, the state-run Coffee Marketing Corporation, and the National Bank, in charge of the financial management of the coffee deal, led to lengthy negotiations and delays during the loading of coffee at the port of Assab.\textsuperscript{39} That fact that the GDR did not use foreign currency to pay its coffee bills was a contentious point in the debates between the Ethiopian ministries and the National Bank of Ethiopia.

In understanding this context, it is important to know that coffee was Ethiopia’s main foreign exchange earner. In 1976, Ethiopia earned 300 million Ethiopian birr (ETB)\textsuperscript{40} with the sale of nearly 70,000 tons of raw coffee to foreign markets.\textsuperscript{41} In 1977, the country earned ETB 540 million, although it sold only 50,000 tons to capitalist countries.\textsuperscript{42} If Ethiopia had had more coffee to sell on the free market, it could have earned even more. This proved to be true in 1978, when the export of more than 73,800 tons of raw coffee brought in ETB 578 million.\textsuperscript{43} Numerous newspaper articles of the \textit{Ethiopian Herald} pointed out that coffee was considered the “nation’s number one cash earner” and “backbone of the economy”.\textsuperscript{44} As the Ethiopian economy undoubtedly benefited from the global demand for coffee, the government attempted to increase the export volumes of this commodity. In this context, in order to increase export volumes, consumers at home were even asked to reduce domestic consumption.\textsuperscript{45} While the United States and several European and Asian countries bought large amounts of Ethiopian coffee, the European Economic Community (EEC) also expressed interest in the country’s coffee industry. Since the Lomé Convention came into force in April 1976, which allowed agricultural and mineral goods to enter the European Economic Community duty free, Ethiopia was granted access to the European Development Fund for financing its coffee improvement programme.\textsuperscript{46} As a result, Ethiopia’s total export shares to EEC countries, West Germany and Italy in particular, rose from 23.3 per cent in 1977 to 27 per cent in 1978. In contrast, the CMEA share fell from 15.2 to 8.5 per cent over the same period. At that time, the GDR was by far the

\textsuperscript{40} ETB 1 = approx. USD 0.48 at that time.
\textsuperscript{42} \textit{Ethiopian Herald}, 1 January 1978, p. 1; cf. BArch, DY 3023/1218, p. 494.
\textsuperscript{46} \textit{Ethiopian Herald}, 26 December, 1976, p. 1
largest buyer of Ethiopian goods within the CMEA, though Ethiopian exports to the GDR decreased considerably from ETB 99.8 million in 1977 to ETB 32.5 million in 1978. Despite the fact that official records did not cover all of the bartered coffee, there was a causal link between this commodity and the GDR's relatively high ranking in Ethiopia’s external trade statistics.

Not only the decreasing quantity of Ethiopian coffee, but also its comparably low quality fuelled East German complaints. When the officials of the East German export firm Aussenhandelsbetrieb (AHB) Genussmittel first came to Ethiopia, in summer 1977, they had to accept poor-quality coffee that was left over at the end of the coffee harvest season, mostly Djimma coffee rejected by US companies. Though they demanded better qualities in the following years, it is quite unlikely that they succeeded in purchasing premium grades, such as Harrar coffees, which were usually sold to the highest bidder at the coffee auctions in Addis Ababa and Dire Dawa. As mentioned above, the Ethiopians did not earn any foreign currency from bargaining with the East Germans and therefore sent them presumably low-grade varieties. But the country in the Horn of Africa was not the only coffee-producing country the GDR had concluded a barter agreement with. Angola, for instance, delivered 5,500 tons of raw coffee in 1977 and 8,929 tons in 1978. The Philippines announced the offer of 5,000 tons of raw coffee for 1978 after Honecker himself had carried out negotiations with President Ferdinand Marcos in December 1977. Similar “special arrangements” with Vietnam and Laos followed. The socialist blends from Africa and Asia were to replace the previously employed Latin American coffee from Brazil and Colombia. From August 1978 onwards, they were used for the blending of the East German coffee brand Rondo. Accordingly, the Ministry of District-led and Foodstuffs Industry, in charge of the implementation, had to reduce its requirements, as the coffee varieties from Africa and the Asian Robusta coffees did not meet former quality standards. They did not suit the East German consumers’ taste either. As a result, 14,000 complaints criticizing the new taste of Rondo were sent to the authorities or handed to grocery store employees. In order to improve the East German coffee quality, Minister of Foreign Trade Horst

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50 Ibid.
53 Staadt, Eingaben: Die institutionalisierte Meckerkultur in der DDR, p. 46.
Sölle turned to his former trade partners in South America. However, he failed in importing South American coffee and the Politburo forced him to make a self-critical statement, declaring himself in favour of the coffee barter business with Angola and Ethiopia. It became obvious that the pragmatic and economically oriented politicians Mittag and Schalck-Golodkowski had taken control of the East German coffee imports.

In winter 1977/78, only a few months after the first Ethiopian coffee deliveries had sparked fierce debates within the Politburo, GDR officials were confronted with another supply problem. In December 1977, the container ship Theodor Storm arrived at the port of Rostock loaded with green Cuban oranges of apparently doubtful quality. The Cubans denied the East German claims for compensation deliveries or discounts, as they did not recognize their green coloured fruits as faulty goods because Cuban oranges tend to be rather greenish in colour due to different local climate conditions. They passed the colour problem on to their trade partners, which had to find an answer to the question of how to sell oranges that were not as orange as the Mediterranean ones consumers were used to. Finally, the Ministry of Trade and Supply started a marketing campaign to promote the sale of the Caribbean fruit. Nonetheless, the so-called “Kuba-Orange” caused consumer debates. Despite all the criticism about their green colour, their unusual taste, and even being difficult to peel, East German trade officials continued to import large amounts of Cuban oranges. They also increased their imports of grapefruits, lemons, and tangerines from Cuba. Deputy Minister of Trade and Supply Horst Illgen, who was in charge of the provision of citrus fruits, intended to import 39,000 tons of Cuban oranges in 1981, 48,000 tons in 1983, and finally 52,000 tons in 1985. To avoid consumer complaints, about one-quarter of these were to be used to produce juices, concentrates, and orange jam. Nevertheless, the Ministry of Trade and Supply continued to deliver a certain amount of Cuban oranges as fresh fruits to the Konsum or HO grocery stores. They were supposed to satisfy consumer demands, especially in spring, when no other varieties were available.

While East German consumers complained about the poor quality of Ethiopian coffee and Cuban oranges, trade partners in the Global South repeatedly identified certain defects in GDR products. From the Cuban perspective, the main points of criticism were that spare parts could not be delivered in time and in sufficient quantities, and operating instructions, maintenance, and repair manuals, catalogues, and order forms for the purchase of spare parts were not available in Spanish. Therefore, the Cubans required service improvements, and they insisted on a corresponding agreement. However, they did not wish to terminate their barter arrangements with the GDR, which they recognized as a reliable partner. Ethiopian officials complained about the trucks made in the GDR in particular, which proved to be unsuitable for the Ethiopian road conditions. Matters were made worse by the fact that the Ethiopians had made more positive experiences with West German, Italian, and Japanese vehicles in the past.58 In defence of the East German workmanship, GDR Ambassador Dieter Klinkert spoke up. In a newspaper article of the *Ethiopian Herald* from October 1978, he took a stance on the GDR vehicles delivered to Ethiopia:

> Asked about rumours that the GDR trucks and tractors breakdown too often, the GDR ambassador said that there are peoples who do not cherish the idea of Ethiopia’s cooperation with the socialist countries. “Some of these people cooperated in the past with Western countries where they were educated and whose cultural influence on them is still a dominate factor: These people are not in line with the Programme of the National Democratic Revolution. […] They easily become instruments of imperialist tactics to divide friends because they are aware that in unity grows strength,” Comrade Klinkert said. The GDR ambassador said that contrary to concerted rumours, the GDR trucks and tractors have withstood all difficult conditions in which they operated. “They have operated on virgin soil like tanks. They have been tested in many African countries and proved to be marvellous,” he added.59

This quote shows how bilateral trade relations between countries of the socialist camp and the Third World were propagated. Economic cooperation was usually interpreted in the broader sense of socialist solidarity. Nevertheless, the Ethiopians were not willing to keep up the barter arrangement in the end, which did not mean that the East German trade relations were completely cut off. The GDR continued to import coffee from Ethiopia, even though it had to pay in foreign currency from 1980 onwards.60 Therefore, the GDR government focused on

60 “Processing of payment transactions between the GDR and Ethiopia”, 26 September 1980, DL2/6117, p. 27, BArch; cf. MoFA/GDR-DMG-6/15, without page numbers.
securing its coffee supply from Southeast Asian countries during the 1980s. Especially Vietnam, the new CMEA member state, was highly important in that context. After all, the East German development plan for the Vietnamese coffee economy proved to be successful in the end, albeit too late for the collapsing GDR, which could not profit any more from the programme’s first harvest in 1989.⁶¹ Vietnam, in turn, profited substantially from the associated East German investments, which boosted the country’s domestic coffee industry.

**Exerting Influence on the Spot: The Building of the Citrus Fruit Processing Plant in Ciego de Ávila and the Expansion of the Port of Assab**

In order to secure their coffee and citrus fruit imports, East German trade officials pursued an additional strategy. They invested in joint ventures in the countries of production. In Ethiopia, they aimed at improving the local infrastructure by rebuilding and expanding trade routes to the Red Sea ports of Djibouti and Assab and improving and upgrading port facilities there. In Cuba, they were involved in the construction of a citrus fruit processing plant in Ciego de Ávila in the centre of the island. Both projects included extensive deliveries of East German technology as well as credit lending. Due to delays in decisions and disagreements over funding, the construction of the citrus fruit processing plant in Ciego de Ávila covered a longer period than originally planned and the Assab port project was not fully implemented in the end.

When Werner Lamberz visited Addis Ababa in June 1977, Ethiopian officials not only discussed trade issues but also raised the question of the country’s poor infrastructure. General Secretary Fikre-Selassie Wogderess pointed out that Ethiopia’s economy suffered immensely from the destruction of and attacks on important transport routes in the east of the country, for which he blamed “reactionary Arab rulers in the surrounding area” in collaboration with “imperialists”.⁶² There is no need to mention that he was referring here to Somalia’s Siad Barre and the United States. He continued that “they had tried to cut off the country’s outlet to the sea” and damaged “the railway line linking Ethiopia with the port of Djibouti”.⁶³ Ethiopia’s own port of Assab was similarly

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⁶² *Ethiopian Herald*, 15 June 1977, p. 3.

⁶³ Ibid.
shaken by separatist groups in the north of the country. Supposedly, the Ethiopians hoped for East German investments to develop their infrastructure. Sooner or later, the GDR government was forced to do so in order to secure its coffee deliveries. And from 1978 onwards, it was involved in the port expansion of Assab and the modernization of the railway line that connected the trade centres of Addis Ababa and Dire Dawa with Assab.\(^{64}\)

In that year, Ethiopia concluded an agreement with the GDR regarding the cooperation on expanding the port of Assab. The plans stipulated that the construction works would be carried out within three years. After that period, the port of Assab was supposed to double its capacities and become one of the leading ports in the Red Sea region. The project not only included the installation of new docks for loading and unloading, but also the building of a rail link from Addis Ababa to Assab.\(^{65}\) The total cost of the port expansion came to USD 116 million. Therefore, the Assab project was considered by far the most expensive joint project between Ethiopia and the GDR.\(^{66}\) East German technology deliveries alone made up VM 50 million of the project cost, including harbor cranes, diesel-electric power stations, construction machines, railway carriages, port handling technology, and a coastal radio station.\(^{67}\) The GDR was particularly interested in implementing the agreement on the expansion of the port of Assab in order to secure its Ethiopian coffee deliveries. Since the beginning of the barter trade between the two countries, East German cargo ships had to bring their own port technology to Assab together with their regular deliveries, as Ethiopia did not have sufficient technical equipment for unloading and loading the green coffee it sent to the GDR in exchange. Once again, it was KoKo leader Alexander Schalck-Golodkowski who was in charge of the provision of this port technology, including forklifts, derricks, and pallets.\(^{68}\) As early as October 1977, East German experts had carried out a feasibility study to evaluate the expected workload for the implementation of the project. As a result, the project was supposed to be conducted within a three-year period. Before the construction works could start in the second phase of the project, East German

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experts initially wanted to develop an interim solution that would permit the continuation of the port activity in the meantime. During the third phase of the project, a dock for cargo vessels was to be built.

However, the Assab port project existed merely on paper. Despite intensive efforts and tough negotiations, there was no prospect of achieving an agreement on the loan conditions, as the East German officials did not agree on easier credit terms for Ethiopia. Apparently, they doubted their contract partner’s solvency. Instead of supporting the Ethiopians with interest-free government loans, the GDR decided in favour of a more profitable solution from which it might earn additional hard currency revenues. The Ethiopians, in turn, expected preferential rates as they considered the port expansion to be a development project. Moreover they already received funds and loans from the European Development Fund and the World Bank, which had an impact on their decision-making. In the end, the port expansion was implemented without East German participation.

In contrast to the Assab port project, the building of the citrus fruit processing plant in Ciego de Ávila was based on multilateral CMEA agreements and was actually completed in cooperation with the GDR. In 1978, it became a focus project in the context of Cuba’s Citrus Programme and was supposed to gain East Germany priority access to Cuban processed fruits. Over a period of more than five years, the GDR invested 13 million roubles, delivered a maximum of East German technology, including cooling technology, and granted credits in the form of convertible foreign currency for the purchase of Western technology. These loans enabled Cuba to import processing technology from Spain, Yugoslavia, and Sweden.69 The fact that East German officials made use of a detailed reporting system indicates that they paid particular attention to the building of the processing plant, from which they expected an improved supply of tropical fruits for East German consumers.

Since 1984, the factory produced concentrates and juices, which met the East German needs to a large extent. The GDR delivered trucks for transporting Cuban citrus fruits from the area and also from the neighbouring provinces of Sanctí Spiritus and Camagüey to the processing plant in Ciego de Ávila. After arriving there, the oranges and grapefruits were processed in a three-shift system, with an output of 40 tons per hour. As a result, 23,600 tons of juices and 4,700 tons of concentrates were produced each year, provided that capacity utilization reached its maximum. After these products had been exported to the GDR, they were used for the production of soft drinks and baby food. Due to the

fact that 50 per cent of the factory output was meant for the East German market alone, Cuba was obliged to deliver around 8,000 tons of juices and 2,000 tons of concentrates each year in the second half of the 1980s.\textsuperscript{70} As a result, the GDR did not have to rely anymore on imports from capitalist countries and could save VM 50 million in the period between 1981 and 1985 and VM 25 million annually from 1985 onwards.\textsuperscript{71} In addition to juices and concentrates, essential oils for the East German market were produced as well.

Although the outcome of the joint venture proved to be successful in the end, the negotiation processes between East German and Cuban foreign trade officials did not run smoothly. East German foreign trade companies in particular complained about the tough and lengthy negotiations with their Cuban trade partners. During the talks, they debated about prices, the factory output, and corresponding delivery quantities, quality standards, and packaging. The East German officials were highly engaged not only with regard to financing and building the factory but also when it came to guaranteeing consistent quality and hygiene. They decided that no preservatives were to be used for the production of juices and concentrates. They also decided how to pack and store the juices and concentrates once they had been produced. A strict observation of these rules and regulations and a constant control of the resulting production processes indicate the high degree of East German intervention in the citrus fruit processing plant in Ciego de Ávila. Eventually, the East German officials were willing to make compromises, since the GDR benefitted from the joint venture, which produced juices and concentrates primarily for the East German market.

**Conclusion**

The aim of this chapter was to shine a light on the GDR’s more general attitude towards countries in the Global South by depicting the examples of a coffee barter arrangement with Ethiopia and the citrus trade agreement with Cuba, as
they illustrate extremely well that East German foreign trade motives shifted from ambitions of an international solidarity to more economically oriented approaches in the late 1970s. Focusing on similar features of both exchange relationships, at the bilateral level and on a local scale, I argued that their outcomes have been completely different for the following reasons. Bartering coffee for East German manufactured goods had positive implications for the Ethiopian supply situation, but only in the short term, whereas the Cubans benefitted from long-term contracts with advantageous conditions by exporting their citrus fruits to the other CMEA countries. By contrast, Ethiopian officials soon came to the conclusion that they could gain more by selling their coffee on the world market instead of bartering with a socialist country, since the Ethiopian economy benefitted immensely from the global demand for coffee in 1977 and 1978. As a result, the implementation of the coffee barter business between the GDR and Ethiopia failed in the end, as did the East German project of the Assab port expansion, which was supposed to guarantee a stable supply of Ethiopian coffee by means of improving the infrastructure of the producing country. However, the initial implementation of the CMEA Citrus Programme was not painless. In fact, Cuban and East German trade officials had to struggle to overcome emerging problems, especially with regard to the design, construction, and commissioning of a citrus fruit processing plant in Ciego de Ávila, which was supposed to deliver juices, concentrates, extracts, and essences to the GDR. Nevertheless, both parties decided to maintain their bilateral agreement, as none of them could find more attractive trade partners outside the CMEA. To sum up, trade relations in the form of a barter business between countries of the socialist camp and in the Global South seemed to be only beneficial for those partners who did not lose foreign currency due to the related transactions.
As the contributions to this volume illustrate, during the early decades of the Cold War, alternative practices and projects of globalization subsisted in the framework of economic relations between countries in Eastern Europe and the Third World. By the 1980s, however, at different paces in different countries, many paradigms and institutions that had sustained commitments to these alternative forms of globalization came under attack. This did not mean that trade or economic connections between these regions declined – in terms of volume, they did not. Rather, the values that underpinned these exchanges were no longer sustained by a belief in an alternative modernity. This shift did not happen by a popular revolt and the fall of state socialism. Rather, many Eastern European elites themselves were shepherding their countries away from these alternative forms and projects of globalization and oriented their economic policies towards further integration with western markets long before 1989. The approach adopted in this volume encourage us to revisit how we see these changes: the fall of state socialism was not the entry of the region into globalization, but rather a choice between its forms.

Debt and Financial Capitalism as End of Alternative Globalization

Through the 1970s and 1980s, many Eastern European countries increasingly resorted to borrowing money to maintain standards of living necessary to secure the Communist parties’ short-term legitimacy. In order to satisfy domestic consumer demand, and with a view to modernizing their industries to be competitive on the world market, Eastern European states started to borrow the so-called ‘petrodollars’ that had flowed out of energy-producing states at low rates of interest from the early 1970s. With the spiralling costs of raw materials and rising interest rates in the late 1970s, countries from Hungary to Bulgaria became ever more mired in debt. When the US drastically raised the Federal Funds Rate...
to curb domestic inflation, the Polish government soon announced that it was no longer able to fulfil its obligations to international creditors.¹

This debt crisis occurred not only in Eastern Europe but also across Africa and Latin America, and significantly reduced the economic and political independence of socialist and developing countries. Most debtor countries in Eastern Europe, the Middle East, Africa, and Latin America now depended on further loans from international banks and Western-dominated institutions like the International Monetary Fund (IMF). As a consequence, they prioritised the payment of hard currency to their creditors over the fulfilment of their obligations to each other. In 1989, many Eastern bloc states would be owed huge sums: the Soviet Union alone was owed USD 150–160 billion by 61 countries, making it a net creditor, but without much hope of ever seeing again most of the money it had furnished around the Global South. This turn of the socialist and developing world towards the West had a corrosive effect on the earlier solidarity-type values, which had underpinned these world regions’ attempts at an alternative globalization. Socialist states outside Europe were viewed less and less as the object of Eastern Europe’s developmental support.² In the 1980s, far more emphasis was placed on profitability and payment in hard currency instead. Large sums were earned as a result of arms exports from the Eastern Bloc to Africa, which were partly used to pay off the socialist states’ debts to the West.

Overall, their increasing indebtedness brought the Eastern European socialist countries closer to the West. Eastern European obligations to international creditors rose tenfold in the 1970s. A number of East European states were barred from further access to cheap private credits and thus lobbied international institutions, which in turn drew them further into the world of


international finance.³ To stave off financial collapse in early 1982, Hungary joined the IMF. In this sense, debt operated as a ‘school for capitalism’: Hungarian national banks in particular, which managed loans from both western and Middle Eastern sources, had become well versed in the workings of western finance long before 1989.⁴ The need for hard currency re-oriented these countries westwards in other ways too. Some turned to international tourism: Yugoslavia had abolished visas, and, by 1989, hard currency revenue from tourism amounted to USD 2.5 billion per year.⁵ Yugoslavia also allowed its nationals to be guest workers earning hard currency in Western Europe, their remittances eventually contributing almost 20 per cent of their country’s GDP. Established relationships with Third World partners were increasingly structured around obtaining hard currency: when the socialist allies of the German Democratic Republic (GDR) in Mozambique could no longer serve the credits that they had been given to buy East German products, GDR demanded a share of their black coal, which was immediately sold on the world market before the ships reached the Baltic Sea. Contract workers from Mozambique had to work off their state’s debts to the GDR in East Berlin like modern indentured labourers.

The shift of emphasis in the socialist governments’ foreign economic policies towards financial profitableness took its political toll: by the 1970s many Eastern European states were relinquishing an approach to trade based on political sympathies. In 1977, for instance, the Hungarian Central Committee officially abandoned the prioritisation of trade with socialist-oriented countries.⁶ New technocratic arguments presented Western capitalism as less of a threat, and Western companies as potential partners to help fix economies in the East. Even so, the extent of Eastern European involvement in capitalist foreign trade, often kept secret from their own populations, displayed an ever-greater cynicism. Many bloc countries re-established economic connections with Franco’s Spain in the early 1970s, leading to severe criticism from the Spanish Communist Party;⁷

³ See the section on “International Organizations” in the introduction of this volume.
⁶ Germuska, Failed Eastern integration, p. 278.
the Soviet Union imported much of its grain from the military dictators in Argentina and propped them up with military technology in return.\(^8\) Furthermore, despite having cut official ties with South Africa after the 1960 Sharpeville Massacre of black demonstrators, the Soviet Union continued to process its diamonds with the South African mining company De Beers and amidst the most severe sanctions against the country, Eastern bloc countries still supplied arms and military electronics to the Apartheid regime in the 1980s.\(^9\)

### End to Fears of Westernization as Peripheralization

In the last decades of the Cold War, the advantages of westernization increasingly appeared to outweigh the potential pitfalls for some regional elites. Since the 19th century, the question of escaping peripheralization on the European continent had been a key question for Eastern European development. Communism itself was in its early years underpinned by the assumption that the nations in this region had to be cut off from the West, and that they would only be able to catch up and escape their historic role as an economic hinterland if they applied autarkic development policies.\(^{10}\) Against the background of severe economic crisis, the prospect of western integration was not accompanied by a widespread fear of re-peripheralization. Such critiques would only return to the mainstream in the 2010s.\(^{11}\)

Partly one can trace this to the depth of the economic crisis which beset the region in the 1980s: the alternatives to westernization appeared worse. In spite of

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the borrowing incurred to raise technological inputs, most countries were held back by central planning and export regulations. Productivity failed to rise and many countries were unable to create effective export industries that could earn hard currency to pay it back. Moreover, with increased economic co-operation, Eastern European states were most susceptible to changes in the global economy. Across the bloc, new arguments were being made that ended the equation of westernization with a renewed peripheralization. Weaknesses in national economies could no longer be blamed only on external global forces, structural inequalities in the world economy, or western imperialism; rather, change had to come through disciplining local economies, reforming political institutions, and creating ‘human capital’ from within. The insistence of the IMF that the crises of the 1980s were the result of local failures of governance and were best addressed in national frameworks became more and more influential, particularly in those countries that joined it. In their institutional view, individual national economies could be disciplined toward economic efficiency, with little thought given to the relation between these containers in the context of a broader global economy. For them, the market was the effective disciplinary mechanism for the reformation of human behaviour within states.

Yet, it is important to note that there were economic crises in other socialist states outside Europe that did not lead to calls for greater western integration or, eventually, the collapse of their Communist systems. In Eastern Europe political and economic elites shaped and mobilised the meaning of such crises to rethink questions of peripherality, backwardness, and started – tentatively at first – to turn them into questions about the region’s real geopolitical position. This was, however, not true everywhere. For elites and experts in Romania and Yugoslavia, the only two countries in the region that had backed the radical New International Economic Order without major reservations, the roots of the economic crisis were still predominantly located in structural inequality in the global economy, which further westernization would only entrench. Romania’s leader, Nicolae Ceauşescu sought to break the hold of western banks, promising to pay off all loans, and re-adopting an autarkic model of development. Even those who opposed him from within the party remained apprehensive about the IMF. Silviu Brucan, a champion of market socialism, declared its structural adjustment a new form of western neo-colonialism.

The Third World as Inspiration for Eastern Europe?

Even if many delegations still visited Eastern Europe from a broader socialist world – there was less and less interest in learning from the region’s models of development. In the late 1970s, following the assumption of power by Deng Xiaoping, market socialism was still of some interest to touring Chinese experts who travelled regularly to Romania, Hungary, and Yugoslavia.¹⁴ Likewise, Tanzanian leftists who sought to develop a counter-model to the market reforms imposed by IMF-led conditionality in the mid-1980s looked across the socialist world – from China to Eastern Europe – for socialist alternatives to market capitalism. Nevertheless, these engagements did not have long-term impacts; China, for instance, turned its attention to Japan and the East Asian tigers as models for the liberalization of its economy by the mid-1980s.

Rather, some Eastern European reformers began to look to successful modernization programmes, notably in Latin America and East Asia. The range of Eastern European expertise that had developed to engage and export their models in the 1950s and 1960s now had a role to play in bringing new insights from the global economy ‘back home’. Through the 1970s, Eastern bloc experts had started to construct their region as periphery once again as they struggled for control. One of the pathways to rethinking their position in the global economy was provided by ‘World Systems Theory’ – made famous by Immanuel Wallerstein¹⁵ – which was also developed in e.g. Poland and Hungary, partly as a way of making sense of a more interdependent world.¹⁶ Within this approach, the world was divided between the capitalist “core”, which had industrialised first; peripheral areas which remained subservient to the core and poor; and “semi-peripheral” regions which had not been wholly marginalised, and had a capacity eventually to join the “core”. Reform-minded economists and economic historians began to re-imagine the workings of the world economic system – from a two-world system model in which Eastern Europe was a core player, to a one world capitalist system in which Eastern Europe was semi-peripheral. This in turn led them to look to other successful semi-peripheral integrations into the ‘world system’. Beyond the socialist

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¹⁶ See footnote 23 in the introductory chapter of this volume.
world, it was particularly Latin America that served as a source of inspiration and cautionary tales. As early as the 1960s, Eastern European economists had come to see the region as occupying a structurally similar position in the world economy, and facing similar domestic issues connected to the dismantling of autarkic development. By the 1980s, the region’s early uptake of neoliberal reforms that was of the greatest interest. For instance, Polish economic liberals repeatedly called on Communist leader General Wojciech Jaruzelski to deregulate the economy just as the Chilean dictator Augusto Pinochet had done a couple of years earlier. Economically successful development dictatorships in the Global South thus provided inspiration for possible elite-led transitions in Eastern Europe to capitalism without bothersome democratic procedures.

In the late 1980s, dynamic East Asian ‘tiger states’ which appeared to be overcoming formerly peripheral economic conditions and successfully integrating into the world economy became objects of fascination in some countries in the bloc – as models for their own integration into the West. Looking to develop the competitiveness of their export industries, reform-minded economists and political elites in Hungary and the Soviet Union looked for instance to pre-1987 South Korea as a model of an authoritarian-led state which had successfully integrated into the world economy. United Nations Conference on Trade and Development (UNCTAD) began to support East Asian regional trade initiatives to open up Eastern European markets to their direct investment – a process which was to lead to significant investment by South Korea in Central Europe after the collapse of state socialism.

After 1989: Westernization and Deglobalization?

From the perspective of the globalizing projects of the Cold War, 1989 might be seen not as an opening out of Eastern Europe, but rather as a moment of its economic deglobalization, through its cooptation by the West. The big offer of integration that western political and economic institutions made to the East after 1989 in fact destroyed many of the internationalist paradigms and linkages that had existed even in the last decades of the Cold War. Eastern European states lost the Third World as a place for their investment and supply of raw materials. The Communist era represented a moment when Eastern Europe had been an exporter of developmental ideas and expertise; following the collapse between 1989 and 1991, the region returned to its interwar role, as a subject of developmental models imposed from the outside.

Many, but not all, legacies of the Eastern European pre-1989 engagements in the Global South disappeared. Less than the beginning of Eastern Europe’s globalization, 1989 marked a weakening of alternative forms of non-western trade and developmental projects for Eastern Europe. This shift was not preordained: economic links had expanded outside Europe in the 1980s. Yugoslav companies successfully built new markets in the Middle East and Soviet Union in the 1980s, commerce grew significantly between Eastern Europe and Africa from the 1970s, and the arms and energy trade between the Soviet Union and the developing world grew exponentially. Following 1989, many projects ground to a halt. Developmental workers became individualised private contractors; large industrial enterprises which had underpinned this engagement were no longer viewed by western investors as viable global players, and were split up into their constituent parts. In other cases, most notably the car industry, western collaborations enabled the continuation of market share in the Global South. Before 1989, Dacia had been a Romanian-French joint venture with Renault providing the engines and design; it would be bought outright by Renault in 1999, significantly modernised, and some of its models directed at

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Africa, Asia, and South America; its most significant market remained Western Europe, however. Some links did remain, particularly in the arms industry, which had prospered in late socialism and continued to do so after 1989: Omnipol in Czechoslovakia and Serbia’s Zastava Arms as well as many Russian producers of ordnance continued to export successfully, both to former partners in Africa and to the Middle East, including the Iraqi and Afghan security forces. According to a study of the Conflict Armament Research a UK-based non-governmental organisation, 97 per cent of the weaponry used by the Islamist terrorist group ISIS in Iraq and Syria had its origins in Russia, Eastern Europe and China.

From the early 1970s, almost two decades before the collapse of Communist systems, Europe was integrating across the Iron Curtain. By the early 1980s, western capital began to shift from Africa to new economic opportunities opening up in Eastern Europe. The more Europe integrated economically, the smaller the percentage of each individual country’s trade came to be with the Third World. Many African states were mired in debt, and foreign private investment in the whole continent dwindled from USD 2.3 billion in 1982 to 500 million in 1986. This outflow of capital increased again with the collapse of state socialism and the creation of the European Bank for Reconstruction and Development in 1991, which supported private sector development in the East with more than USD 7 billion. The European Community swiftly funded new programmes such as Phare (Poland and Hungary: Assistance for Restructuring their Economies) which embodied the utopian hope in eventually overcoming the continent’s sharp economic divides: a growing field of regional science funded by this programme.

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argued for a new Europe of interconnected sub-regions which could each flourish through successful management. With eventual membership of the European club, fears of becoming an economic hinterland to the West receded in mainstream discourse, and substantial economic catch-up seemed viable. But even after 1989, doubts remained: some dissenting Hungarian and Polish economists argued that small Eastern European states should resist an uncritical integration into the European Union: it would be better to follow the lead of the independent east Asian tigers, specialise in certain sectors, and resist stagnation as peripheral, low-value locations in the newly emerging ‘global factory’.

**After Westernization: New Alternative Globalizations?**

The current reawakening of interest in ‘entanglements’ across the socialist world before 1989 results from new political contexts. The Western triumphalist vision of the 1990s has given way to an acknowledgement that large parts of the former socialist world are not following the path of Western modernization without question. China resisted the ‘liberal’ in liberal capitalism and has become a very successful global player in Asia and Africa; Russia has turned away from the West and pursues its ideas of a polycentric world in explicitly anti-Western alliances, which were often built on connections derived from Cold War Soviet internationalism. Cuba, Venezuela and Nicaragua were – at least rhetorically – supporting Russia’s neo-imperialism in the South Caucasus and Ukraine. The secular dictators of Syria and Egypt enjoyed military support from the Kremlin, just as they did 50 years before. Vietnam, following the Chinese path of communist rule-cum-economic liberalism, remained a strategic partner for Russia in the

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area of military-technical cooperation. Both Egypt and Vietnam signed free trade agreements with the Eurasian Customs Union, Russia’s great ‘alternative’ geopolitical project under Putin.

By the end of the 2000s, criticisms of westernization began to enter the mainstream in Eastern European countries within the European Union (EU) as well. Across the region, right-wing thinkers contested the values of technocratic rule and liberal cosmopolitanism in post-accession polities. In some countries, such as Poland, Hungary, or Slovenia, such critiques developed into a full-blown rejection of what were now considered “failed transitions”. The elites’ embrace of neoliberalism and their over-dependence on Western political models was criticized by some on the left too, as economic colonisation and re-peripherialization. Some left-leaning intellectuals in Croatia and Slovenia thought that EU and North Atlantic Treaty Organisation (NATO) membership turned their countries into “insignificant colonies on the periphery of the Euro-Atlantic Empire” which itself was in deep crisis. The notion that the EU was a community of equal nations was firmly rejected, and seen, instead, through a lens of colonization of the South and the East by Northern Europe.

In the 2010s, populist governments looked to revive earlier alternative geographic entanglements to counterbalance what from 1989 was seen the imperative of convergence and catch-up with the liberal West. They saw these exchanges as solutions for declining domestic economic growth and as defensive reactions against perceived EU liberal cultural imperialism. The significant role of China in Eastern European politics and economy in particular provided a new way of imagining the region’s relationship with the broader world. After 1989, former socialist states had engaged with China but relations did not amount to a strategic alternative. The financial and economic crisis from 2008 changed this. For populists, the crash symbolised the decadence of Western democracy: in 2010, the new FIDESZ government in Hungary announced a ‘keleti nyitás’, or ‘opening to the East’. Against a feeling of cultural alienation from the European project, and a deep anxiety about the economic sclerosis of the European

economic model after the crisis of 2008, Prime Minister Viktor Orbán argued that
the authoritarian capitalist models of Singapore, China and Central Asia could be
attractive models for his country. In a speech given to the National Association of
Entrepreneurs and Employers on 26 July 2012, he argued that power needed to be
centralised in Hungary – a natural state of affairs, he contended, for a ‘half-Asian
nation’.33

An impetus for this remaking of relationships came from East Asia too. By
2012, under President Xi Jinping, Eastern Europe was re-imagined in China in
ways that did not coincide with the EU’s understanding of European geopolitics.
The Chinese government divided the continent into so-called ‘Europe 1’
consisting of the more economically developed western parts of the European
Union, ‘Europe 2’ became the target of Beijing’s “16+1 initiative” to develop
a new relationship with a historically and culturally familiar former Communist
Europe covering issues such as investment, trade, culture and education. The
group includes eleven EU countries (Bulgaria, Croatia, the Czech Republic,
Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia)
and five non-EU countries from the Balkans (Albania, Bosnia and Herzegovina,
Macedonia, Montenegro and Serbia). Again, the Visegrád Group led the way be-
cause the bulk of Chinese investment and economic presence was in Poland,
Czech Republic, Hungary, and Slovakia (though significant infrastructural proj-
ects existed also in Serbia and Romania).34 The interaction with China produced
on both sides representations of bilateral friendship based on a communality of
exploitation by the West, drawing on tropes recognisable from the pre-1989 so-
cialist era. Viktor Orbán presented Hungary’s ‘global opening’35 and particularly
relations with China to be a crucial facet of FIDESZ’s emancipation of the country
from neoliberalism as well as from EU and IMF imposed “debt slavery”.36 In
2014, he even contrasted “a few developed countries [which] have been continu-
ously lecturing most of the world on human rights, democracy, development,
and the market economy” with China’s emphasis on the fact that “everyone has the right to their own social structure, culture, approach, and values.” The President of the Czech Republic, Miloš Zeman, during his 2015 visit to Beijing, stated that the two states were brought together by similar experiences of “one hundred years of humiliation,” as the Czech Republic had been caught between Russia and Germany while its post-1989 governments were “very submissive to the pressure from the US and from the EU.” This did not mean that these countries looked to leave western institutions. Engagement with China was not seen as incompatible with EU membership. In fact, it was a re-affirmation of their sovereignty and agency as Europeans in a changing global environment. Significant voices in Eastern Europe once again returned to a conceptualisation of their region as belonging to a state of “inbetweenness”, allied to the West, but also increasingly critical of such integration, and looking for alternatives.

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