

# Recovery and Renewal in Postwar Europe



# Political Recovery in Western Europe

- Cold War tensions put a quick end to communist party popularity
- Socialists also had to reorient their philosophy
  - Advocated economic planning and social justice within a capitalist system
- Rise of Christian Democrats
  - Most significant in Italy and West Germany
  - Advocated democracy, economic rebirth, and moderate social reforms

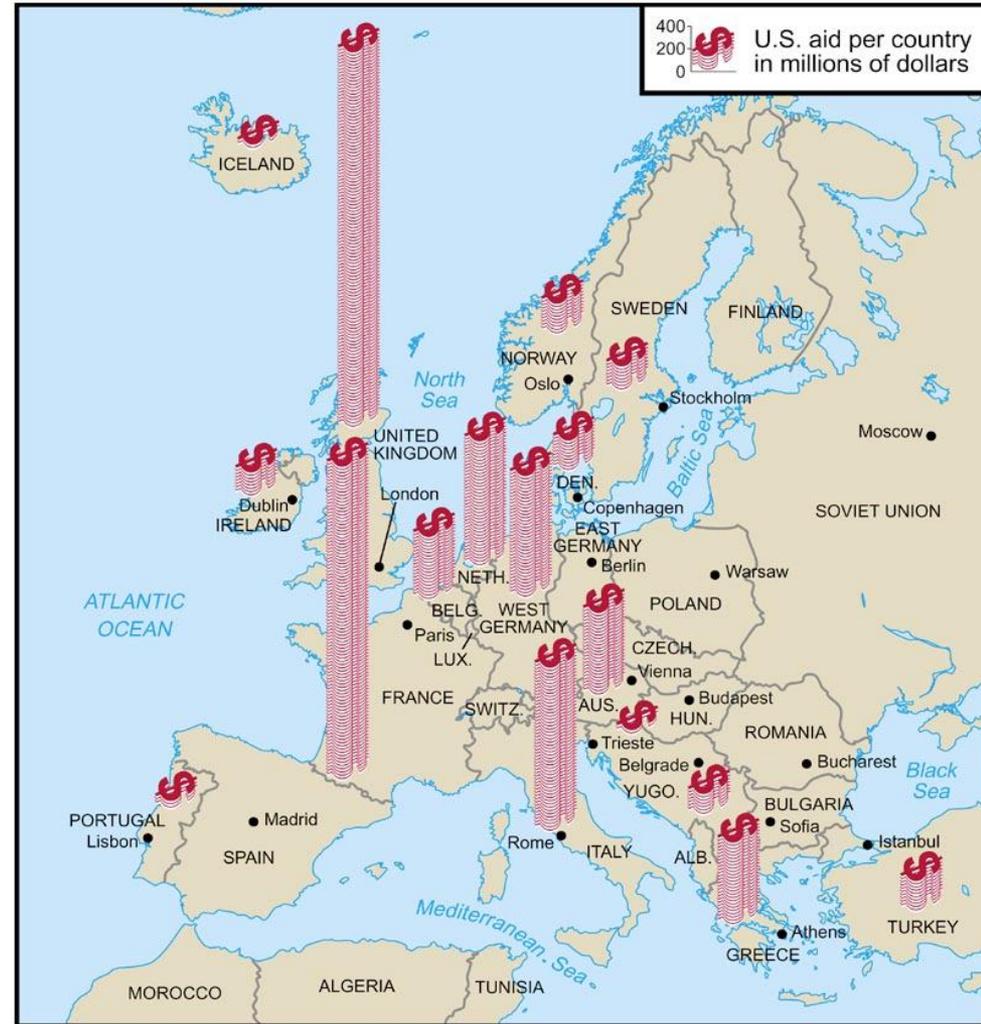


# Breakdown of Western Europe

- France
  - End of 4<sup>th</sup> Republic due to Algerian Crisis
  - CDG establishes 5<sup>th</sup> Republic
    - Entrance into nuclear race
    - Nationalization of major industries
- West Germany
  - Led by Konrad Adenauer
  - Rearmed West Germany in 1955
  - “Economic Miracle”
    - Based on free market capitalism
    - Encouraged “guest workers” to continue expansion
- Britain
  - Victory of Labour Party allowed for creation of modern Welfare State
    - Nationalization of major industries
    - Social Security
    - Socialized Medicine
- Italy
  - Became a democratic republic in 1946
  - Characterized by weak coalition governments, led by Christian Democrats
  - “Economic Miracle”
    - Millions of southern Italians migrated to the industrial north

# Economic Recovery in Western Europe

- Europe experienced an economic boom from the early 50s to the late 60s
- HOW did Europe do it?
  - Marshall Plan
  - Acceptance of Keynesian Economics
  - Low wages → High profits
  - High demand for consumer goods
  - End of isolationism and the move toward unity!!!!



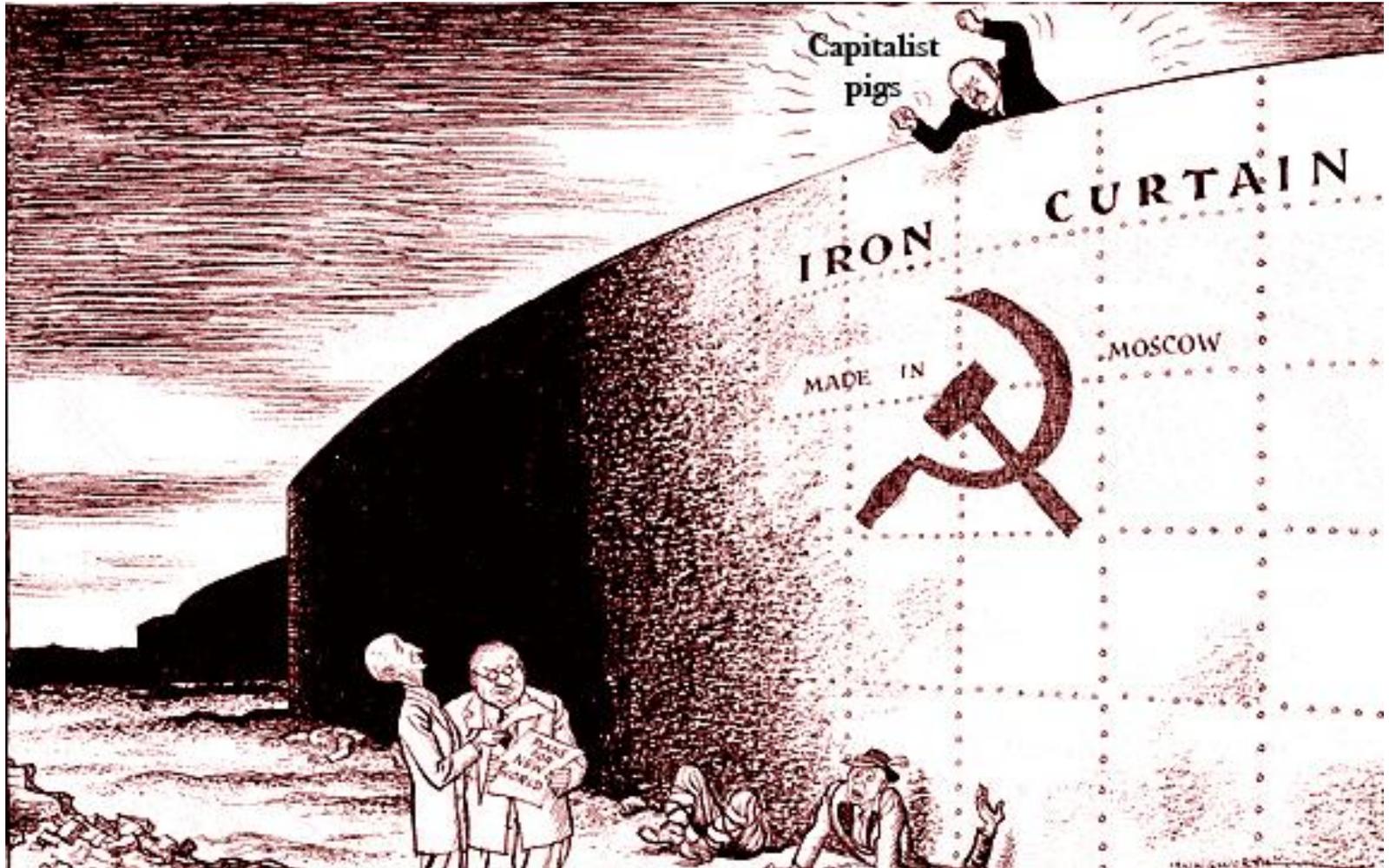
MARSHALL PLAN AID TO EUROPE, 1948-1952

# Movement toward Economic Unity – NOT Political Unity

- 1951 – ECSC
  - Eliminate trade barriers in coal and steel market
- 1957 – EURATOM
  - Further European research in nuclear energy
- 1957 – EEC, aka “Common Market”
  - Free trade within community
  - External tariffs set up against outside nations



# BEHIND THE IRON CURTAIN!!!!



# Stalin's Last Years

- USSR
  - Economic recovery demanded recommitment to heavy industry and continual military production
  - Standard of living continued to drop at expense of state prestige
- Soviet Bloc
  - Stalinization
    - “Revolution from Above”
  - Yugoslavia, under Tito, was never brought into the fold under Stalin



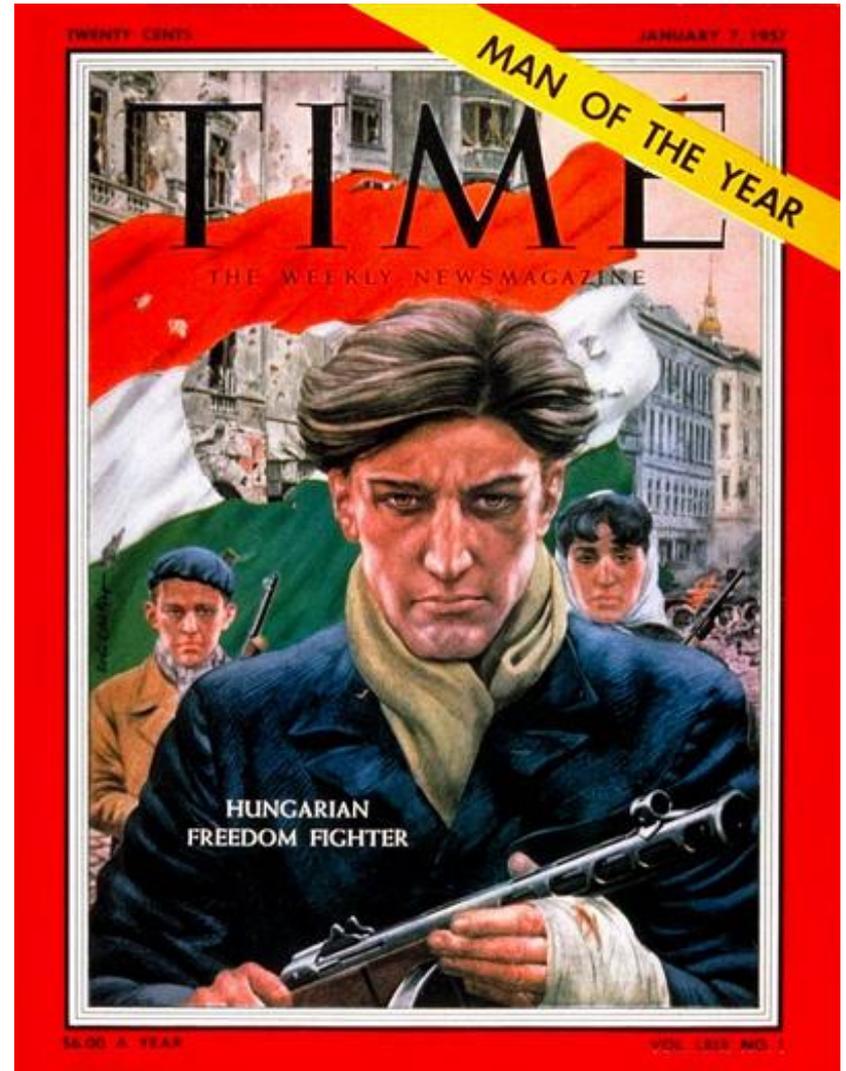
# De-Stalinization under Khrushchev

- 1956 – Condemned Stalin’s “administrative violence, mass repression, and terror”
  - Encouraged a spirit of nationalism in the Bloc
  - Relaxed restraints on intellectual and artistic life
- Economic production refocused on agriculture and consumer goods
  - Standard of living began to increase throughout late 50s and the 1960s



# Reaction in the Soviet Bloc

- Khrushchev allowed Poland to follow its own path to socialism
- Imre Nagy declared Hungary to be a free nation in 1956
  - The Red Army marched on Budapest and reinstalled a pro-Soviet government



# The Fall of Khrushchev

- How could communism survive under de-Stalinization?
  - The Conservatives didn't think it could!!!
- Khrushchev's foreign policy blunders ultimately weakened his authority
  - 1964: Leonid Brezhnev reintroduced a program of Stalinization

