

The Marshall Plan as Analyzed with National Values Theory and Defensive Realism

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The stage had been set on the post-World War II landscape; the last men standing—US and USSR—would quarrel for dominance within the anarchic system. Amidst growing tensions between the two regional hegemons, the United States opportunistically seized leadership of the post-war West by promoting its own ideology and containing that of the Soviet Union. The Marshall Plan represents a series of preemptive measures and long term investments by which the US gained leverage—materially and ideologically—in the fight to dominate the anarchic system and instate a favorable balance of power. The Marshall Plan well represents America's understanding of the relationship between spreading national values and enhancing state power. In a word, America used the Marshall Plan to enhance its security by way of promoting its national values. The approaches of national values theory and defensive realism intertwine to best analyze the Marshall Plan's marriage between maximizing ideological influence and maximizing security. In fact, the Cold War as a whole well exemplifies the weaponized use of ideology: two states with diametrically opposed ideologies were fighting for dominance; however, rather than bullets, the US chose to enhance its security by spreading its ideology through economic diplomacy and then reinforcing the results with international organizations. Using national values theory as a vehicle for defensive realism, it is apparent that this strategy allowed the US to integrate and lead the post-war world. Thus, national values theory and defensive realism work in tandem to best analyze the origins, intentions, and actions of the Marshall Plan.

By the end of World War II, much of Europe's infrastructure was in shambles; cities were desecrated by bombings, roads and bridges were destroyed, thousands were rendered homeless, food shortages presented the threat of famine, and water transportation systems were largely unusable.ⁱ The lives of many Europeans depended on external aid, but no matter how

humanitarian one may discern the US' motives to be, the Marshall Plan's impetus was to contain the spread of communism so that the US could promote its own ideology. Hegemony was up for grabs, for the power vacuum of post-war Europe had created a scenario in which either the US or USSR would seize this bastion of power to enhance its own security in the anarchic system. As Deputy Chief of Mission from the US to the USSR,ⁱⁱ George Kennan's X Article expressed that the USSR was not willing to coexist with capitalist market principles and would act as the dissatisfied challenger to US hegemony; the Soviets would not feel secure until the American tradition and ideology had been destroyed.ⁱⁱⁱ With Europe vulnerable to the opportunist expansion of influence, Stalin augmented his dissemination of Marxist-Leninist ideology, and the US—true to the realist pillar of balance of power—responded with a hopeful counter-measure in the Marshall Plan. This ideological arms race complimented the stockpiling of military armaments and exemplifies the security dilemma. With the USSR establishing leadership and dominance over Eastern Bloc states and the US taking similar measures in the West, both actors rapidly adopted states into their spheres of influence to gain power capability as well as to assert the dominance of their respective ideologies. The US was aware that if it did not accept the baton of Western leadership from Britain, it would have effectively surrendered Western Europe to the USSR, and it would have been forced to tolerate or struggle against a diametrically opposed, communist status quo.

The premise of the Marshall Plan, or European Recovery Plan^{iv}, was to rebuild war-torn Europe using American economic aid via a series of grants and loans—rather than German reparations.^v The plan provided over \$13 billion to Europe's rehabilitation—which is approximately \$103 billion by today's standards.^{vi} It allowed the US to confront the USSR “by first committing money, not blood.” The Truman Doctrine had already planted the seed with its

aid to Greece and Turkey, two states left economically vulnerable to communism's westward expansion.^{vii} George Kennan ardently advocated this sort of US' soft power to contain the USSR. However, Kennan asserted that economic aid alone would be insufficient to contain the USSR, for he believed that the US would require an ideological presence in Europe to oppose the spread of communism. He based this belief on the Russian leaders' great insecurity: their lack of confidence in communist dictatorship.^{viii} He purported that the USSR's biggest fear was to make contact with a free, stable, "economically advanced" West, and ultimately to be exposed as inferior.^{ix}

Thus, the best way for America to defeat communism was to strengthen itself and the rest of the world with its national values; it would have to prove its ideology as superior. The US aimed to contain Soviet influence while extending its own sphere of influence in order to seize leadership of the West and place itself atop the Western hierarchical order—ideally ridding the USSR of its regional hegemony and earning the position of status quo. The US initially advertised its superiority by providing care packages for Berlin and offering the USSR participation in the Marshall Plan under conditions that would make it impossible—if not, very unwise—for them to accept. In the eyes of the West, this vilified the USSR for not having the West's best interests in mind, and it reinforced the belief that the USSR truly did fear a strong West.^x But the US would go much further than its preliminary acts of ideological altruism; it would take practical measures to create a favorable post-war structure and global order. The US planned to ideologically unify the West under its leadership by rebuilding Western Europe with capitalist, free market principles and using a trade alliance to create a favorable balance of power and fortify the West against communist expansion. In this way, The Marshall Plan was used as the "economic and political foundation for the Western alliance" in the Cold War.^{xixii}

Given Truman's anxiety about the inappropriate influence of private banks and corporations to rebuild Europe, the Truman administration used the Marshall Plan to establish what Michael Hogan calls, "a new economic and political order" with the American government at the helm—free of the inappropriate diplomatic influence of the American free market.^{xiii} Truman was reluctant of being complicit in the recurrence of post-World War I's mixed economic order which had overstepped the bounds of a laissez-faire economy and stopped just short of "statist syndicalism."^{xiv} He hoped to reestablish the supremacy of US political power over the USSR but also over the US banks and corporations seeking to compete on a global scale. The proposed order would allow US ideals to dominate a majority of the global market and—transitively—the international relations system. The US would display the superiority of capitalism to the world by using it to rebuild Europe. Thus, the US would not only provide aid to Europe, but it would also use capitalist market principles to integrate participating countries into a mutually beneficial free trade market. Hogan elucidates this issue further in stating, "American leaders envisioned an open international economy founded on the principles of liberal capitalism, such as free trade and equal opportunity."^{xv} This conception inspired the US' view that "enemies in the market place" could not be "friends at the council table."^{xvi} The plan called for—and established—a sort of "corporative neo-capitalism" under which Western Europe would cooperate in an interdependent trade network to rehabilitate the economy and restore infrastructure. The participating states would be economically independent, but oversight would be performed by the US to ensure an integrated, mutually beneficial recovery without disrupting free market mechanisms.^{xvii} The Marshall Plan also worked to encourage the ease of currency convertibility as well as the disposing of "bilateral barriers" in order to allow the creation of a unitary, stable market.^{xviii} Effectively, the US' goal was to foster transnational relations by

leading an inclusive market society under which all participants could share in the spoils of capitalism if they accepted the ideological terms of membership.

Germany's inclusion in the Western market was crucial to the US' goal of integration, and it represented the symbolic importance national values-based foreign policy. Hindered mainly by France's veto power and cries for post-war guilt, Germany's rehabilitation would not only prevent its exploitation for reparations. It would also reassure the West that Germany would not be an independent power and that it—like the other participating states—would submit to the new Western rules as well as share in their prosperity. Further, the eventual unification of the US, British, and French portions of Germany into the Federal Republic of Germany would prove emblematic of the new, united Western order and would set a precedent for military alliances like NATO. The building of army and naval bases would soon follow so that the West's acquired latent power could be reinforced with readily usable conventional power.^{xix} Most importantly, Germany's unification and inclusion in the Western order stood as a global invitation declaring that all were welcome to share in the promising, capitalist market group as long as they played by the rules of the game—protected by international law and the dictates US-led institutions.

Once US planning had restored stability to the region, the US had earned an assemblage of faithful, ideologically congruent allies that would manifest itself as a geopolitical wall, standing in opposition to communism; the trade network would be used to thwart Soviet expansion.^{xx} This was exactly the defense-dominant soft power that Kennan proposed as necessary to contain communism. This ideological presence would not only intimidate the USSR, but also reduce its capabilities of expansion, for Soviet expansion into countries aided by the Marshall Plan would surely provoke a US response—and possibly incite war. This represents a truly remarkable strategy within a bipolar, defense-dominant scenario.

The US hoped its leadership role would expand globally as more countries observed the attractiveness of the US' national values. As such, the Marshall Plan acted as a long term investment to make US ideology synonymous with Western ideology, and if victorious in the Cold War, US ideology could be spread as the dominant, global ideology. It envisioned a European—and eventually global—attitude apropos of American federalism which would inspire the sentiment of a cooperative, unified body under US administration.^{xxi} This represents the Marshall Plan's refined form of national value interventionism, for the US benevolently sought to reform sovereign states using its own ideology. The logical application was two-fold: economically stable countries would be less vulnerable to communist takeover; they would also act as an advertisement of the US national values' effectiveness and entice other countries to join—thereby reducing the USSR's relative power. In this way, even though the US' spread of national values was beneficial for all participating states, the US established the post-war order with realist self-interest as its bedrock. It would not only enjoy the enhanced security of ideologically consistent allies, but it would also reap the benefits of a new, flourishing trade market.

To manage this post-war system, the US established supranational organizations in order to guide recovering European industries in creating a collaborative network that would implement administrative bartering to resolve transnational disputes.^{xxii} These organizations include the World Bank, International Monetary Fund, International Trade Organization, et al. This system of organizations served to direct the use of US aid as well as structurally reinforce the economic strides made in Europe under its leadership. The US had fulfilled its goal of enhancing security by expanding its ideological reach in order to solicit allies in trade and defense. With its new leadership of world organizations, the US could structurally wield the

tremendous power of dictating the course of global affairs and—as a result—would extend its sphere of influence beyond the West while safeguarding its position as world leader for decades to come.

The Marshall Plan is best understood as a self-help measure inspired by the anarchic system's disturbed balance of power; it served as an investment in US hegemony. To truly grasp this understanding, one must accept the US' incentives for choosing to enhance its own security by rebuilding Europe. I have already acknowledged the power vacuum of post-war Europe and how states will seek to enhance security whenever reasonably possible, but why did the US choose to invest in the security of other states and initially lose a massive amount of funding that could have been spent more directly on US interests? Truman knew well that American economic prosperity depended on that of Europe; a “dynamic economy” at home required successful trade and investment abroad.^{xxiii} This sentiment was reiterated by US Secretary for Economic Affairs, William L. Clayton, when he stated, “Let us admit right off that our objective has as its backgrounds the needs and interests of the people of the United States. We need markets—big markets—in which to buy and sell.”^{xxiv} This sort of self-interested investment has often been referred to as “economic diplomacy.”^{xxv} The inspiration for these beliefs is the understanding that a state’s primary sense of security is its wealth. Scholars like David Lake have even gone so far as to define security as “the ability to consume, invest, or otherwise use national wealth as a polity sees fit. In other words, a country is secure to the extent that its wealth cannot be coerced or otherwise extorted from it.”^{xxvi} This aligns with the realist emphasis on military power, for a state cannot build or sustain a military without the proper funds to support it.^{xxvii} John Mearsheimer—an offensive realist, but a realist nonetheless—has referred to these socioeconomic factors that contribute to military power as “latent power.”^{xxviii} As the US gained

trade venues and wealth, the USSR would lose space to expand its influence as well as markets it could exploit, and its influence would shrink into ideological inferiority. In this way, the Marshall Plan's investment in Europe's rehabilitation was self-interested. Communist countries would slowly be choked out by exclusion from trade and would have to compromise or submit while the US' power would increase—both relatively and absolutely.

The post-war period provided a near blank slate for the US to create a unilateral, mutually reinforcing market in its own image and for its own benefit; the Marshall Plan did just that. A theme is evident in using national values theory and defensive realism to analyze the Marshall Plan: national values theory explains the strategy while defensive realism explains the intentions; i.e., national values theory was used to fulfill the realist goal of enhancing security. The US-USSR conflict was defense-dominant, but it required the assertion of dominance via ideological ascendency. The US used the Marshall Plan to recover and reimagine Europe with its own national values. The capitalist trade market would increase US latent power as its ideology began to outweigh and contain that of the USSR. Given the engendered loyalty of aided countries, the Marshall Plan allowed the US to gain backing for its vision of a new order—both in trade and in security. With the plan, the US would not only assert its dominance over the USSR, but it would also structurally redefine the international system with a series of global organizations to further perpetuate its ideological dominance and ensure hegemonic sustainability for the foreseeable future.

ⁱ Natasha Lüth, "The Discourse of the Marshall Plan and the Shaping of U.S. Cultural Knowledge" (PhD diss., Central European University, 2012), 1.

ⁱⁱ Jeffrey A. Engel, Mark Atwood Lawrence, Andrew Preston, ed., *America in the World* (Princeton: Princeton University Press, 2014), 169.

ⁱⁱⁱ Ibid., 160-161.

^{iv} Lüth, "The Discourse of the Marshall Plan," ii.

^v John Gimbel, *The Origins of the Marshall Plan* (Stanford: Stanford University Press, 1976), 4-5.

^{vi} Engel, Lawrence, Preston, *America in the World*, 169.

^{vii} Ibid., 166-167.

^{viii} Ibid., 160-161.

^{ix} Stephen McGlinchey, "The Marshall Plan," *E-International Relations* (2009), accessed October 30, 2016.

^x Michael J. Hogan, *The Marshall Plan: America, Britain, and the Reconstruction of Western Europe, 1947-1962*. (Cambridge: Cambridge University Press, 1987), 26.

^{xi} Diane B. Kunz, "The Marshall Plan Reconsidered: A Complex of Motives," *Foreign Affairs* 76 (1997): 162, accessed October 23, 2016, doi: 10.2307/20048105.

^{xii} Ibid.

McGlinchey, "The Marshall Plan."

Engel, Lawrence, Preston, *America in the World*, 165.

^{xiii} Hogan, *The Marshall Plan: America, Britain,*” xii.

^{xiv} Ibid., 2-3.

^{xv} Ibid., 26.

^{xvi} Ibid.

^{xvii} Ibid., 2-3.

^{xviii} Ibid., 23.

^{xix} Gimbel, *The Origins of the Marshall Plan*, 4.

^{xx} Hogan, *The Marshall Plan: America, Britain,*” 22.

McGlinchey, “The Marshall Plan.”

^{xxi} Hogan, *The Marshall Plan: America, Britain,*” 22.

^{xxii} Ibid., 23.

^{xxiii} Ibid., 26.

^{xxiv} Kunz, “The Marshall Plan Reconsidered,” 165.

^{xxv} Ibid., 169.

^{xxvi} David A. Lake, "Anarchy, Hierarchy, and the Variety of International Relations," *International Organization* 50 (1996): 5.

^{xxvii} John J. Mearsheimer, *The Tragedy of Great Power Politics* (New York: Norton, 2001), 61.

^{xxviii} Ibid., 55.

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