

## 5 **Manoeuvring into the Soviet market**

### Polish and Finnish Eastern trade practices during the Cold War

*Suvi Kansikas, Mila Oiva and Saara Matala*

For Poland and Finland, trading with the Soviet Union was a political necessity – but significantly, also a source of lucrative deals. However, the ways to find an advantage – a selling point – in the Soviet market changed greatly during the Cold War decades, because the market itself went through a rapid change: from the Stalin-era relative autarky of the 1940s and 1950s, to the technology-thirsty 1960s and 1970s, to the increasing economic rationality of the 1980s. Our chapter analyses Polish and Finnish traders' efforts to access the Soviet market. The two case studies shed light onto Cold War trade politics in general, and in particular, we offer new insights into the study of foreign trade practices of small states that seek to increase the room they have to manoeuvre in a political situation of asymmetric trade.

The analysis of the two cases – the 1950s and 1960s planned-economy Poland and the 1970s and 1980s market-economy Finland – is not a simple comparative approach, since the cases differ in many crucial aspects. Against the background of the case differences, we are interested in the similarities between them, because they will reveal patterns beyond traditional Cold War dichotomies and provide new theoretical openings on the study of small states.

To analyse market economy and planned economy trading practices together is a novel approach to Cold War trade that has been traditionally examined as the juxtaposition of two mutually exclusive economic models. With the asymmetric setting of our case studies, we can show that the simple capitalist-socialist dichotomy is not an adequate framework to study Soviet foreign trade policy. Another important category for studying Cold War era East–West trade is small state/superpower, which we will refer to in this article as Poland's and Finland's use of their so-called 'power of the weak';<sup>1</sup> their ability to balance the power asymmetry by treating trade with the USSR as a high-priority foreign policy issue.

The time periods chosen for the case studies are also asymmetric: the Polish case analyses the starting phase of Polish-Soviet trade in the first post-war decades, whilst the Finnish case focuses on Finnish-Soviet trade in the latter half of the Cold War. Extending the period to encompass the whole Cold War era is crucial as it reveals how the Soviet economy and society changed and became integrated into the global economy after the isolationism of the Stalin era.<sup>2</sup> For the 1960s through 1980s, no systematic archival research has previously been

conducted on Soviet foreign trade policy. Here our contribution joins the burgeoning literature that seeks to 'de-marginalize the socio-economic history of Russia and the Soviet system'.<sup>3</sup>

The third asymmetry of the two cases is that for Finland, this chapter presents an analysis of the shipbuilding industry, which was labour, material and capital intensive.<sup>4</sup> It produced the so-called *hard goods* in the socialist lexicon. For the Polish case we focus on the ready-to-wear industry.<sup>5</sup> This was rather a *soft goods* industry, which required fewer production resources. With the study of both the shipbuilding and clothing trades, our article seeks to reassess the dichotomy between *hard* and *soft* goods that has prevailed from the socialist era literature following the ground-breaking study by Janos Kornai.<sup>6</sup>

In order to approach the similarities in the asymmetrical case studies analytically, we operationalised five dimensions for the margins of manoeuvre in our analysis. Our approach to Soviet foreign trade policy combines economic, social, political and cultural history to show the deep links to a capitalist way of trading that the Soviet Union cultivated during the Cold War period. We studied the agency of Polish and Finnish traders as well as the structures assisting or hindering access to the Soviet market. How did the traders analyse the ways they could improve their access to the Soviet market? And how did they manoeuvre for more export opportunities?

We analysed practices of trading in three phases of a sales transaction: 1) market analysis, which was needed to know what the demand was; 2) lobbying for a trade deal to create more demand and 3) networking the persons identified as decision-makers once demand and supply were certified. Therefore, outside the scope of this chapter are the more traditional approaches in the study of Soviet–East European relations such as 'who benefited more?' or 'was trade successful or not?''<sup>7</sup>

We define *manoeuvring* as an activity aimed at fulfilling one's own interests to the largest possible extent in a situation in which there is conflict in at least some of the negotiators' interests. We analysed manoeuvring on the Polish and Finnish part, because we define it as an activity that becomes necessary for the weaker parties in an asymmetrical trading situation.<sup>8</sup> The margins for this manoeuvring were created by the discrepancy between the economic plan and the reality in which trade took place. The Soviet regime was a centrally directed system, but it was not omnipotent. This type of economic system produced shortages and bottlenecks that created demand, which consequently provided room to manoeuvre for (informal) networks and hierarchies. Crucially, any sales transaction involved trade negotiations, which created room for manoeuvring.

The main primary sources of the Polish case consist of documentation of the Polish Association of Clothing Industries, the Polish Chamber of Foreign Trade, the Soviet Chamber of Commerce, and interviews with Polish former foreign traders and fashion designers. The Finnish case utilises minutes and documents of the Finnish–Soviet company-level negotiations and correspondence with the governmental bodies involved in the trade: The Finnish Foreign Ministry, Government and the Central Bank.

## **Margins for manoeuvre in the Soviet trade**

Selling to the Soviet market took place within a set of political, economic, structural, social and cultural margins for manoeuvre. These five dimensions form the analytical framework of our article. The limits of the room to manoeuvre in the field of foreign and security policy were clear and strict for Poland,<sup>9</sup> which was a member of the Warsaw Pact but also for Finland, which defined itself as a neutral country.<sup>10</sup> The economic limits ultimately were how much the Soviets could afford to buy in Poland and Finland. Trade policy also entailed security-related dimensions. As dependency on Soviet trade exposed Poland and Finland to Soviet economic warfare, the question was crucially about how dependent on Soviet trade, particularly energy, they wanted to become.

From the mid-1950s onwards, the international relaxing of tensions eased the pressure on the small Soviet neighbours. In the context of the Soviet policy of peaceful coexistence, the question became whether it was possible to gain more room to manoeuvre vis-à-vis the USSR through trading. Poland's choice of trading partners was more restricted than Finland's, as it was bound by the socialist bloc structures; trading with the Soviet Union was a political obligation. For Finland, trading with the Soviet Union, and thus showing support to Soviet foreign policy endeavours, increased its trust capital, which gave Finnish policymakers leeway in their other trade relationships, particularly with Western European institutions.<sup>11</sup> Finland chose to increase its trade with its big neighbour for political and economic reasons, while simultaneously trying to limit the economic dependency on the Soviet Union through facilitating Western trade. After the USSR had used economic pressure to promote a change of government in Finland in 1958, Finnish-Soviet trade gradually became a means to foster the so-called special relationship with the USSR.<sup>12</sup>

In an economic sense, the margin for manoeuvre was the total volume of trade with the USSR. Market analysis was needed to find out whether the USSR bought from other exporters those products that the Finns and Poles wanted to sell or whether there in fact was no demand for them. The margins on the Soviet side for a sales transaction were related to a question of priorities, such as whether the Soviet Union preferred to import rather than produce something itself; whether it wanted to buy better quality or cheaper products, in which case it would search for other sellers and whether there were restrictions to its access to a product from other sources, such as the Western technology embargo established by the US-led Coordinating Committee for Multilateral Export Controls (CoCom).<sup>13</sup> Like trade in general, the limits to trade with the Soviet Union were connected to the customer's willingness, need and ability to buy; the seller's domestic priorities, needs, resources and networks; the competitors' capabilities and aims and the market conditions. As the case studies of the chapter show, the Finnish and Polish domestic industries' interest was to sell to the Soviet market and get revenue or climb up the domestic ladder of important industries with the help of export production, whereas the Soviet government wanted to get the best deals with the Polish and Finnish exporters.

The structural margins were created by the socialist economic system, which had a state monopoly over foreign trade. Trade with a centrally planned economy, whether by market economy Finland or by Poland, which itself had such a trading system, was conducted in the framework of bilateral inter-governmental agreements. Therefore, the state was always involved in trade, even on the Finnish side. The other basic parameter was that trade was bilateral and based on a system called 'clearing', which implied that import and export volumes had to be balanced.<sup>14</sup> Therefore, all import and export decisions were linked together and had to be coordinated at the state level between the two sides. Whilst both Finnish-Soviet and Polish-Soviet clearing accounts allowed some flexibility, in general, neither country could export to the Soviet market more than they were willing and/or able to buy from the USSR. Therefore, ultimately, what the Soviet Union could produce for export and which imports its domestic market could absorb became the determining issues. The economic structure also imposed particular restrictions on Polish exports; the economic conditions, such as a continuous shortage of raw materials, hindered production.<sup>15</sup>

There were also social margins to consider: the foreign trade monopoly implied a hierarchical trade system, in which it was crucial to know who decided on purchases, how those actors could be influenced and what the system was able and willing to buy. A closed system also meant a limited circulation of knowledge. It required a lot of basic legwork to get to know the context. Crucially, also, information became one source of power or leverage. Therefore, a prerequisite for exporting was to use personal networks that provided an often informal but valuable social margin for manoeuvre.<sup>16</sup> Our case studies show that Poland and Finland sought to respond to restrictions in Soviet trade through market research, lobbying and networking. They needed to recognise how to play to the Soviet national interest, particularly its national security.

Finally, trade dealt with a set of cultural margins, because successful sales touched upon the issue of prestige or nation branding. Both Poland and Finland wanted to market themselves as technologically advanced and modern, which to some degree was associated with an imagined *Westernness*. Finland in particular promoted itself as a neutral state that engaged in cooperation with both blocs,<sup>17</sup> while Polish entrepreneurs sought to market their country and their industrial production as being *more Western* than that produced in the USSR.

### **Polish marketers reveal the Soviet demand for fashion in the 1950s**

The post-Stalin years were a turning point in Soviet consumer culture. In 1955, the Soviet Union radically changed its foreign trade policy. It began to import more products, including consumer goods, than at any time since the October revolution. Yet, the volume of imports from the capitalist West at this point was still rather haphazard. Therefore, the Soviet import market radically increased the opportunities for East European countries to export.<sup>18</sup> This opened a window of opportunity for Polish entrepreneurs to promote their country and to increase the

revenues from exports. By the early-1950s, the Polish textile industry had recovered from the wartime destruction, and it managed to strengthen the industrial production of clothing. The opportunity to venture into the Soviet market with Polish fashion was suddenly available to Polish traders.

As a prerequisite for successful Polish sales to the Soviet Union, there needed to be a market ready to absorb Polish industrial goods. Also crucial was information on how they could be sold to the Soviet market. In the late-1950s, Polish trade and industrial organisations arranged two successful promotion events in the Soviet Union: a fashion show tour, *Pol'skie mody '58*, was organised in 1958, and the following year the Polish Chamber of Foreign Trade organised an Industrial Exhibition in Moscow.<sup>19</sup> The events allowed both clothes producers and exporters to get a feel of the emerging market and to establish networks.

*Pol'skie mody '58*, held in Moscow and Leningrad in May 1958, showed a spring-summer collection including dresses, suits, light trench coats, swimwear and evening dresses.<sup>20</sup> The variety of clothing presented during the tour was also illustrated in a promotional article in perhaps the most important Soviet women's magazine, *Rabotnitsa* (Woman Worker) the following month.<sup>21</sup> In 1959, the Industrial Exhibition showcased Polish achievements to the Soviet audience. Its timing was also matched so that it would help Poland's trade negotiators lobby for an increase in the volume of light-goods industry products in the upcoming 1961–1965 five-year trade agreement.<sup>22</sup> The exhibition that ran for a month included four pavilions and hosted approximately one million visitors.<sup>23</sup> The Polish organisers noticed that the exhibition visitors, who were foreign trade and industry specialists and ordinary urban citizens,<sup>24</sup> were very interested in the pavilion that was displaying consumer goods and other items that Polish light industry had to offer. The ordinary citizens frequented those sections that had Polish furniture, fabrics, crystals and porcelain on display, whereas they would not show such enthusiasm for laboratory equipment and shipyard machinery, for which they did not have any need.<sup>25</sup>

For Polish foreign trade, the exhibition of 1959 was an important watershed, which provided crucial information on the changes in the Soviet market and on the increasing importance of the end-users, the Soviet customers. The burgeoning consumer culture, supported by the Khrushchev regime, had prompted Soviet planners to start recognising the citizens' demands for consumer goods.<sup>26</sup> The exhibition revealed that the Soviet market was becoming ripe for new trading strategies; Polish entrepreneurs realised that it was both possible and essential to advertise their products on the Soviet market. Soviet import decisions were based on information mediated by regional trade organisations on the popular demand. Therefore, Polish traders could exert pressure on the Soviet wholesale purchasers to buy Polish goods by marketing them directly to Soviet consumers. As the control over the Soviet market began to be loosened, the Polish exporters gained structural leverage.

After the 1959 exhibition, Polish foreign traders had good grounds to start promoting the image of a modern, well-developed Poland by referencing their fashionable ready-made clothing. From the late-1950s onwards, foreign exhibitions

became a more frequent and normal part of trading and essential meeting and networking points where most of the encounters between exporters, importers and the potential customers took place.<sup>27</sup> As the exhibitions extended from Moscow to other cities, Polish traders' level of market analysis improved. When they began to visit Soviet cities outside the capital, they could observe more effectively what interested people in several Soviet regions.<sup>28</sup>

Gradually, Polish clothing exporters collected first-hand knowledge of the local trends and needs in various parts of the country, as well as the shortages of those goods they were selling. By the end of the 1960s, there was already a market research coordinator working for the Polish Association of Clothing Industries who monitored the Soviet market.<sup>29</sup> The Soviet Union finally seemed to be ready to allow market research, advertising and country branding of foreign producers.

### **The Soviet consumer society becomes the Polish target market in the 1960s**

The problems encountered by Soviet domestic clothing production, alongside the prestigious status given to generally all imported goods in the Soviet Union, helped to export and market Polish clothing. Between 1958 and 1965, around 50 percent of the overall Polish clothing production headed to the Soviet Union.<sup>30</sup> Simultaneously, the reputation of the Polish goods improved: they were considered fashionable in design, and 'almost Western'.<sup>31</sup> The Polish consumer goods were often not competitive in the Western market, but in the Soviet market the same goods became luxury products because of the value placed on 'exported goods' in the socialist system and the closer connections to Western fashion trends that Polish designers had.<sup>32</sup>

According to marketing theories that had been rapidly spreading in the US and Western Europe in the 1950s, a successful marketing strategy adjusted all steps from design, appearance, distribution, production schedules, financial budgets, credit facilities, storage, transportation, and packaging to the character and conditions of the market.<sup>33</sup> This sales strategy was adopted in Poland during the same decade. By the late 1950s, the Polish clothing entrepreneurs' repertoire had come to include various practices such as advertising in the foreign press. Their *reklama* (advertisements) aimed at creating a positive image of Polish clothes that would entice potential consumers to purchase them.<sup>34</sup>

In the spring of 1961, Polish manufacturers were ready to enter the Soviet market in a completely new way. Beginning in 1961, the Polish clothing industry started specialising for an exclusively defined market segment: a separate export collection for the Soviet market.<sup>35</sup> To manufacture a collection that would attract demand from Soviet consumers required collaboration across a range of sectors. Producers and traders needed to share their knowledge on the latest trends, preferences of the Soviet market and the export marketing methods. A governmental reorganisation in 1958 introduced a new forum for exchanging this kind of information: the Export Councils, which worked under different ministries.<sup>36</sup>

By adapting their production to the needs of the Soviet market, the Polish clothing industry used their cultural capital to create more opportunities for sales. The market research gave them information on the customers' preferences and climate conditions in different parts of the Soviet Union. Depending on their destination, similar types of clothing were to be designed in 'various different cuts, from classical to fanciful, following the actual fashion trends and using a rich variety of fabrics and colours'.<sup>37</sup> According to some of the Polish designers, the Soviet collections were more colourful and classical than those intended for Polish customers.<sup>38</sup>

While the Soviet collection was designed to demonstrate well-equipped, prosperous and stylish Polish clothes, it simultaneously revealed how the Polish exporters understood 'Soviet taste'. They expected Soviet purchasers and consumers to favour colourfulness and product variety. Moreover, their understanding was that modernist minimalism might not appeal to their Eastern neighbours. Operating in the cultural hierarchies of the fashion world of the early-1960s, the Polish clothing exporters considered that, compared with the Soviets, they had superior design and fashion knowledge. At that time, Paris was considered to be the centre of the fashion world,<sup>39</sup> and Warsaw's closer contacts to Paris gave it cultural leverage vis-à-vis Moscow. Polish fashion designers sought to follow Western trends and provide corresponding clothing to the domestic market. However, when they designed products for the Soviet market, they adjusted the designs corresponding to what they described as the Soviet more conservative way of dressing.<sup>40</sup>

The Soviet Union maintained its position as the most important export direction of the growing Polish clothing industry.<sup>41</sup> At the same time, an awareness of the value of fashion gained prominence. The preparations of the Soviet collection convey how the Polish traders were intent on selling 'fashion' instead of simple ready-made garments. Soviet literature on advertising at the time deemed the so-called imaginary value of goods a 'capitalist practice',<sup>42</sup> whereas Polish advertising handbooks already acknowledged the link between consumers' willingness to pay more for a product that exhibited fashion trends and conveyed social appreciation.<sup>43</sup> This novel understanding transcended the practices of the clothing industry. The designs were supposed to add an 'imaginary', culturally and socially determined value to the Polish ready-made clothes: what was 'fashionable' cost more.

In the allegedly equalitarian socialist world, the hierarchical level of the actors, both official and culturally defined, influenced their room to manoeuvre. With the creation of an attractive Polish collection – and by using fashion brands – the Polish clothing exporters sought to appeal to the tastes and cultural affinities of Soviet customers, thus making their products 'harder'.<sup>44</sup> They used their networks within the Soviet trade sector to create a social demand for Polish clothes. Other competitive negotiation tactics included inviting representatives of the Soviet regional consumer good trade organisations to the negotiations. These representatives wanted to secure more imported goods for their own regions and therefore their presence pressured *Raznoeksport*, the Soviet main negotiation organisation, to accept more attractive and expensive clothes than initially planned.<sup>45</sup>

The successful tactics nonetheless reached the boundaries of tolerable behaviour: in August 1961, the Soviet Embassy in Warsaw warned that the Polish clothing exporters needed to 'stop manipulating the Soviet market'.<sup>46</sup> Nevertheless, over the long term, the introduction of these marketing practices was the final step in entrenching a more open Soviet market.

### **Finnish industrialists probe the Soviet market in the 1970s**

In the next decade, the limits of the Soviet market's flexibility and the best ways in which to sign business deals were tested by Finnish industrialists. The Finnish products, as opposed to Polish light-industry goods, were designed to play into the combination of Soviet preferences for high-tech and heavy industry. At the time, a typical way to secure business entry was to advertise products in the press.<sup>47</sup> Besides relying on marketing this way, Finnish shipbuilders took advantage of the networks they could access. They opted to use the existing bilateral networks created for preferential treatment of Finnish businesses to the Soviet Union: the bilateral intergovernmental Scientific-Technical Committee. Previously, the shipbuilding sector had shunned the committee because it had deemed this knowledge-sharing cooperation to be non-productive in a business sense.<sup>48</sup> In the 1970s, the Soviet Union and other socialist countries became interested in industrial, scientific and technical cooperation because the Finnish industrialists recognised it as a way to promote their competitive situation in relation to other Western countries and to develop new products for which there was no demand in Finland.

Thus, in the mid-1970s, a group of seven Finnish shipbuilding and manufacturing companies made a joint proposal to the Scientific-Technical Committee.<sup>49</sup> They suggested Finnish-Soviet cooperation in Arctic technology related to offshore drilling in the Soviet High North. They might have been consciously responding to the growing importance that the Soviet side placed on this kind of cooperation, but moreover, there was a more pertinent global development they were trying to counter.

In the first decades of the Cold War, Finland had been able to secure a satisfactory share of the Soviet shipbuilding market. The oil crisis that hit the global market in the 1970s affected both the economic and structural margins within which the Finnish shipyards were to negotiate with their biggest customer, the Soviet Union. First, the oil price hike increased the value of Soviet exports to Finland, consequently expanding export opportunities to the Soviet Union. Second, the shipyard crisis in the West constantly pushed more competitors to the previously protected Soviet market, which initially decreased the Finnish structural margin for price bargaining. However, the Finnish shipyards reacted with a manoeuvre that eventually enhanced their competitiveness.

The shipyard managers were able to find new production branches that were either strategic or sophisticated enough to eliminate cost competition and also to provide some agency to the Soviet organisations. Globally rising interest in hydrocarbon deposits under the ocean floor and especially the explorations in the North Sea had made offshore technology an attractive alternative for shipyards.<sup>50</sup>

A more direct Soviet need for this kind of cooperation had been discovered by the Finnish shipbuilders. They had been reading signals of Soviet interests in turning the focus of their oil and gas strategy from West Siberia to the Barents Sea offshore fields. Moreover, while the Soviet oil and gas technology was relatively advanced in onshore fields, it was reliant on imported Western technology on explorations and exploitations of hydrocarbons in the Arctic conditions.<sup>51</sup> Here, the Finnish businesses found their niche and made the proposal to start specialising in Arctic technology in a joint project with the Soviet Union.

The project was a manoeuvre to expand the structural margin by increasing the Soviet demand for the Finnish offshore technology. The Finnish businesses were first and foremost in search of new business opportunities. They had recognised a growing market in the Soviet arctic offshore and decided to use the Scientific-Technological Committee to improve their competitive position in the Soviet Union, to funnel research and development investments to Arctic technology and to enter into new markets. They also needed to show some benefits for the Soviet Union so that it would get on board. The Finns promised their long-time experience in ice-going vessels, their willingness to engage in long-standing cooperation and, ultimately, a possibility to channel Western technological know-how.<sup>52</sup>

Finland had no direct access to Arctic waters and it had no domestic offshore industry whose premises it could use to develop and test new products. The Finnish shipbuilders had experience in building ice-going vessels, but the ice conditions in the Baltic Sea were different from the multi-year polar ice in the Soviet Arctic. Even though Finnish shipbuilding companies, particularly the privately-owned Wärtsilä, had successfully developed ice-going vessels for polar environments, advanced ice research in the Soviet High North was not unproblematic because of the expenses and strategic sensitivity of the area.<sup>53</sup> Moreover, the Soviet Union had already initiated cooperative projects in oil exploration and pumping with American, French, Canadian and Japanese companies, whose expertise they regarded to be superior.<sup>54</sup>

Starting in the 1960s, the Soviet Union had increased its trade with Western countries to boost its economic growth.<sup>55</sup> In the competition with more advanced industrial countries such as West Germany, Finland had lost its position as the USSR's biggest Western trading partner. Finland was not the only possible channel available for the Soviet Union to obtain Western technology nor was it the most knowledgeable or experienced partner in the Arctic offshore. Yet, it was a very convenient collaborator for a long and extensive cooperation project. Finland had a long experience in dealing with the Soviets, and it had the bilateral state-level infrastructure tested and ready for intensive scientific-technical cooperation. The personal connections provided invaluable social margins in which the initiative could be negotiated without excessive bureaucratic constraints. In October 1976, the Soviet chair of the Scientific-Technical Committee, Dzhermen Gvishiani, specified that the Soviet Union would be interested in cooperating with Finland in generating more knowledge on ice mechanisms and ice physics as well as developing state-of-the-art equipment. Oil explorations the Soviets wanted to conduct by themselves. As Gvishiani told his Finnish counterpart, 'they had to be

careful with western companies – they all claim to know more than they actually know'.<sup>56</sup> Finland, it appears, was not counted in this category of unreliable business partners.

Eventually, the Finnish maritime sector was able to upload shipbuilding onto the Finnish–Soviet Scientific-Technical Committee's agenda. In 1977, for the first time, the protocol from a committee meeting recorded a significant number of studies that the Finnish side had initiated: propulsion in heavy ice conditions, physics and mechanics between ship hull and ice and winter navigation.<sup>57</sup>

Even though the project had been initiated to respond to domestic needs in Finland, it was indirectly boosted by international politics. After the Soviet Union invaded Afghanistan, the CoCom embargo tightened the export control especially focusing on the export of oil drilling equipment and offshore technology.<sup>58</sup> At the turn of 1980s, Finland was the best political and economic compromise available for the Soviet Union to get access to Western offshore technology.

### **Last Finnish efforts to preserve the Soviet market, 1980s**

Wärtsilä, the largest of the shipbuilding companies that had participated in the Arctic campaign from the 1970s onwards, was starting to feel the pressure of market access in the late-1980s. The company had longstanding networks in Moscow, but now shrinking Soviet resources decreased the economic margin; the loosening political coordination of trade decreased opportunities to employ the social margin, and the increasing number of Western competitors reduced the structural margin as they started to hamper the Finnish–Soviet ship business in a way that was unfamiliar to the experienced executives.<sup>59</sup> In the tight economic situation, the shipyard needed a project that would be too tempting for the Soviet buyer to reject or bargain down or be too easy for Western competitors to win.

The company's marketing focus turned from conventional ships to the politically and technologically exceptional vessels as the directors put their hopes in the continuation of the series of nuclear icebreakers. The company was currently in the process of completing two such enormous vessels for the Soviet Northern Fleet. The discussions of a possible continuation of such a project between the two countries began in 1987.<sup>60</sup> Politically, the high-technology cooperation was just what the Soviets had kept asking for throughout the Finnish–Soviet Cold War economic relationship. In economic terms, the profitability of manufacturing an icebreaker of this class contrasted sharply with the shipyard's other projects. A strategic service ship, without a clear market price, was a flexible object in political negotiations and provided an option to overturn economic restrictions.<sup>61</sup> Moreover, it had no Western competitors.<sup>62</sup>

The vast number of visits and the list of persons involved in the negotiations indicated the great significance of this nuclear icebreaker proposal. In December 1987 alone, Wärtsilä's subsidiary Wärtsilä Marine's negotiators had meetings with every Soviet organisation somehow involved in ship importing from Finland, from the end-user organisation, the Soviet Ministry for Merchant Marine, *Morflot*, to the Kremlin.<sup>63</sup> Several Soviet civil servants and officers confirmed

to Wärtsilä's representatives that the Soviet Northern Fleet was truly in need of another nuclear icebreaker to be used during the temporary maintenance breaks of the two shallow draft nuclear icebreakers that Finland had already sold to the Soviets. According to the Finns' understanding, the Soviet Union would place the order 'in the near future'.<sup>64</sup>

However, further discussions with the Soviets had also brought to light more contested points of view. The reorganisation of the Soviet economy had diminished the power of central coordination and made the Soviet icebreaker operator, Morflot, economically more independent of the government. Before, the central government had allocated resources for ship purchases which were included in the plans. Now, expected to be self-sufficient, Morflot had to re-evaluate new ship purchases in a restricted economic framework.<sup>65</sup> The Finns nonetheless continued to believe that the Soviet Shipbuilding Minister Volmer had the final say in the matter. Thus, they continued lobbying Minister Volmer regardless of Morflot representatives' counterarguments.<sup>66</sup>

As had been the custom in Soviet Eastern trade politics since the 1950s, to untie the deadlock situation Wärtsilä and its shipbuilding subsidiary tried to push the project forward through political channels. Wärtsilä's CEO Pekka Laine got the Finnish Minister of Trade and Industry Ilkka Suominen to invite the Soviet Shipbuilding Minister Volmer to Helsinki for negotiations in the near future.<sup>67</sup> Later in the year, Wärtsilä was promised that the sale was '95 percent sure'.<sup>68</sup>

However, within a few months, the confidence turned into uncertainty when the company heard that Gosplan, the Soviet Planning Agency, had reallocated a large proportion of the national shipbuilding budget from Morflot to fisheries.<sup>69</sup> While the social margin to negotiate with personal connections still existed, it no longer provided a short-cut to closing the deal. Now having to operate within a strict budget limit, Morflot needed to prioritise cheaper types of multi-purpose icebreaking ships.<sup>70</sup>

The company directors put their hope in the only remaining level of the Soviet hierarchy, General Secretary Mikhail Gorbachev, who was coming to Finland for an official state visit in October 1989. The Finns expected Gorbachev to be able, and according to some sources also willing, to bypass normal protocols and economic restrictions and to confirm the order of the third nuclear icebreaker. Wärtsilä was so confident in its appeal to Gorbachev that it built a model of the new generation Finnish-Soviet nuclear icebreaker to be presented during his visit.<sup>71</sup>

Indeed, the autumn of 1989 became globally memorable in many ways, but for Wärtsilä not in a positive sense. On 23 October, just days before Gorbachev's much awaited state visit began, Wärtsilä's shipbuilding subsidiary, Wärtsilä Marine, went bankrupt. The nuclear icebreaker project had been the last hope for the company, but now it could not avoid insolvency. The Soviet Union's own economic difficulties were also a major disturbance that the project would eventually have encountered. It seems that the four decades of Finnish expertise in navigating the hierarchical Soviet foreign trade policy mechanism could not be used in the changing landscape of perestroika-era Soviet Union. Venerable Soviet officials, committed to Finnish trade, had supported the project out of habit because it

fit so well with the political rhetoric of Finnish–Soviet cooperation and state-level agreements, but they no longer had the power to close the deal when perestroika changed the principles and practices of Soviet foreign trade. The Finns' room to manoeuvre in social and political margins within the Soviet system significantly decreased when requirements for economic responsibility replaced hierarchical planning.

## Conclusions

This chapter has highlighted that selling to the Soviet market was an achievement that Polish and Finnish exporters needed to prepare carefully, whether it was selling fashion or technology. The experiences Polish textile producers and Finnish shipbuilders had in the Soviet market point to price-conscious buyers who knew good quality when they saw it but who also sought to get the best deal for the products they wanted. The Soviet Union, whose economic system has been labelled as a 'shortage economy', did not need to buy and certainly did not buy whatever its neighbours wanted to sell. The products had to have a competitive edge – they needed to be somehow technologically or design-wise advanced. This forced the smaller trading partners to concentrate on designing or re-designing their products to match the Soviet market. To achieve this, they needed to conduct extensive market research and build networks that provided access to key decision-makers. This knowledge of the market was used for bargaining with those Soviet actors who understood the added value of Western technology and fashion. Successful claims that the technology they manufactured and sold was apolitical gave industrial entrepreneurs access to lower-level Soviet officials and room to bargain for better prices for technology products. Social and cultural affinities and priorities such as prestige or brands were context-related and therefore gave room to negotiate a better price for the exchanged product.

In their evaluation of whether to buy Finnish or Polish goods, the Soviet economic and trade decision-makers first evaluated whether there was a need for such a product. The next evaluation was whether they would import such product or try to produce it themselves. The competitive advantage the two small neighbours had over Soviet domestic producers was their ability to prioritise the Soviet market and their perceived 'Westernness'. While not even Finland belonged unequivocally to the capitalist Cold War West, both countries had far tighter contacts with the Western high-tech world than the Soviet Union. If the latter decided to buy, one key factor in deciding on the trading partners was geopolitical considerations: would they place the order in Finland or Poland or some other country, and would the purchase tip the balance in the trade relationship too far to the favour of either one? Here it was important for the Poles and Finns to 'work the system' – to know through which infrastructure and decision-making hierarchies to lobby for their products to the right people in charge of import decisions. Whereas the Finns tried to use the highest levels of decision-making, even the Soviet Communist Party secretary Mikhail Gorbachev, the Poles targeted the end-users: the fashion-thirsty Soviet consumers.

Our analysis was interested in the similarities between the two cases because they provide important insights beyond the trite capitalist–socialist dichotomy of Cold War trade politics. Crucially, our systematic evaluation shows that, in an asymmetric trade relationship, a smaller country is forced to compensate for its lack of economies of scale, to use its ‘power of the weak’ – its capacity to focus attention and resources on one objective, while the bigger must always divide its attention between multiple issues. The Poles and Finns conducted intensive market research to locate a niche – whether it be Western-like fashion or polar icebreakers. In particular, the Soviet Union’s smaller trade partners needed to be agile and able to correspond to the latest trends and developments. They typically sought to interact with intermediate- and low-level actors and to frame their manoeuvres in the language of apolitical trade because that is how the Cold War-related high-politics were less significant factors in trade decisions. Occasionally, however, they also invoked the highest-ranking politicians and employed political arguments to push their trade through in a dead-end situation.

Cultural imaginaries also played a significant role in the small countries’ trade with the USSR: Finland benefitted from the so-called good-neighbourly relations, as the Finnish traders were considered to be trustworthy in comparison with the ‘bluffing’ Western traders. Intangible assets, such as trust built upon long-term personal contacts, were invaluable when trading with the Soviets. Also, the reputation of Finland for producing advanced modern technology helped. Poland, while in the Soviet bloc, could nonetheless benefit from its greater openness to Western cultural influences. This allowed Polish exporters to build an ‘almost Western’ reputation for their goods in the Soviet Union.

As in any trade, it was important for the small-state exporters to know the market and the purchasers and to network with the decision-makers – who in the Soviet trade were usually not the end-users of the products. Yet, the more the Soviet Union became a consumer society, the more the customers’ preferences affected decision-makers’ choices. Knowing the market and with good networks, the traders could identify which loopholes they should target. The emerging consumer goods market for clothing, targeted by Polish clothing exporters, and specific shipbuilding technology collaboration, sought by the Finns, are examples of the developing loopholes that the exporters sought to exploit.

Ultimately, of the five dimensions of the margins for manoeuvre, the political, economic and structural ones were much more difficult for the Polish and Finnish exporters to widen, whereas the social and cultural ones were operational for small-state actors at the intermediate and lower levels of the trading hierarchy. The narrowing of their room to manoeuvre even in these fields towards the end of the Cold War period should be seen as a result of the narrowing of the gap between their ‘Westernness’ vis-à-vis the USSR. Simultaneously, the usefulness of the social capital accumulated through market research was reduced as the Soviet Union was also beginning to experience rapid economic change in an effort to fully integrate into the global economy.

This study has shed new light on Cold War trade politics by showing how trade dynamics functioned at the grassroots and intermediate levels. Our case studies

demonstrated that the Soviet economy was not a centrally top-down coordinated, rational machine. Therefore, non-state actors from weaker states, using their soft bargaining power, had agency in influencing the Soviet demand structure. The smaller powers and individual trade actors could manoeuvre successful trade deals for themselves, which also meant that the allegedly apolitical, small actors could influence Cold War dynamics.

## Notes

- 1 Bjøl Erling, 'The Power of the Weak', *Cooperation and Conflict* 3:2 (1968) 157–168.
- 2 Oscar Sanchez-Sibony, *Red Globalization: The Political Economy of the Soviet Cold War from Stalin to Khrushchev* (New York 2014).
- 3 Anna Krylova and Elena Osokina, 'Introduction: The Economic Turn and Modern Russian History', *The Soviet and Post-Soviet Review* 43 (2016) 265–270.
- 4 The Finnish case is based on the research done for Saara Matala, 'Finlandisation of Shipbuilding. Industrialisation, the state, and the Disintegration of a Cold War Shipbuilding System' (PhD thesis, Aalto University. Espoo 2019).
- 5 The Polish case is based on the research done by Mila Oiva, 'Creation of a Market Space: The Polish Clothing Industry, Soviet Union, and the Rise of Marketing, 1949–1961' (PhD thesis, University of Turku. Turku 2017).
- 6 Janos Kornai, *Socialist System: The Political Economy of Communism* (New York 1992).
- 7 Randall W. Stone, *Satellites and Commissars: Strategy and Conflict in the Politics of Soviet-Bloc Trade* (Princeton, NJ 1996).
- 8 Oiva, 'Creation of a Market Space', 29.
- 9 Leszek Jerzy Jasiński, *Blżej centrum czy na peryferiach? Polskie kontakty gospodarcze z zagranicą w XX wieku* (Natolin 2011); Ryszard Sudziński, 'Etapy i kierunki oraz metody i formy ekonomicznego uzależnienia Polski od ZSRR w latach 1944–1989 na tle pozostałych krajów bloku komunistycznego', in: Konrad Rokicki and Sławomir Stępień (eds), *W objęciach wielkiego brata. Sowietci w Polsce 1944–1993* (Warszawa 2009) 57–94.
- 10 Johanna Rainio-Niemi, *The Ideological Cold War: The Politics of Neutrality in Austria and Finland* (New York 2014).
- 11 Suvi Kansikas, 'Helsinki Between Moscow and Brussels: Finland's Integration Policy Towards the CMEA and the EC', in: Poul Villaume, Ann-Marie Ekengren and Rasmus Mariager (eds), *Northern Europe in the Cold War: East – West Interactions of Security, Culture, and Technology* (Helsinki 2016) 81–103.
- 12 Aappo Kähönen, *Soviet Union, Finland and the Cold War: The Finnish Card in Soviet Foreign Policy, 1956–1959* (Helsinki 2006).
- 13 Niklas Jensen-Eriksen, 'CoCom and Neutrality: Western Export Control Policies, Finland and the Cold War, 1949–58', in: Sari Autio-Sarasmo and Katalin Miklóssy (eds), *Reassessing Cold War Europe* (New York 2011) 49–65.
- 14 Juhani Laurila, *Finnish – Soviet Clearing Trade and Payment System: History and Lessons* (Helsinki 1995).
- 15 Sudziński, *Etapy i kierunki*, 94.
- 16 Kornai, *Socialist System*; Alena Ledeneva, *Russia's Economy of Favours: Blat, Networking, and Informal Exchange* (Cambridge 1998).
- 17 Johanna Rainio-Niemi, 'Cold War Neutrality in Europe: Lessons to Be Learned?' in: Heinz Gärtner (ed.), *Engaged Neutrality: An Evolved Approach to the Cold War* (Lanham 2017) 15–36.
- 18 Sanchez-Sibony, *Red Globalization*, 95; Stone, *Satellites and Commissars*, 239.
- 19 Rossijskij Gosudarstvennyi Arkhiv Ekonomiki (henceforth RGAE), f. 635, op. 1 I, d. 384, Album of Polish Exhibition 1958; RGAE, f. 635 op. 1 d. 566, Foreign Exhibitions

- in the USSR in 1946–1963, author unknown, 1963, 31; Krajowa Izba Gospodarcza (henceforth KIG), *Sprawozdania, Polish Chamber of Foreign Trade Annual Report (henceforth Trade Report) 1959 (Warszawa 1960) 76–81.*
- 20 RGAE f. 635, op. 1 I, d. 384, Album of Polish Exhibition 1958, 8.
- 21 RGAE f. 635, op. 1 I, d. 384, Album of Polish Exhibition 1958, 8; Jerzy Torończyk and Barbara Ignatowska, 'Pol'skie mody', *Rabotnitsa* 7 (1958) 30.
- 22 KIG, *Sprawozdania, Trade Report 1959, 76–81*; RGAE f. 635 op. 1 d. 566, Foreign Exhibitions, 31.
- 23 Interview with Polish Foreign Trade Professional (b.~1950), 3 December 2011; Group Interview with Former Foreign Traders (b. 1930, 1931, 1933), 5 December 2011; Group Interview of Fashion Designers, 30 June 2011. All interviews conducted in Łódź, Poland by Oiva.
- 24 KIG, *Sprawozdania, Trade Report 1959, 79*; RGAE f. 635, op. 1, d. 566, Foreign Exhibitions, 31.
- 25 KIG, *Sprawozdania, Trade Report 1959, 77–78.*
- 26 David Crowley and Susan E. Reid (eds), *Pleasures in Socialism: Leisure and Luxury in the Eastern Bloc* (Evanston 2010) 11, 14–15.
- 27 See also Elena Kochetkova, "'A Shop Window Where You Can Choose the Goods You Like.'" Finnish Industrial and Trade Fairs in the USSR, 1950s – 1960s', *Scandinavian Journal of History* 43:2 (2018) 212–232.
- 28 KIG, *Sprawozdania, Trade Report 1959, 79.*
- 29 Interview, 3 December 2011; Group Interview, 30 June 2011; Group Interview, 5 December 2011.
- 30 Jasiński, *Bliziej centrum czy na peryferiach?* 175; *Statystyka Handlu Zagranicznego (Warszawa 1959) 55*; *Rocznik Statystyczny Handlu Zagranicznego (Warszawa 1966) 120.*
- 31 Group Interview, 5 December 2011; David Crowley, 'Paris or Moscow? Warsaw Architects and the Image of the Modern City in the 1950s', in: György Péteri (ed.), *Imagining the West in Eastern Europe and the Soviet Union* (Pittsburgh 2010) 103–130, 124–125.
- 32 Oiva, 'Creation of a Market Space', 199, 231, *passim.*
- 33 Jere L. Felker, *Soviet Economic Controversies: The Emerging Marketing Concept and Changes in Planning, 1960–1965* (Cambridge, MA 1966) 2–3; Kazuo Usui, *Development of Marketing Management* (Abingdon 2008) 5.
- 34 Klemens Białecki, *Polityka reklamowa w eksporcie* (Warszawa 1966) 5.
- 35 Archiwum Państwowe we Łodzi (henceforth APŁ), 39/874/0/1925, Meeting Minutes, No 1/III/61, Jan Kulczycki, 14 March 1961, 1; APŁ 39/874/0/1936, ZPO Manager to 'Wólczanka' Factories, 10 April 1961, 1; APŁ, 39/874/0/1936, ZPO to Krakow Clothing Industries, 28 April 1961, 53.
- 36 Jasiński, *Bliziej centrum czy na peryferiach?* 227; Kazimierz Grzybowski, 'The Foreign Trade Regime in the Comecon Countries Today', *Journal of International Law and Politics* 4 (1971) 183–211, 187–188.
- 37 ZPO Manager to 'Wólczanka' Factories, 10 April 1961, 1; APŁ, 39/874/0/1936, ZPO Manager to 'Telimena', 26 April 1961, 48; ZPO to Krakow Clothing Companies, 28 April 1961, 53. Translation from Polish by Oiva.
- 38 Group Interview, 30 June 2011.
- 39 Veronique Pouillard, 'Keeping Designs and Brands Authentic: The Resurgence of the Post-War French Fashion Business Under the Challenge of US Mass Production', *European Review of History* 20:5 (2013) 815–835, 815.
- 40 Group Interview, 30 June 2011.
- 41 *Statystyka Handlu Zagranicznego 1961 (Warszawa 1962) 55.*
- 42 K.G. Voronov and K.A. Pavlov, *Organizatsija i tehnika vneshnej trgovli SSSR* (Moscow 1966) 80–81.
- 43 Białecki, *Polityka reklamowa*, 13.
- 44 Kornai, *Socialist System*, 351–352.

- 45 Group Interview, 30 June 2011; Oiva, 'Creation of a Market Space', 229–232.
- 46 RGAE f. 413, op. 37, d. 283 II., 79–80, Meeting Between Soviet Vice-Trade Representative in Poland and Coopexim, Warsaw, 21 August 1961; RGAE f. 413, op. 37, d. 283 I. 69, Meeting Between Soviet Vice-Trade Representative and CETEBE, Warsaw, 22 August 1961; RGAE f. 413, op. 37, d. 283 I. 81, Meeting Between Soviet Vice-Trade Representative and Prodimex, Warsaw, 24 August 1961.
- 47 Elena Kochetkova, 'Modernization of Soviet Forestry Industry and Technology Transfer from Finland, 1955–1964' (PhD thesis, University of Helsinki. 2017); Philip Hanson, *Advertising and Socialism: The Nature and Extent of Consumer Advertising in the Soviet Union, Poland, Hungary and Yugoslavia* (London 1974) 61–62.
- 48 Sari Autio-Sarasma, 'Transferring Western Knowledge to a Centrally Planned Economy: Finland and the Scientific – Technical Cooperation with the Soviet Union', in: Michel Christian, Sandrine Kott and Ondrej Matejka (eds), *Planning in Cold War Europe: Competition, Cooperation, Circulations (1950s–1870s)* (Berlin 2018) 143–164.
- 49 UPM Arkisto [UPMA], collection Sere, folder Arktinen projekti II, Proposal for Finnish-Soviet Scientific-Technical Committee, CEOs of Wärtsilä, Rauma-Repola, Valmet, Hollming, Navire, Neste and Rautaruukki, 30 March 1976.
- 50 Lars Olsson, 'Offshore Som Livboj. Varvkrisen Och Försöken Till Omorientering, 1974–1985', in: Pär Blomkvist and Arne Kaijser (eds), *Den Konstruerade Världen: Tekniska System i Historiskt Perspektiv* (Stockholm 1998) 205–229.
- 51 CIA Electronic Reading Room, CIA Memorandum, 'Prospect for Soviet Oil Production: A Supplemental Analysis', CIA ER 77–10425, 1977, [www.cia.gov/library/readingroom/docs/CIA-RDP08S01350R000602120003-4.pdf](http://www.cia.gov/library/readingroom/docs/CIA-RDP08S01350R000602120003-4.pdf).
- 52 UPMA, c. Sere, f. Arktinen projekti II, PM Finnish – Soviet Negotiations in Arctic Cooperation, Veronica Suni, 8 April 1976; Meeting of Finnish organisations on Arctic Project, Veronica Suni, 16 September 1976; Finnish-Soviet Meeting in the Soviet State Committee for Science and Technology [GKNT], Olavi Urvas, 7 June 1976.
- 53 UPMA, c. Sere, f. Arktinen projekti, PM no 507, René Nyberg, 6 August 1980; Technical Research Centre Finland (VTT) to the Ministry of Trade and Industry, 28 April 1980.
- 54 Wilfred Lewis Jr., 'East-West Economic Relations', *OECD Observer* 92 (1978) 3–7.
- 55 Lewis Jr., 'East-West Economic Relations', 3–7.
- 56 UPMA, c. Sere, f. Arktinen projekti II, Meeting Between D.M. Gvishiani and Finnish Corporation Managers on Arctic Project, Veronica Suni, 26 October 1976. Translations from Finnish by Saara Matala.
- 57 Ulkoasiainministeriön arkisto [Archive of the Finnish Ministry for Foreign Affairs, UMA], f. TT-komitea pöytäkirjat, Finnish-Soviet Scientific-Technical Committee Meetings, 31 May–2 June 1977 and 15–17 May 1978.
- 58 CIA Electronic Reading Room, CIA Memorandum, 'Soviet Arctic Economic Activity', March 1984, GI M 84–10049, General CIA Records, [www.cia.gov/library/readingroom/docs/CIA-RDP85T00287R001101390001-8.pdf](http://www.cia.gov/library/readingroom/docs/CIA-RDP85T00287R001101390001-8.pdf).
- 59 UMA, signum 43.41, f. I.1., 30 June 1989, PM on the Future of the Finnish-Soviet Clearing Trade, Kaarlehto, 3 April 1989.
- 60 Elinkeinoelämän keskusarkisto [Central Archive for Finnish Business Records ELKA], Wärtsilä Marine (WM) 29, Lars Jakobsson to Pekka Laine, 10 November 1987; WM's Meeting at Soviet Ministry for Foreign Trade MVT, 27 December 1987; Meeting in Soviet Planning Agency Gosplan, 28 December 1987.
- 61 ELKA, WM 30, Meeting in MVT, 23 December 1987; WM 29, Meeting in Gosplan, 3 March 1988.
- 62 ELKA, WM 30, MW's Meeting with Pugin and Litov, Lars Jakobsson, 17 March 1988.
- 63 ELKA, WM 29, MW's Meetings in MVT, 17 December 1987 and 27 December 1987; in Gosplan, 28 December 1987; in the Kremlin, 22 December 1987; and at Wärtsilä's office in Moscow, 22 December 1987.

- 64 ELKA, WM 30, Internal Memorandum, 6 May 1988; WM 29, Meeting at Wärtsilä's office in Moscow, 28 December 1987 and in the Kremlin, 22 December 1987; WM 29, Meeting of WM's Directors in Gosplan, 3 March 1988.
- 65 ELKA, WM 29, MW's meetings in Gosplan, 28 December 1987; and in the Soviet Ministry of Foreign Economic Relations (MVES), 17 December 1987; UMA, signum 43.41, f. Ulkomaankauppa Suomi-Neuvostoliitto [Foreign trade Finland-USSR], 1.1–31/03/1991; PM No. 325 on the Role of MID [Foreign Ministry] in Soviet Foreign Trade Policy, Helenius, 27 March 1991; PM on the Future of the Finnish-Soviet Trade, Kaarlehto, 3 April 1989.
- 66 ELKA, WM 30, WM's Jakobsson's Meeting with V.G. Pugin, Jakobsson, 13 January 1988.
- 67 ELKA, WM 30, WM's Jakobsson's Meeting with V.G. Pugin, Jakobsson, 13 January 1988; WM Directors' Meeting with Pugin, 17 March 1988; Pekka Laine to Ilkka Suominen, 31 May 1988.
- 68 ELKA, WM 30, Secret Memorandum on Ship Prioritizing in the 13th Five-Year-Period, Jakobsson, 19 July 1988; Telex from Zvegintsev to Laine, 20 October 1988; WM's Meeting in Gosplan, 24 November 1988.
- 69 ELKA, WM 30, WM's Meeting at Helsinki shipyard, 19 February 1989.
- 70 ELKA, WM 30, Notes on Jakobsson-Danilov Phone Call, Jakobsson, 26 January 1989; Meeting at Helsinki Shipyard, 19 February 1989; Meeting Between WM and Soviet Economic Commission Members, 2 February 1989; Meeting with Komarov and Zvegintsev in Moscow, 6 January 1989.
- 71 ELKA, WM 30, Meeting with V.D. Pugin, 19 August 1989; WM's Internal Memorandum on Ongoing Projects in the Soviet Union, 22 August 1989; PM, 'The Third Taymyr', Jakobsson, 19 October 1989.

## **Bibliography**

### *Primary sources*

#### *Archives*

- Archiwum Państwowe we Łodzi APL [State Archive in Łódź], Łódź, Poland.
- CIA Freedom of Information Act Electronic Reading Room, [www.cia.gov/library/readingroom/](http://www.cia.gov/library/readingroom/).
- Elinkeinoelämän keskusarkisto ELKA [Central Archive for Finnish Business Records], Mikkeli, Finland.
- Krajowa Izba Gospodarcza KIG [National Chamber of Commerce], Warsaw, Poland.
- Rossijskij Gosudarstvennyi Arkhiv Ekonomiki RGAE [Russian State Archive of the Economy], Moscow, Russia.
- Ulkoasiainministeriön arkisto UMA [Archive of the Finnish Ministry for Foreign Affairs], Helsinki, Finland.
- UPM Arkisto UPMA [UPM Archive], Valkeakoski, Finland.

#### *Oral history sources (All interviews conducted in Łódź, Poland, by Mila Oiva)*

- Group Interview of Fashion Designers (b.~1943, 1947, 1947, 1949, 1949), 30 June 2011.
- Interview with Polish Foreign Trade Professional (b.~1950), 3 December 2011.
- Group Interview with Former Foreign Traders (b.~1930, 1931, 1933), 5 December 2011.

**Literature**

- Autio-Sarasmo, Sari, 'Transferring Western Knowledge to a Centrally Planned Economy: Finland and the Scientific-Technical Cooperation with the Soviet Union', in: Michel Christian, Sandrine Kott and Ondrej Matejka (eds), *Planning in Cold War Europe: Competition, Cooperation, Circulations (1950s–1870s)* (Berlin 2018) 143–164.
- Białecki, Klemens, *Polityka reklamowa w eksporcie* (Warszawa 1966).
- Bjøl, Erling, 'The Power of the Weak', *Cooperation and Conflict* 3:2 (1968) 157–168.
- Crowley, David, 'Paris or Moscow? Warsaw Architects and the Image of the Modern City in the 1950s', in: György Péteri (ed.), *Imagining the West in Eastern Europe and the Soviet Union* (Pittsburgh, PA 2010) 103–130.
- Crowley, David and Reid, Susan E. (eds), *Pleasures in Socialism: Leisure and Luxury in the Eastern Bloc* (Evanston 2010).
- Felker, Jere L., *Soviet Economic Controversies: The Emerging Marketing Concept and Changes in Planning, 1960–1965* (Cambridge, MA 1966).
- Główny Urząd Statystyczny Polskiej Rzeczypospolitej Ludowej, *Statystyka Handlu Zagranicznego* (Warszawa 1959).
- Główny Urząd Statystyczny Polskiej Rzeczypospolitej Ludowej, *Rocznik Statystyczny Handlu Zagranicznego* (Warszawa 1966).
- Grzybowski, Kazimierz, 'The Foreign Trade Regime in the Comecon Countries Today', *Journal of International Law and Politics* 4 (1971) 183–211.
- Hanson, Philip, *Advertising and Socialism: The Nature and Extent of Consumer Advertising in the Soviet Union, Poland, Hungary and Yugoslavia* (London 1974).
- Jasiński, Leszek Jerzy, *Blżej centrum czy na peryferiach? Polskie kontakty gospodarcze z zagranicą w XX wieku* (Natolin 2011).
- Jensen-Eriksen, Niklas, 'CoCom and Neutrality: Western Export Control Policies, Finland and the Cold War, 1949–58', in: Sari Autio-Sarasmo and Katalin Miklossy (eds), *Reassessing Cold War Europe* (New York 2011) 49–65.
- Kähönen, Aappo, *Soviet Union, Finland and the Cold War. The Finnish Card in Soviet Foreign Policy, 1956–1959* (Helsinki 2006).
- Kansikas, Suvi, 'Helsinki Between Moscow and Brussels: Finland's Integration Policy Towards the CMEA and the EC', in: Poul Villaume, Ann-Marie Ekengren and Rasmus Mariager (eds), *Northern Europe in the Cold War: East-West Interactions of Security, Culture, and Technology* (Helsinki 2016) 81–103.
- Kochetkova, Elena, '"A Shop Window Where You Can Choose the Goods You Like." Finnish Industrial and Trade Fairs in the USSR, 1950s–1960s', *Scandinavian Journal of History* 43:2 (2018) 212–232.
- Kochetkova, Elena, 'Modernization of Soviet Forestry Industry and Technology Transfer from Finland, 1955–1964' (PhD thesis, University of Helsinki. Helsinki 2017).
- Kornai, Janos, *Socialist System. The Political Economy of Communism* (New York 1992).
- Krylova, Anna and Osokina, Elena, 'Introduction: The Economic Turn and Modern Russian History', *The Soviet and Post-Soviet Review* 43 (2016) 265–270.
- Laurila, Juhani. *Finnish-Soviet Clearing Trade and Payment System: History and Lessons* (Helsinki 1995).
- Ledeneva, Alena, *Russia's Economy of Favours: Blat, Networking, and Informal Exchange* (Cambridge 1998).
- Lewis, Wilfred Jr., 'East – West Economic Relations', *OECD Observer* 92 (1978) 3–7.
- Matala, Saara, 'Finlandisation of Shipbuilding. Industrialisation, the State, and the Disintegration of a Cold War Shipbuilding System' (PhD thesis, Aalto University. Espoo 2019).

- Oiva, Mila, 'Creation of a Market Space: The Polish Clothing Industry, Soviet Union, and the Rise of Marketing, 1949–1961' (PhD thesis, University of Turku. Turku 2017).
- Olsson, Lars 'Offshore Som Livboj. Varvkrisen Och Försöken Till Omorientering, 1974–1985', in: Pär Blomkvist and Arne Kaijser (eds), *Den Konstruerade Världen: Tekniska System i Historiskt Perspektiv* (Stockholm 1998) 205–229.
- Pouillard, Veronique, 'Keeping Designs and Brands Authentic: The Resurgence of the Post-War French Fashion Business Under the Challenge of US Mass Production', *European Review of History* 20:5 (2013) 815–835.
- Rainio-Niemi, Johanna, 'Cold War Neutrality in Europe: Lessons to Be Learned?' in: Heinz Gärtner (ed.), *Engaged Neutrality: An Evolved Approach to the Cold War* (Lanham 2017) 15–36.
- Rainio-Niemi, Johanna, *The Ideological Cold War: The Politics of Neutrality in Austria and Finland* (New York 2014).
- Sanchez-Sibony, Oscar, *Red Globalization: The Political Economy of the Soviet Cold War from Stalin to Khrushchev* (New York 2014).
- Stone, Randall W., *Satellites and Commissars: Strategy and Conflict in the Politics of Soviet-Bloc Trade* (Princeton 1996).
- Sudziński, Ryszard, 'Etapy i kierunki oraz metody i formy ekonomicznego uzależnienia Polski od ZSRR w latach 1944–1989 na tle pozostałych krajów bloku komunistycznego', in: Konrad Rokicki and Sławomir Stępien (eds), *W objęciach wielkiego brata. Sowietci w Polsce 1944–1993* (Warszawa 2009) 57–94.
- Torończyk, Jerzy and Ignatowskaia, Barbara, 'Pol'skie mody', *Rabotnitsa* 7 (1958) 30.
- Usui, Kazuo, *Development of Marketing Management* (Abingdon 2008).
- Voronov, K.G. and Pavlov, K.A., *Organizatsija i tehnika vneshnej trgovli SSSR* (Moscow 1966).