

WORLD ECONOMIC RELATIONS AND THE SCIENTIFIC AND TECHNICAL REVOLUTION

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The scientific and technical revolution is influencing political processes in the world both directly and indirectly. While the direct effect of the scientific and technical revolution manifests itself, for example in the military sphere, by the creation of a new strategic equilibrium (as a consequence of the use of atomic energy for military purposes), the indirect influence of the scientific and technical revolution upon the processes of world politics is reflected primarily in the relationship between economics and politics. The scientific and technical revolution influences the structure of world economic relations and, through them, the economic policies in the world, as part of politics in general.

Let us now more closely examine the specific characteristics of world economic relations, and the consequences of the influence of the processes of the scientific and technical revolution upon these relations.

Economic relations in world economy, which in contrast to regional economic relations possess their own specific characteristics, are in this study termed 'world economic relations'.¹⁾ ²⁾

The specific characteristic, in other words the relatively independent movements of world economic relations, are being shaped for one thing by objective processes, as e. g. the influence of the scientific and technical revolution upon the structure of world economic relations, i. e. by processes which are typical because of their "global character", because of their global, general criteria.

Secondly, the relatively independent movement of world economic relations is also being formed by such processes as are the conflicts of objectives, clashes between the interests of regional parts and units of world economy. The resulting process, which usually differs from the original intentions and aims of the regional units of the world economy involved, supports and aids the relatively

independent movement of the world economic relations.

At the same time, it is necessary to perform an analysis to see what constitutes the relativity of the independent movement of the world economic relations. The dialectical relationship between the global and the regional is manifested in the fact that there exists on one side a unity of world and regional economic relations in the sense that the global asserts itself through the intermediary of the regional, as is shown by the example of the American dollar, which as a national currency is at the same time a world reserve currency. On the other hand, however, apart from the unity, there also appears an antagonism between the global and the regional, when the relatively independent movement of world economic relations enables regional parts to manoeuvre within this movement, which

¹⁾ It is necessary to realize that the term 'regional' is a very relative one. It depends on what we use as a standard to measure any given process or processes against, whether we mean regional in terms of regions, in terms of the national economy, or whether we use it in terms of the world capitalist or socialist systems. Whereas the national economy in one case appears as an entity with respect to its regional parts, in another case appears as a regional part in relations to regional groupings, which again form only a part of the world economy as a whole. In this study, we are concerned with an analysis of the relationship of the global and regional economic relations, in terms of the relationship between a part and the whole in their mutual dialectical movement.

²⁾ The term 'international economic relations' may be used to express also regional relationships, relations within the individual parts of the world economy, while the term 'world economic relations' includes global aspects, the worldwide point of view.

may cause a deformation of economic processes as compared with the objective role which they should perform. For example, international economic organizations do not possess any means with the exception of those they obtain from the regional parts of the world economy, and have no coercive powers. Under such conditions, the pressure exerted by the regions can result in a deformation of the objective role which the international economic organizations should play, as compared to the role they are frequently actually playing.

This dialectical development of the relationship between the global and the regional reflects, both the independence of the movement of world economic relations, and the relativity of this independence.

In examining the present-day world economic relations, an analysis of the relationship between the global and the regional is not, however, sufficient. There arises the problem, when the interests of the regional and global diverge, and when they are identical. This poses the problem to express the substance of existing regional relations, in other words the problem of their capitalist or socialist form.

The relationship between the regional and the global had its historical origin at first in its capitalist form. Later, the socialist form of this relationship originated.

At present, there exists the relation between the regional and the global in the capitalist form of the regional and the global, in the socialist form of the regional and the global, and there also exists the relation of the global in its capitalist and socialist forms, and the relationship of the regional in its capitalist and socialist forms.

With the development of the world economics, the factors which influence the independent movement of world economic relations are becoming more complicated. From this point of view, the relationship of the capitalist and socialist forms of the regional and the global constitutes another factor, conditioning the relatively independent movement of the world economic relations.

The movement of the world economic relations, which is thus predetermined and must perform objective functions of a global character, is complicated by the intertwining of regional economic relations of a class character.

In analyzing the influence of the scientific and technical revolution on the structure of the world economic relations, it is necessary to analyze in the first place its influence on the division of labour in the world, as the foundation of the functional pyramid of the world economic relations.

There is both unity and difference between the world and regional (national) division of labour. The difference lies in the fact that the world division of labour creates, with its many poles, its own organism, which has a relatively independent movement with respect to the individual regional divisions of labour. It is an independent movement in terms of the intrinsic dynamics of the world division of labour as a whole, which operates with respect to the individual regional divisions of labour as an external factor, relatively independent of one of its poles, of the existing regional division of labour.

There exists organic unity between the world and regional division of labour in so far that there exists mutual influence both in the natural and technological spheres.

The logic of the development of production forces in individual regions demands that individual regions — in order to be able to participate successfully (with advantage for themselves) in the world division of labour — must reach a certain degree of division of labour, a certain complexity in the development of the region. The division of labour, the complexity within the given economy, is from this point of view one of the forms of expressing the level of the development of the production forces.

The difference, as well as the organic unity of the regional and world division of labour is clearly evident in two fundamental stages of the world division of labour — in the creation of an extensive form of the world division of labour (between branches), and in the creation of an intensive form of the world divi-

sion of labour (within branches, i. e. technological).

The two forms of the world division of labour — between branches and within branches — have been always intertwined, simultaneously with the process of new branches being formed. In this sense, the two forms of the division of labour have been mutually supplementing each other in the reproduction process.

The scientific and technical revolution is bringing two fundamental changes into these processes of interweaving of the division of labour between and within branches. The division of labour within branches finds in it its appropriate basis, just as the appropriate basis of the division of labour between branches was the industrial revolution (especially in the form of such typical processes as was the utilization of colonies for supplying raw materials for metropolitan industries).

During the scientific and technical revolution the division of labour within branches receives its appropriate basis not only in so far that whole groups of natural raw materials are replaced by synthetic materials, but also in so far that costs spent on research are so high that it is no more possible to develop everything. Moreover, this technological division of labour is unlimited. The highest stage (manifestation) of this intensive (technological) global division of labour is worldwide trade in patents.

The second fundamental change, brought into the process of the interweaving of the divisions of labour between and within branches by the scientific and technical revolution rests in the fact that along with the development of the production of synthetic materials and synthetic raw materials, the division of labour between branches becomes subordinated to the division of labour within branches, which has important consequences for the structure of the world division of labour and for the regional poles (units) of the world division of labour.

From the point of view of the world economic relations, there exist two stages of the structure of the world division of labour: the world division of labour corresponding to the period of the industrial revolution, and the world division

of labour corresponding to the period of the scientific and technical revolution.

The change of the structure of the world division of labour operates in the form of an independent movement with respect to individual specialized entities. It is manifest in the fact that the new role of the natural aspect of the division of labour (decreasing importance of some regions and rising importance of others) and of its social (technological) aspect there exist today giant yardsticks of research and production), poses the problem of specialization in a new way. In other words, the place and role of individual regional units and poles of the world division of labour change.

The regional entities which have sufficient scope for implementing the scientific and technical revolution, have a preferential position in the world division of labour.

On the other hand, regional entities with an advanced regional division of labour, but without sufficient internal scope for realizing all the consequences of the scientific and technical revolution, tend to become intergrated into economic unions.

The regional units, participating in the world division of labour primarily on the basis of the division of labour between branches (the developing countries), are losing the profile of their specialization, which was necessary for the corresponding structural level of the world division of labour between branches.

The main problem of the developing countries thus rests in the fact that they are forming their specialization, their participation in the new structure of the world division of labour by methods, typical for the period of the industrial revolution (industrialization) while the new structure of the world division of labour is being formed on the basis of the scientific and technical revolution.

In consequence of these processes, the affected regions find it more difficult to assert themselves in such an intermediate link of world division of labour as is the world market.

The specific characteristic of world trade lies in the fact that — through the price mechanism and others — it determines the position and role of individual

regional links of the world trade, and in this sense operates with respect to them as an external force, whose movement is being formed behind the backs of the regional component of the world trade.

In this respect, there exists an interesting connection between the faster growth of the world trade than is the growth of the world production, and between the extensive and intensive forms of the world division of labour. The independent growth of the world trade separately from the growth of the world production was given its appropriate basis with the change-over from the world division of labour between branches to the technological division within branches. This form of the world division of labour knows no limits, and has an incomparably faster rate of growth than the division of labour between branches.

World trade, as a means and instrument of a more productive utilization of the economic potential of nations, has its production aspect (world division of labour) and its currency aspect.

The development of world money is an organic part of world trade. World money (gold) as an universally accepted means of payment, enables and facilitates world trade.

The function of international reserves rests in the fact that currency authorities of individual countries need not try to maintain an exactly balanced relationship between foreign receipts and foreign expenditures, both from the point of view of the world balance and from the point of view of the regional balance. This problem is in other words called the problem of world and regional liquidity. In conditions of well functioning international reserves, great differences between receipts and foreign outlays may be solved without negative consequences for the economic growth. In this respect, the international reserves operate as a certain buffer. In case that this buffer does not exist (as can be seen in the case of the developing countries), foreign operations directly affect internal economic development.

The dialectic of this development lies in the fact that in conditions, when it is necessary to make use of internatio-

nal reserves on large scale, these reserves are — with respect to their economic function — weakened.

The growing need to make ever greater use of international reserves and the weakening of the economic function of these reserves, are caused by the specific movement of the world economy, as well as by the relationship between the global and the regional.

The causes, stemming from the specific movement of the world economy, are connected with long-term structural changes of the world economy, which are based on the substitution of the intensive form of the world division of labour for the extensive form of the world division of labour, which finds its expression in a faster rate of growth of the world trade than the growth of world production. These processes objectively increase the need of the growth of world reserves and create a tension in the sphere of the world liquidity.

The causes of the growing need to make ever greater use of international reserves, which stem from the relationship between the global and the regional, are connected with changes in the model of world payments. The model of world payments is influenced, in the sphere of the balance of international payments, by long-term and short-term factors, linked both to changes in the balances of payments, and to the influence of the world money markets.

The influence of the scientific and technical revolution on the changes in the structure of the world economic relations is evidently considerable. Summed up in one sentence, it could be characterized by saying that the changes in the sphere of the world division of labour (as a consequence of the scientific and technical revolution) multiply the tendency towards a faster growth of world trade, in comparison to the growth of world production, which intensified the difficulties in the monetary sphere (exacerbates the problem of liquidity).

Let us also note the consequences of the scientific and technical revolution for the relationship between world and regional economic relations. Whereas regional elements were predominant in the movement of the world economy up to a cer-

tain point of its formative process, the predominant element from a certain stage of the development of the world economy is the global character of the processes.

This stage is connected with the change of position and role of individual regional components in the world economic relations.

From the point of view of this relationship between the world and regional economic relations, the scientific and technical revolution has a contradictory influence. On one side, it strengthens the processes of the relatively independent movement of the world economic relations through the changes which it causes in the sphere of the world division of labour or in world trade. On the other side, it strengthens and supports processes, leading to the interconnection of the dependencies of global processes on regional processes. For example in the monetary sphere of the contemporary world

economy there exists, as a consequence of the fall of the gold standard in the 1930's, an organic connection between global and regional processes, as is shown by the example of the gold exchange standard in the form of the dollar exchange standard. By supporting the processes which complicate the function of reserves in the monetary sphere of the world economic relations (by stimulating a faster growth of world trade as compared with the growth of world production, including the production of gold, the scientific and technical revolution strengthens the organic interconnection of the function of world money (gold) and the function of regional currencies (for example the dollar).

In consequence of the increasingly complicated movement of the world economy, which was significantly affected by the scientific and technical revolution, new scope is being created for foreign political and economic activities of the regions.

THE INFLUENCE OF ECONOMIC REFORMS ON FOREIGN ECONOMIC RELATIONS OF THE SOCIALIST COUNTRIES

Radoslav Selucký

I.

The economic reforms, which have been carried out over the past few years in nearly all European socialist countries, have — despite all concrete differences in the principles, on which they are based — one thing in common; the more or less fast and intensive departure from the non-commodity, centralistic model of the socialist economy. Even though in some countries, the final versions of the reforms have not been formulated, their general tendencies are identical: the strengthening of economic instruments of management, and the suppression or restriction of administrative methods, the strengthening of the importance of commodity-money relations and of the operation of the law of value with its mechanism of supply and demand, the strengthening of the independence of enterprises which are actually the basic units of economic activity, the creation of wider scope for their enterprising and

business activities, the application of principles of scientific management in the whole sphere of social economy, and efforts to push through intensive factors of economic development in place of extensive factors.

The economic reforms in the European socialist countries represent the outcome of the rational reaction of the people to the shortcomings inherent in the non-commodity model of the operation of the socialist economy. The non-commodity model of the socialist economy lacked an automatically functioning mechanism which would enable a smooth exchange of activities between individual spheres of the economy and a continuous corrective process in the field of production by the market. The attention of theorists therefore concentrated upon formulating the principles of a commodity model of the socialist economy which would represent a synthesis of social planning and the utilization of the market mechanism, and in which commodity-money relations