JOURNAL
OF EUROPEAN ECONOMY
Vol. 22. № 2 (85). April–June 2023
Publication of West Ukrainian National University

Europe in the Global Economic System

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THE MARSHALL PLAN: GEOPOLITICAL PREREQUISITES AND ECONOMIC IMPACT ON THE PARTICIPATING NATIONS

Abstract

The paper provides an analysis of the Marshall Plan and its role in the history of Europe, specifically in terms of the economic revival that followed World War II. Even after more than seven decades since its implementation, the Marshall Plan remains one of the most frequently mentioned programs of international aid. However, there have been debates between historians and economists on whether the program was as impactful as it is described in many history books. The authors look into historical and modern sources to provide a comprehensive view of the Plan's scale and impact. The results indicate that even though the Marshall Plan was not the only reason for Europe's economic revival, it was a necessary element in containing the spread of Communism and guiding Western European countries in their post-war economic policies.

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Key Words:

The Marshall Plan; post-war recovery; Western European growth; «economic miracle»; World War II.

JEL: N44.

1 table, 4 figures, 25 references.

Problem Statement and Literature Review

After more than seventy years since its implementation, the Marshall Plan remains viewed as one of the most successful financial aid programs in the world history. It was the first of its kind in terms of the scale of foreign help provided by a single country. Additionally, the plan made it possible to reinforce the post-war reconstruction and integration of Western European countries. Nowadays, politicians, journalists and analysts frequently mention the Marshall Plan when speaking about reconstruction of countries after military conflicts, which seems particularly pertinent to the current situation in Ukraine. Although the Marshall Plan has been subject to multiple historiographic reviews, its role in the European post-war reconstruction is still debated. Some historians argue that it was indispensable for Europe's economic and political integration, and vital in containing the spread of Communism. However, there are also many critics who view its role as highly exaggerated in the historiography. In view of the significance of the Marshall Plan for financial history and popular discourse, it is necessary to analyze it in detail, with special attention given to the geopolitical and economic factors that led to its implementation. Additionally, the outcomes of the Plan should also be tested based on the post-war economic statistics and assessments of the historians. In the current circumstances, given the ongoing full-scale war in the heart of Europe, with one party receiving support from both the United States and Western Europe, it is imperative to take a fresh look at this financial program, as there are already discussions in the West regarding the potential design of a similar plan for Ukraine. This article aims to analyze and answer four research questions, which focus on the geopolitical preconditions to the design and implementation of the Plan, its economic and political impacts on Germany and the rest of Western Europe, and, finally, its influence on the U.S. politics and economy.

The existing literature on the Marshall Plan is highly multifaceted, with completely opposing views and debates among researchers, historians and economists in particular. Therefore, it is crucial to analyze these varying views and approaches to the matter. As the examined literature forms the main basis for our research, it is crucial to review it critically and outline the sources that provide the best insights into the chosen research questions.

One of the main questions asked by historians in their research of the Marshall Plan as one of the most impactful historical phenomena of the post-WWII period is why exactly that policy was proposed, designed and implemented. There are many views on this matter, but the historiography of this episode in the United States and Europe allows us to see a few factors that were more geopolitically impactful than the others. According to Bolocan (2016), Americans and Europeans had to seek political and social stability through economic revival. Numerous books and articles (Hinnerschitz, 2022; Steil, 2018) on the Marshall Plan frequently consider two times when the doctrine was genuinely communicated to the American public as the main actors of the reconstruction and investment doctrine tried to gain popular support of their cause. The first of these instances occurred on May 8, 1947, when Dean Acheson, the Under Secretary of the U. S. Department of State, addressed local farmers and entrepreneurs of Cleveland, Mississippi, and told them about the need to help the impoverished and exhausted nations of post-War Europe (Hinnerschitz, 2022). The next, more well-known speech occurred in the early June of the same year, when George C. Marshall, the U. S. Secretary of State, addressed an academic meeting at the University of Harvard. There, his narrative was primarily circulating around the problem of poverty, destroyed infrastructure, and the inability of economic growth in Europe (Marshall, 1947). However, most experts believe that the true causes were highly related to international politics.

It is important to mention that multiple authors believe that the desire to help the European states overcome poverty and achieve economic growth was not the main reason why both Marshall and U. S. President Harry Truman insisted on the necessity of the Plan's implementation. According to Leffler (1988), in his speech at Harvard, Marshall deliberately omitted the theme of Soviet impact and the necessity of stemming its spread in Europe. However, as Bolocan (2016) mentioned in the article «Marshall Plan from conception to reality,» the economic problems in Europe were accumulating and became a «red carpet» invitation for Communism. The report by Constitutional Rights Foundation also stressed the importance of the situation in Greece, where rebellions led by the communists repeatedly erupted against the local monarchy. Many authors claim that this situation was the first sign for the American leaders, including Marshall and Truman, that a fundamental policy was needed to overcome the Communist impact. According to Hinnerschitz (2022), these beliefs were reinforced by William Clayton, the U.S. Under Secretary of State for Economic Affairs. In his report, Clayton stated that «without further prompt and substantial aid from the United States, economic, social, and political disintegration will overwhelm Europe.» Therefore, it is evident that the socio-economic situation genuinely provided enough motivations for the United States to intervene (at least economically).

The political developments in Western Europe after the war ended were highly impactful in terms of the way the Marshall Plan was implemented. Some historians, including Steil (2018) and Deighton (1993), mention that the Moscow Conference of 1947 demonstrated that the United States could not count on the USSR as a partner for economic support and integration of Europe. At the time, the first signs of the Cold War began to crystalize, and a group of Western nations, including France, began to unite under the umbrella of American financial aid. Another crucial geopolitical factor in the realization of the Marshall Plan was the American political consensus, which did not seem possible until the Communist threat became obvious. In «Anything but inevitable: How the Marshall Plan became possible,» McCourt and Mudge (2022) stated that the bipartisan coalition in the United States formed based on «liberal internationalism» in 1947-1948. Had such a consensus not been reached or had an isolationist doctrine captured more supporters at the time, the Marshall Plan would have been much harder (if not impossible) to implement. Subsequently, that could have caused great changes in the ways in which European and American history developed throughout the 20th century.

One of the most controversial topics discussed by historians in the context of the Marshall Plan is the economic support provided to Germany -- the defeated aggressor at the time. In this respect, the historical analysis follows along two major directions: the expediency of the decision to include Germany in the Plan, and the role of funding in the economic surge that occurred in the country during the late 1940s and 1950s. Understanding these subthemes will allow us to construct a clearer picture of Germany's role in the Marshall Plan and vice versa. Simultaneously, the roles of other countries in the program, as well as the ways in which these states were influenced, are also crucial for the study. These aspects were covered by numerous authors, including Reichel (2002), Hinnerschitz (2022) and others.

Nevertheless, it should be admitted that the existing literature is much more focused on analyzing the geopolitical significance of the Marshall Plan and its results for West Germany, rather than on the analysis of the economic and political results that this Plan had on the rest of Western Europe and the United States itself. In our opinion, however, these latter aspects are equally important for constructing a comprehensive view of the program's long-term outcomes and historical heritage. Therefore, this article will attempt to provide an overview of the existing information and to analyze it while keeping all of the subthemes in focus.

The goal of this study has two main aspects. The first objective is to systematize the geopolitical preconditions of the Marshall Plan that existed in Europe and in the United States. The second objective is to determine the economic outcomes of the plan for the countries that were directly involved in it.

Methodology

In order to achieve the goal of this study, it is necessary to clearly structure the research questions and answer them accordingly. The four research questions that the authors will try to answer in this article are the following:

1) What were the geopolitical preconditions that led to the design and implementation of the Marshall Plan?

2) What was the influence of the Marshall Plan on Germany as an aggressor defeated in the World War II?

3) What were the challenges and achievements of Western European countries targeted by the policy?

4) How did the Marshall Plan influence the U. S. economy, including its main stakeholders such as the working class, entrepreneurs and farmers?

In line with the research questions listed above, the authors have developed four main hypotheses. These hypotheses are directly related to the research questions and appear in the same order as follows:

1) The main geopolitical preconditions leading to the design and implementation of the Marshall Plan were the rise of Communism in Eastern Europe, extreme poverty in Western Europe and the desire of the United States to ensure its place in history as the leader of the free world.

2) The influence of the Marshall Plan on West Germany was highly positive economically and helped to integrate this territory into the Western world politically, which was viewed as a necessary step by both the United States and Europe despite Germany’s role in World War II.

3) The Marshall Plan was one of the first and most impactful policies of the Cold War, marking the beginning of economic integration, cooperation and development among Western European countries.

4) Despite the initial losses (or investments) incurred by the United States, the Marshall Plan became a major incentive for its economy, leading to new jobs and trade opportunities.

The article is based on the bibliographic research method, with the main focus being placed on the analysis of the existing published historical information. The authors apply this method to answer the research questions and confirm or deny the hypotheses.

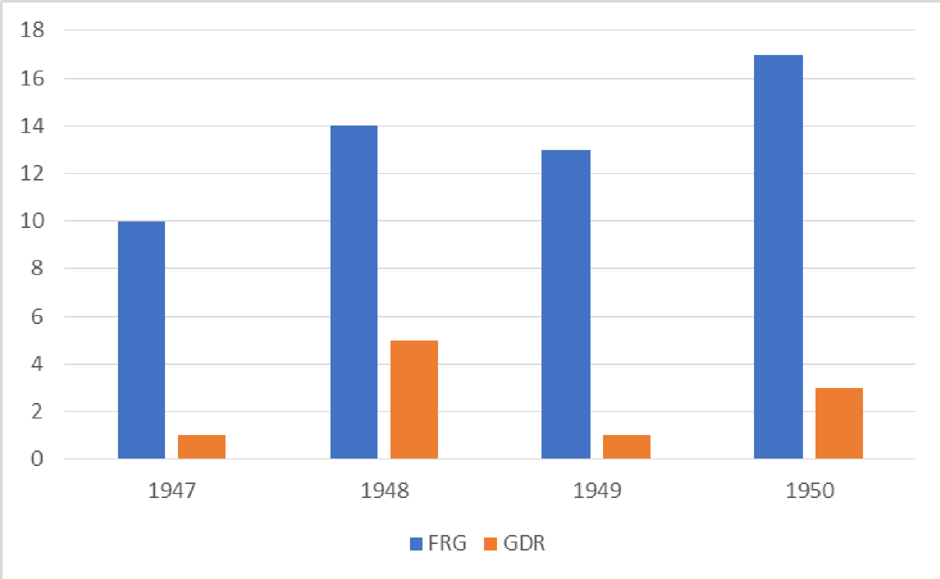
Research Results

Geopolitical aspects of the Marshall Plan

Research proves that the main reason for Americans to provide financial assistance to West Germany was to ensure that the country would not have fallen into the Communist sphere of influence. According to Knapp et al. (1981), during the Economic Recovery Program (ERP) hearings, John Foster Dulles, one of the prominent Republican politicians who later served as the U. S. Secretary of State, stated: «West Germany ought to be integrated into the Western economy of Europe as rapidly as possible. When I say that I do not envisage a permanent division of Germany, the only way in the world you are going to unite Germany is to create a condition in the West of Europe which is so attractive, which sets up such an attraction on the east, that the Soviet will not be able to hold out the east of Germany. Then you may get Germany together again. The western countries…integrate West Germany into such a healthy vigorous economy…that the people in the east of Germany will just say, 'Well, we won't go on this way anymore. We are going to be part and parcel of it'.» This quote illustrates one of the first cases of the now famous American «soft power»: the only non-violent way for the United States to establish its impact on Germany and the rest of Europe at the time was the financial one. Figure 1, originally presented by Reichel (2002), demonstrates the differences in per capita incomes between the two parts of Germany that lived under different economic systems. The level of well-being in West Germany was exactly the factor that Dulles described. Berger (1995) also mentioned that the Americans developed a political economy strategy regarding Germany's role in the Marshall Plan: The country had to be re-integrated into the Western free market and division of labor. Thus, West Germany had to become the focal point of the Marshall Plan, both politically and symbolically, demonstrating the benefits of being a part of the Western bloc.

Figure 1

Per capita income growth rates in West and East Germany from 1947 to 1950, in %



Source: Reichel, R. (2002). Germany's postwar growth: Economic miracle or reconstruction boom. *Cato Journal, 21*, 427. https://ciaotest.cc.columbia.edu/olj/cato/v21n3/cato_v21n3rer01.pdf

Economic impact of the Marshall Plan on West Germany

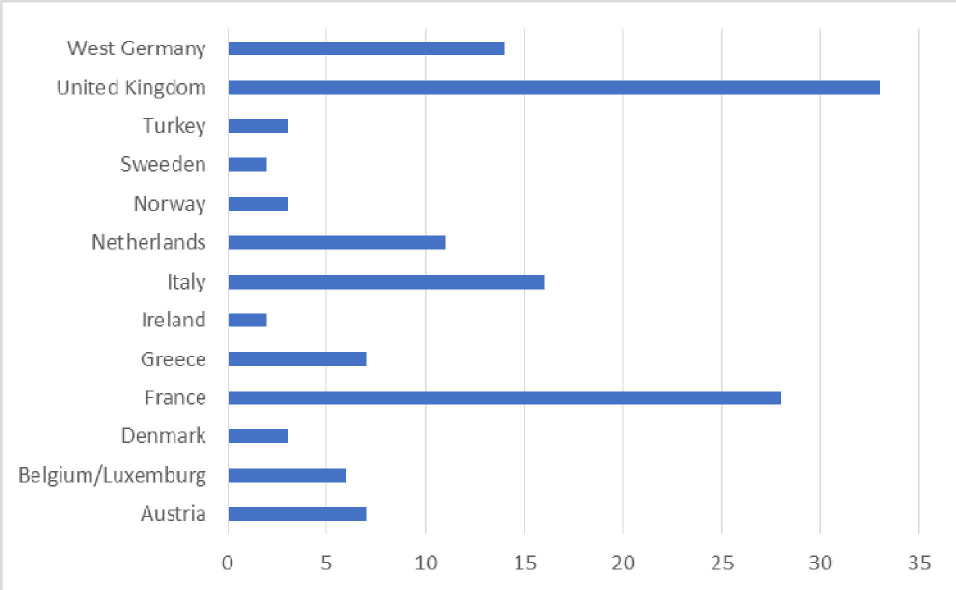
The question of the economic effects of the Marshall Plan on West Germany is much more complicated and debated. On the one hand, many historians, organizations, and funds claim that the Marshall Plan was a highly significant, if not decisive, factor in West Germany's economic reconstruction and prosperity. On the other hand, these views are often undermined by modern historians who emphasize the effectiveness of the new economic policies implemented in the country during the first decade after World War II. For example, Knapp et al. (1981) concluded in their analysis that «for no other country which participated in the ERP did the Marshall Plan have such far-reaching and profound consequences as it had for Germany.» Simultaneously, these authors also mentioned that both domestic and foreign economic and political decisions were important and mutually reinforcing. The Kreditanstalt für Wiederaufbau, a counterpart fund created in West Germany to monitor and distribute American financial aid, states in its report that despite some beliefs that the wise and far-reaching economic policies played the greatest role in Germany's so-called «economic miracle», they would not have been possible without the prominent financial support, guidance and inclusion in the Western countries' system of co-operation (Wronski & Karres, 2022). Still, scientists like Stern (1997) state that there is a phenomenon in public understanding of the problem known as the «Marshall Plan myth», according to which the ERP was solely responsible for the post-war surge in economic growth. This view is shared by Monson (2022), who criticizes the idea of the American role in German economic revival. It is crucial to further analyze the amount and direction of the ERP's financial assistance aimed at Germany and the long-term consequences of that aid.

The Marshall Plan's financial assistance included 14 billion U.S. dollars distributed among western European countries affected by World War II. Of this money, around 10% was provided to West Germany (1.4 billion U.S. dollars). According to Echavarria and Reinbold (2021), in 2019, that number would equal almost 15 billion U.S. dollars. Figure 2 shows that such countries as France, the United Kingdom and Italy received much more funds. According to Bostwick (2019), 12% of American financial aid covered housing for nearly eight million refugees who settled on Western German territories after the war. Around 40% of funds were allocated to the coal industry, which was necessary for German industrial development. According to Stern (1997), around 70% of the entire ERP disbursements were in the form of commodities purchased from U. S. suppliers. In general, 3.5 billion U.S. dollars were spent on raw materials, 3.2 billion on food, feed, and fertilizers, and 1.9 billion allocated to machinery and vehicles, with 1.6 billion covering fuels. Even before the Marshall Plan started, the United States provided 1.7 billion U.S. dollars in goods, including food, directly to the occupied parts of Germany under the Government and Relief in Occupied Areas (GARIOA) program (Stern, 1997). This point is seldom acknowledged by critics of the notion that American support played a decisive role in the post-war revival of Germany.

Modern historiography pays increasingly more attention to the economic policies constructed in West Germany during the reconstruction period. Knapp et al. (1981) defined the timeframe of the reconstruction as 1948-1952 when the majority of American economic assistance was allocated to Europe. However, many sources cover the entirety of the 1950s in their accounts of German economic revival.

Figure 2

Disbursements under the Marshall Plan by recipient country from April 3, 1948, to June 30, 1952, in 2019 billion U. S. dollars



Source: Echavarria, P., & Reinbold, B. (2021, Jul 1). *Marshall Plan may not have been key to Europe's reconstruction.* Federal Reserve Bank of St. Louis. https://www.stlouisfed.org/ on-the-economy/2021/july/marshall-plan-not-key-to-europe-reconstruction

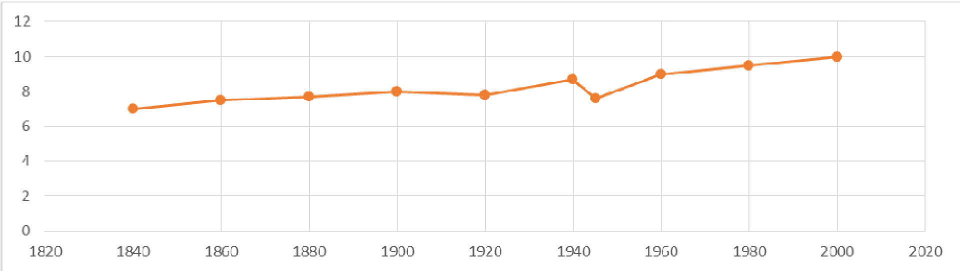
The scientists who try to «demythologize» the impact of the Marshall Plan frequently point to the achievements of Walter Eucken, German economist, and Ludwig Erhard, Head of the Economic Opportunity Office. According to numerous sources (Henderson, n.d.; Echavarria & Reinbold, 2021; Monson, 2022), the situation in post-war Germany was an economic disaster. Monson (2022) mentions that prior to initiating World War II, Germany had the world's second largest GDP, surpassed only by the United States and surpassing the USSR. Compared to the GDP of 400 billion U. S. dollars in 1939, the figure of 160 billion dollars in 1946 indicated a major stagnation. Echavarria and Reinbold (2021) state that European per capita GDP was approximately 30% of that of the United States. The situation was even worse in Germany, where wartime price controls persisted in 1946 and 1947 as per the Allies' decision, along with shortages of goods and a high death rate among the male working-age population. Swift and decisive actions were necessary during this period. Henderson (n.d.) mentions that Eucken inspired robust shifts in West Germany's economy, including the so-called «social free market», which presupposed generally free market conditions with a certain level of state regulation for stable social policies and suppression of monopolies.

Erhard, on the other hand, was appointed by the Bizonal Economic Council (ruled by the U. S. and U. K. representatives) as the Head of State Economics in 1948 (Monson, 2022). His achievements in this role included price deregulation, rationing and allocation (Henderson, n.d.). However, his main success was probably the monetary reform, which many historians praise as the main factor of the subsequent German «economic miracle» (Monson, 2022). It involved a transition from Reichsmarks (which became almost worthless, as barter was widespread) to the Deutsche Mark (Monson, 2022). The money supply decreased by 93% in a short period of time (Monson, 2022). According to Carlin (1994) in «West German growth and institutions: 1945-1990», «alongside the Currency Reform, the German economic authorities, under the leadership of Ludwig Erhard and against the advice of most Anglo-American advisors, introduced a sweeping liberalization program. The bulk of price controls was lifted as well as the major quantitative controls over the allocation of resources.» The Kreditanstalt für Wiederaufbau reported that Erhard himself was critical of the Marshall Plan, asserting that sound economic policies led to robust growth. At the same time, Hermann Josef Abs, one of the initial board members of the KfW, stated: «One condition for the currency reform to succeed was that there had to be no supply shortages which the public might have been able to blame on the new currency. Direct shipments under the Marshall Plan solved that problem» (Wronski & Karres, 2022).

The disastrous situation in which West Germany found itself in 1947 began to change swiftly as it achieved external financial aid and implemented new economic policies. Different parties in the debate are likely to highlight only one of these factors, but the reality seems to involve both. Monson (2022) mentions that the economy had fallen to around 160 billion U.S. dollars in GDP after the war ended. However, as soon as 1955, the German economy reached its prewar rates (400 billion U. S. dollars), surpassing that of the United Kingdom again (Monson, 2022). Additionally, industrial output increased almost four times in the 1950s, and the GDP growth was about 8% annually. Some historians attribute the remarkable economic development in West Germany to the implementation of wise economic policies enacted between June and August of 1948 (Henderson, n.d.; Monson, 2022). In particular, Henderson (n.d.) mentioned that in May 1948, workers in West Germany were absent from their jobs for an average of 9.5 hours per week because the money they earned could not buy them much and because they had to barter for food. By October 1948, the average absence was slightly more than 4 hours per week. Additionally, West Germany's rate of industrial production in June 1948 stood at 51% compared to its levels in 1936, but it had surged to 78% by December of the same year. Overall, industrial production experienced growth of over 50% (Henderson, n.d.).

Figure 3

**Real income per capita in Germany from 1840 to 2000,
in constant logged U. S. dollars**



Source: Reichel, R. (2002). Germany's postwar growth: Economic miracle or reconstruction boom. *Cato Journal, 21*, 427. https://ciaotest.cc.columbia.edu/olj/cato/v21n3/cato_v21n3rer01.pdf

Other scientists point to the fact that most of the Western European countries developed at a similar scale during the period known as the «Golden Fifties» (Berger, 1995). This presents yet another view of the matter with new and opened possibilities throughout entire Europe attributed to uniform growth. At the same time, scientists also emphasize that the Marshall Plan's impact in the late 1940s and early 1950s should not be perceived as a series of separate national economic recoveries, but rather as a reconstruction of Western-European cooperation and division of labor, with West Germany becoming its industrial center. In Figure 3, we can see that the highest rate of economic growth in Germany's history has been observed in the late 1940s and early 1950s. In its recent report, KfW mentions that although the immediate economic impact of the Marshall Plan was relatively small, its indirect effects were the most robust. The economist and historian Harald Wixfoth said that «the Americans forced the Europeans to engage in trade. That was the only reason the European Coal and Steel Community could be founded as early as 1951.» He also pointed to the positive psychological effect that the Plan had on Western European countries. Therefore, although historians' and economists' views about the actual reasons for the German economic miracle might differ, the role of the Marshall Plan should not be underestimated.

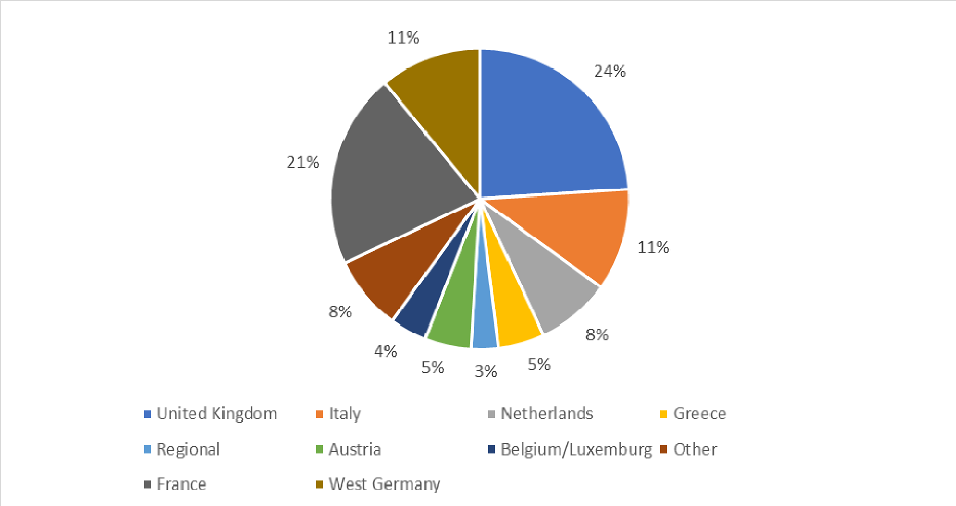
The Marshall Plan's Economic and Political Impacts on the Other European States

The Marshall Plan was an extensive approach that the United States utilized to pursue several aims simultaneously. These included economic interests, such as forming strong and industrially developed nations across Europe, which would become the United States' stable trading partners (Gülseven, 2021). Additionally, according to Tarnoff (2018) and Garrett (2018), the United States tried to help Europe reconstruct since most countries were in a dire economic situation, with their infrastructure destroyed and food production severely damaged. Simultaneously, the authors generally agree that the Plan was not based solely on altruistic ideas: The United States also tried to prevent the spread of Communism to the countries that already had such parties formed and suffered in most spheres of life, work, and production. The amount of assistance provided by the Marshall Plan differed, largely based on two factors: the countries' role in the war and the extent of their industrial or agricultural challenges. Italy and West Germany were largely exclusions, as despite their participation in the war, they were still provided robust funding to promote Capitalism there (Gülseven, 2021). The distribution of the assistance provided to European nations from the package of nearly 14 billion U.S. dollars is shown in Figure 4 (in percentage allocations) and Table 1 (in absolute amounts).

The size of the countries also played a significant role, but their relations with the United States and their financial needs related to wartime destructions were decisive. For instance, according to Bostwick (2019), the Netherlands needed to repair most ports, roads and housing facilities. At the same time, the United Kingdom and France, being the two largest European states that suffered the most damage due to Nazi aggression, received 24% and 21% of the total U. S. aid, respectively. The numbers differed from as little as 29 million U. S. dollars for Iceland to as much as 3.2 billion U. S. dollars for the United Kingdom. For the United States, the cost of the Marshall Plan was close to 5% of the country's annual GDP (although distributed over four years). The majority of the U. S. funding under the program was provided in the form of grants (nearly 90%), which were then spent by the nations to make their purchases necessary for housing, infrastructure and industrial development, and other needs (Tarnoff, 2018). The remaining money was allocated either in the form of loans or as the expense for administrative assistance. Analysts like Tarnoff (2018) and Garrett (2018) assert that the Marshall Plan stands as one of the most effective financial aid programs in history, emphasizing its impact on future programs of economic assistance.

Figure 4

Allocations under the Marshall Plan by country, in %



Source: Tarnoff, C. (2018). *The Marshall Plan: Design, accomplishments, and significance.* Congressional Research Service. https://sgp.fas.org/crs/row/R45079.pdf

Indeed, the European economy effectively revived during the program's implementation period from 1948 to 1952. The European states maintained their investments at the average rate of 20%, which was nearly 30% higher than in the prewar period. Moreover, the dollar gap was narrowed thanks to the foreign currency grants provided to Western European economies. Economic developments also demonstrate the success achieved by Western Europe in different spheres. In particular, industrial production increased by 55% compared to 1947, whereas agricultural production was 37% higher over the same period (Tarnoff, 2018). These figures exceeded the prewar levels, demonstrating that the «economic miracle» mentioned by many authors was not exclusively a phenomenon of German growth (Echavarria & Reinbold, 2021). Nevertheless, some analysts believe it is wrong to attribute this unprecedented economic growth to the foreign assistance received by the European nations during this period (Gülseven, 2021). Similarly to assessing West German performance, the authors focus on the policies and efforts of local governments and economic bodies.

Table 1

Total funding allocated under the Marshall Plan

Country	Amount (in million current U. S. dollars)
Austria	677.8
Belgium/Luxembourg	559.3
Denmark	273.0
France	2,713.6
Greece	706.7
Iceland	29.3
Ireland	147.5
Italy	1,508.8
Netherlands	1,083.5
Norway	255.3
Portugal	51.2
Sweden	107.3
Turkey	225.1
United Kingdom	3,189.8
West Germany	1,390.6
Regional	407.0
TOTAL	13,325.8

Source: Stern, S. (1997). The Marshall Plan, 1947-1997: A German view. https://www.marshallfoundation.org/wp-content/uploads/2014/05/Marshall_Plan_1947-1997_A_German_View.pdf

It is true that compared to the post-war needs of Western Europe, 5% of the American GDP was a relatively small figure, especially spread throughout four years of the Plan's implementation. However, it is crucial to highlight that direct financial assistance is only one part of the overall impact made by the United States under the program. The Western European international market and unification of the division of labor reached a considerable positive impact. Tarnoff (2018) mentions that the Organization for European Economic Cooperation (OEEC) was a significant body from the beginning of the Plan's implementation since it provided the 16 nations with a sense of agency in what concerns reconstruction and cooperation processes. The OEEC also became a forum where the public officials could discuss their joint economic efforts. According to Garrett (2018), each of the participant countries had to establish a local office for the OEEC that would assist the main body in creating recommendations for the allocation of funds. The organization was the first economic cooperation body in

Western Europe, creating the footsteps for future industrial and trade organizations.

As scientists also mention, the USA saw itself as an example of integration that Europe could pursue, with European countries viewed as equivalents to American states. To further push Western European states closer to the American vision, the US-led Economic Cooperation Administration (ECA) was founded and operated in Paris to oversee the financial aid (Garrett, 2018). It had to ensure that the participant states fulfilled their obligations, particularly in international trade, industrial production and agricultural development. Another important goal for the U.S. in Europe during 1948-1952 was closing the dollar shortage, which allowed the countries to be more independent in their imports. The conditional aid allowed closing the foreign exchange gap (Gülseven, 2021). The ECA's decision to minimize the loans and focus on grants instead was an important factor in this achievement.

Indeed, the Marshall Plan itself was not the only reason why Western Europe achieved its economic revival at a rapid pace. The national economic policies, industrial production, and trade were all vital for the growth of sixteen states. However, it is crucial to pay more attention to non-financial steps taken by the United States in Europe. The Marshall Plan was not only about helping with cash aid, technologies and products. The program's most influential impact on Western Europe was through the initiation of the recipient countries' integration, cooperation and market policies. Inspired and guided by the United States' model, they were able to liberalize their economies, improve their division of labor and step up in most industries (Garrett, 2018). Moreover, according to Blocker (1997), the economic integration encouraged by the United States led to subsequent creation of progressively integrated organizations, including the European Coal and Steel Community, the European Economic Community, and finally – the European Union (Blocker, 1997). Moreover, the authors also emphasize the role of the swift economic revival and integration in Europe in terms of stemming the spread of Communism, which became irrelevant for the people who saw the practical advantages of the Capitalist system. In 1951, the impact of Communists in Western Europe decreased by around one-third, and the pro-Western votes in the national elections reached an average of 84% (Tarnoff, 2018). Thus, it is hard to imagine that Europe would be able to rise from the ruins of World War II so fast without the Marshall Plan's direct and indirect impacts. Additionally, the United States was able to reach its political goals on the continent using primarily economic instruments.

The Impact of the Marshall Plan on the Economy and Politics of the United States

The influence of the Plan on the United States of America was multifaceted. On the one hand, it brought about a significant economic boost in the long run driven by stable growth of trade with Europe and increasing labor efficiency inside the country. On the other hand, the country managed to contain the spread of Communism further in Europe, although some historians believe that the Marshall Plan fueled the start of the Cold War. Economically, the Marshall Plan was greatly debated in the United States before its implementation. According to Steil (2018), when Truman and his supporters in government managed to generate bipartisan support for the European aid program, they essentially changed the policy of American isolationism to encourage greater imports. The National Association of Manufacturers (NAM) resisted the policy, fearing for the U. S. trade balance. Additionally, the U. S. Chamber of Commerce supported the NAM's position, claiming that the «U. S. exports [must] be consistent with the ability of our customers abroad to pay for them by their own exports.» Fortunately for the Plan, its developers communicated the necessity of creating a strong and economically united Europe to the manufacturers and decision-makers in the United States. In particular, Dean Acheson, the Under Secretary of State, worked with entrepreneurs and convinced them of the need to support the Plan while meeting them in person. For instance, in May 1947, he attended a meeting of the Delta Council at Delta State University in Cleveland, Mississippi, where he engaged with influential business leaders from that region (Hinnerschitz, 2022). As Steil mentions in his article, Republican Senator H. Cabot Lodge stated during the discussions of the Plan that «the aid which we extend now and in the next three or four years will in the long future result in our having strong friends abroad» (Steil, 2018). Such a visionary approach to the matter allowed the United States to continue growing economically despite the fears of business lobbyist in the country.

Pruitt (2020) found that the GNP of the United States worth 200 billion U. S. dollars in 1940 increased exponentially to 300 billion U. S. dollars in 1950. In 1960, it reached more than 500 billion U. S. dollars, making the United States the dominant country of the world. According to the World Bank, its GDP was growing at a rate of 2.3% to 6.5% per annum in the 1960s (Macrotrends, 2023). Although GDP growth was the result of multiple policies and cannot be considered as the direct result of the Marshall Plan, it demonstrates that the overall policy of international economic openness was a success. Many authors mention that the Marshall Plan benefited America from both the short-term and long-term perspectives. Although almost 14 billion U. S. dollars were allocated to the needs of European countries, they would purchase a lot of commodities from the American market, fuelling the creation of jobs. According to Schmidt (1962), American exports exceeded 19 billion U. S. dollars by the end of the 1960 fiscal year. The majority of export revenues, especially in the agricultural sphere, were earned from cooperation with Europe. Thus, without the economically strong Western Europe, the United States would not have been able to generate such massive exports and would have possibly created fewer jobs across various sectors.

Politically, the Marshall Plan was probably even more impactful for the United States. It not only helped to prevent the spread of Communism from Eastern Europe, but also facilitated the creation of a powerful Western bloc (Tarnoff, 2018). As the U. S. diplomatic agents assert today, the trade relations between the United States and Europe following the Marshall Plan contributed to the creation of the North Atlantic alliance (U. S. Embassy in the Netherlands, n.d.). Some authors also point out that the Marshall Plan partially led to the Cold War. On the one hand, the Plan genuinely deepened the controversies between the United States and the USSR (Hartle, 2018). It was a necessary response in the post-war political and military environment, particularly in light of the Soviets' actions, such as their sponsorship of the coup in Czechoslovakia in 1948. Although it is hard to view the Cold War as a positive phenomenon in history, the United States indeed managed to protect its global and European interests by leveraging the Marshall Plan as a form of soft power. Ultimately, it used its economic power as a key tool to eventually overcome the Soviet Union.

Discussion

The additional literature review and analysis of the available materials mostly proved the hypotheses constructed for the research in its preliminary stage. Hypothesis 1 stated that the primary geopolitical preconditions that pushed the United States towards designing and implementing the Marshall Plan included the threat of Communism in Eastern Europe, extreme poverty in Western Europe, and the desire of the United States to ensure that it would become the leader of the «free world». Many sources prove the spread of Communism further from the USSR to be one of the key factors that motivated the U. S. decision-makers to implement the economic aid program. The program's creators publicly emphasized the dire conditions in Europe as one of the key reasons for the Plan. Although some American politicians could pursue altruistic goals, the analysis of multiple sources shows that the United States sought to improve Europe's economic conditions and make it more integrated to ensure that the Capitalist order attracted more supporters. The economic differences between the western and the eastern parts of Germany (pro-Western vs. Soviet-controlled) point to what the United States tried to accomplish with the Plan. The people in Eastern Europe could see the example of political freedom and economic integration in the West, and eventually, many became part of that community. The last part of the first hypothesis is also proved as the United States abandoned its isolationist policy that it could have followed after the end of WWII. However, the bipartisan support demonstrated once and for all that the United States was ready for global challenges, trying (and succeeding) to become the most influential and economically developed country in the world, at least for the rest of the 20th century.

The second hypothesis was that the influence of the Marshall Plan on West Germany was highly positive economically and allowed that territory to remain politically interconnected with the rest of the Western world. Additionally, it mentioned the political and economic necessity that the United States saw in including Germany in the Plan despite being viewed as a defeated aggressor at the time. The research proved that the Marshall Plan truly played a significant role in the economic uprising of West Germany, which, despite being disconnected from the Soviet-controlled eastern part, managed to demonstrate the «economic miracle» and surpass its prewar industrial and economical growth rates in several years. Simultaneously, it is crucial to mention that the Marshall Plan was not the only factor in these accomplishments. It helped Germany to create the preconditions for future economic and financial policies and remain politically and economically interrelated with the rest of Europe. However, most modern historians also agree that the German decision-makers, led by the Minister of Economy Erhard, need to be credited for the wise policies, including market liberalization and currency reform. Politically, the decision to include West Germany in the Plan was somewhat hard to communicate to other participants, especially France. However, with German inclusion being the condition communicated by the United States, the rest of the participants had to agree to it. Americans envisioned Germany to become one of the drivers of the Capitalist and interconnected Europe, and, as history proved, they were not mistaken.

According to the third hypothesis, the Marshall Plan was one of the first and most impactful policies in the Cold War, and for Western European countries, it marked the beginning of their economic integration, cooperation and development. This hypothesis was also proved throughout the review of the historiography. With the help of such institutions as the Europe-controlled OEEC and American-ruled EAC, the Plan managed to bring its 16 participant countries together politically and economically. Western Europe's economy was revived extremely effectively. Europe surpassed its prewar industrial and agricultural levels in the early 1950s. Industries grew by 55% over the Plan's period, while the agricultural sector increased by 37%. Similarly, as with the German «economic miracle assessment», many historians and economists argue that the Plan was not the main reason for such growth and emphasized Western European nations' effective economic reforms and trade cooperation. However, additional analysis proves that both the economic reforms (market liberalization, currency reforms) and greater cooperation among these nations were to a large extent the outcomes of the American policies promoted in Europe along with the financial aid.

With the help of their institutions and ambassadors in the European countries, the Americans ensured that the recipients of funds implemented capitalist market policies and established deeper economic contacts among themselves. The long-term outcomes also involved further strengthening of the European political and economic alliance, with stages like the European Coal and Steel Community, European Economic Community, and European Union.

The last hypothesis stated that, despite the initial losses incurred by the United States, the Marshall Plan was a significant incentive for the American economy, leading to new jobs and trade opportunities. This hypothesis was hard to prove or deny directly as the literature lacks the assessment of the Plan's effects on the American economy. However, the data on American international trade and economic growth during and after the Plan's implementation suggests that the United States succeeded economically in the long run. It soon surpassed its prewar levels of economic growth (including GDP and international trade) and became one of the most economically developed nations in the world. Therefore, the findings suggest that an additional study of the direct connections between the Marshall Plan and the American economic performance should be performed in the future. The research also demonstrated that the Marshall Plan was a major success for the United States politically. It allowed the country to protect its political interests worldwide and was one of the factors that led to the creation of the North Atlantic bloc. It is still mentioned as one of the most successful financial aid programs in history.

Conclusions

The article provides an overview and comparison of the available information on the Marshall Plan and its significance for the key players, including the United States, Germany, and the rest of Western Europe. The hypotheses were largely proved in the course of the research and analysis of the literature. It was genuinely a successful aid program, which benefited Western Europe economically and safeguarded it from the Communist impact politically. The role of West Germany in the program was special: In spite of the fact that it was a defeated aggressor after WWII, it still needed to be involved as one of Europe's industrial powerhouses. Although some historians criticize the notion of the Marshall Plan's vital role in the German «economic miracle», it is important to highlight that without the American efforts to incorporate West Germany into the Western European bloc and the guidance of the U. S. bodies, it would have been hard to imagine it as a prosperous state in such a short time. The situation is similar to the economic growth of the rest of Western Europe, which was integrated under the auspices of the economic revival program. Lastly, the program was a success for the United States both economically and politically. The country helped to construct a powerful collective European trading and political partner. Politically, the United States ensured that the spread of Communism in Europe stemmed and that a powerful capitalist bloc was constructed. Moreover, the American economy grew at a robust pace during the period of the Plan's implementation and in the following decade. At the same time, it was hard to establish the direct causal relations in this respect using the currently available information. Therefore, future research should be focused explicitly on the Marshall Plan's impact on the American economy to overcome this limitation.

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Received: March 29, 2023.
Reviewed: April 20, 2023.
Accepted: May 5, 2023.