The Cold War changed the economic dynamic in Europe. In Western Europe, the Cold War was a unifier, in Eastern Europe it was a divider, to be prevented and, tension caused by and stopped by occupation and repression, while having a similar forcing growth on both sides of the Iron Curtain economically.

Starting with the MARSHALL PLAN to Rebuild West Europe, the threat of Russian takeover drove a unification of Western Europe. The US poured billions of dollars to rebuild the economics to stave off bickering communist states and to prevent vulnerability to the Russians.

Following the growth of a Russian treaty (after the U.S. had been developed) and with the spread of communism, Western Europe banded together under NATO to contain Russia and to assure stability. NATO helped bring Europe together except France, who grew tired of it by the 1960s and opted to defend herself.

On the other side of Europe, the WARSAW Pact was being signed by communist governments that were created by Russia. Russia established friendly governments along her boarder and runned them under the Russian Communist banner (except
For Tito's diplomatic efforts, these satellite states soon afterwards, perhaps worked by Tito, these satellite states began to resist or wanted to resist the USSR. Russia's response was to quell such sentiment forcibly. She Russia united Eastern Europe through military forces and the constant reinstatement of friendly governments.

The EEC and its counterpart in Eastern Europe tied the two rival blocs together economically by creating common markets and increasing interdependence. That was in fact the goal.

Primarily the political tension that arose from the fear the other form of government would take over all of Europe (either capitalist or communist) and that created a spirit of distrust on both sides of the curtain to avoid a hostile or friendly takeover. This caused both sides to tighten their grips on their territories, as shown by Russian repression of Poland, and the Allied Aircraft into Berlin, when it was feared each time the other would be able to gain territory.

The primary differences were the styles of governments were intensified. Russia had totalitarian rule, and made it more severe to
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Prevent a loss of territories to the Western nations who were seeming more and more appealing to many. Economically, the main difference is clear. W. Europe was predominantly capitalist or moderate socialist, whereas E. Europe was Communist. But West Europe was also economically superior to E. Europe.

The cold war gave the USSR a big incentive to change that. Stalin created a more economy building & plans, as did his successors, focusing on boosting industrial and agricultural output. Consumer goods were essentially not made, a sharp contrast to W. Europe, which was producing an all-time high during the 50s and 60s, after the economy was stabilized. This changed after Stalin's death, but not drastically, the trend was still there. E. Europe was playing catch up. To try and stay ahead, West Europe began to concentrate on building their economies, but not as strongly. The Marshall Plan was an early example, the EEC, the funding of West Germany and the massive public works projects were all examples.

In the 1970s this all changed when oil...
prices from OPEC skyrocketed. This did not have a large impact on Russia or her allies, but because they were largely self-sufficient and not in the profit, but it did on West Europe, near where economies began to stagnate more (the process had begun earlier, but now it was really in full swing). However, W. Europe still had a better standard of living afterwards, showing fluctuations in the Russian impact on building infrastructure.

The political landscape of E. Europe began to shift towards that of W. Europe following the 1989 peaceful uprisings, as people increasingly "yearned for freedom" after years under totalitarian rulers. Following the fall of the Iron Curtain and the USSR, the two halves began to even out.
The post world war two era of Europe saw the continent divided into two separate sections. Coming out of the war, the integration and rebirth of Western Europe was dramatically differing to that of Eastern Europe. While Western Europe saw a rise in trade organizations and peaceful governmental changes, Eastern Europe sufficed under communist inefficiency and riots and rebellions against the government.

After the war, the US stepped in to offer assistance to countries devastated by the war. The Marshall plan was open to all who were devastated, and helped immensely in the rebirth of several nations. Inspired by the Marshall plan, France and Germany entered into a trade agreement. This idea grew and countries in Western Europe saw that by illuminating trade partners, their economies would flourish. The best example of this is the success of West Germany, quickly becoming a strong economic power. The emergence of NATO is another example of how Western Europe opened up to allow capitalism to help their countries. Politically, the countries turned toward constitutional governments, allowing people to participate more in the government, and crushing the class distinction to a great extent. Germany here too is a happy story with the emergence of a democratic government.
Eastern Europe did not fare so well. Under Stalin, Russia and the satellite countries were subjected to collectivisation and five year plans. The Warsaw Pact was formed in regard to Nato. However, the inefficiency of Moscow's planning and control failed, leaving many to suffer from famines and hunger. Industrially, these countries failed because they did not have a large enough consumer pool that could afford goods. Politically, Eastern Europe was torn by revolts and rebellions. Most of these were put down but the ideas remained. Poland, for example broke free with the Solidarity movement to support it. Yugoslavia also successfully threw off the supremacy of Russia. The Eastern European countries were handicapped until 1991 and the fall of communist Russia. Though, Eastern Europe tried competing with western but could not do so do to the inherent tactics and rebellious status of politics. The Cold War saw a strengthening of Western Europe, but a total downfall of Eastern.