

13 Problems and Prospects of East–West Transfer of Technology

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The socialist countries have become actively involved in the international exchange of technology, particularly with respect to the sale and purchase of licenses, since the mid-1960s. The last decade has witnessed the appearance of new important factors in East–West transfer of technology aiming at amelioration of legal, institutional and economic mechanisms of this process and at improving its efficiency. There is a growing trend to combine licensing with purchasing and leasing of appropriate research and technological equipment, ‘turnkey’ plants, and complete sets of machinery.

Meanwhile, there are factors hindering the process of mutually beneficial transfer of technology between East and West. It is an internal factor that CMEA countries are lagging behind the world level in some important areas of science and technology such as computer hardware and software, new materials, certain kinds of mechanical engineering, electronics, optics, biotechnology and others. This is combined with poor quality and low competitiveness of industrial goods manufactured on the basis of both domestic and foreign technology which considerably reduces the export potential of the machinery and equipment produced in CMEA countries. The innovative process is also delayed by a slow speed of diffusion of innovations, inadequate mechanism of stimulation of technological progress, including its economic, legal and institutional components. Among external factors, politicalisation of trade is the most important. This was especially noticeable at the end of the 1970s and in the early 1980s when some Western countries, first of all the United States, introduced strict rules regulating export to socialist countries and enforced more severe practices of export administration with the COCOM framework.

It is not the technological war, but broad international scientific and technological contacts in the interests of the co-operating countries and the whole of mankind that should enjoy priority in the development of East–West relations.