

Economic Policy and Planning in the CMEA

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The general theory of regional economic integration draws heavily on the experience of market integration within the European communities. This one-sidedness has become conspicuous for developing countries, when living under fundamentally different historical, social and also economic conditions, they attempted at forming integrational groupings of their own, relying on these generally accepted theses. Especially Latin-American and African states had to learn from their own bitter experience, that interrelationships which might work among advanced European market economies lead to fundamentally different results when applied directly to a group of economies, that are at present at a different stage of development, and face radically different tasks from the ones that were to be promoted by the Treaty of Rome.

The other major integrational grouping in Europe, the Council for Mutual Economic Assistance (CMEA) includes some non-European members. Their economies are related primarily to the Soviet Union, so from the point of view of economic theory they constitute a special relationship, rather than a model that could be generalized. Experience within the CMEA might be of interest from a developing country's perspective in so far as from the basic systemic point of view this is an integration based more or less on the opposite principles to those of the EC. Primacy of macroeconomic planning, integration through coordination of the foreign trade sections of national plans, maintenance of economic sovereignty, full membership by the largest political power of the military alliance in the grouping, continued attempts at self-reliance within the nation-states and also within the region - those are the major characteristics of the alternative type of integration. Since the concept of planned versus free market economy has always been an important subject of the controversy between the first and second worlds, it is probably inevitable that a predominant body of professional literature on CMEA is directly ideological, i.e. trying to prove the supremacy or conversely the inferiority of integration through planning. In the following study I