

Lemper, Alfons

Article — Digitized Version

Nothing new in Budapest

Intereconomics

Suggested Citation: Lemper, Alfons (1974) : Nothing new in Budapest, Intereconomics, ISSN 0020-5346, Verlag Weltarchiv, Hamburg, Vol. 09, Iss. 10, pp. 298-, <https://doi.org/10.1007/BF02929219>

This Version is available at:

<https://hdl.handle.net/10419/139080>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

Nothing New in Budapest

A conference convened by the International Economics Association (IEA), a body set up by UNESCO in Budapest during August 19–24 last, brought together almost two thousand economists from more than 40 countries to discuss the problems of world, regional, and economic sector integration.

It must be admitted that the subject was well chosen. Integration in its widest sense is a highly topical issue worldwide just now. Europe, which for a long time was seen as the prime example of successful integration, has now to fight in defence of at least its most important achievements of integration. COMECON, the eastern counterpart, is spending now untold labour on making new advances towards integration, but this is done with a visible political-ideologic effort, clearly conscious of its aims. Numerous developing regions dominated by the belief that they should emulate the EC's integration as a key for successful economic development had to acknowledge that the initial successes of the EC were due to especially favourable conditions and could not be repeated at will elsewhere.

World conferences of this type usually feature clearly discernible areas of light and of deep shadows. Among the advantages there were, without doubt, the excellent opportunities presented by it for experts from all the corners of the world for exchanging views directly. Also the city chosen, Budapest, must be rated as a definite advantage, not only because of the highlights of its own life but as the capital town of a country

which, though it is communist-ruled, is one of the most liberally-managed ones of the Eastern bloc.

However, the subject-matter of the Congress, the variety of the standpoints pronounced there, and the new ideas and experiences, did not amount to much. In spite of all the arts of the organisers, their striving for a true balance among representatives of so many different countries or groups of countries, the conference never got rid of the shackles of being a political stage in a certain sense and that any kind of integration is not a purely economic task but intertwines closely both economic and political problems.

Thus, it remained inevitable that in such a forum consisting of people with often strongly opposed political views controversies had to occur which had little to do with economics — or awkward problems were left well alone. This fostered the impression that the problem of relative size and power of the partners intended to integrate, which is of supreme importance for any kind of integration, was circumvented with almost panicky fear, although integrations greatly differ depending on whether the partners are of approximately equal strength or whether one of the partners represents overwhelming economic potency and political power relative to the rest.

Incidentally, it was striking how few new ideas pertinent to the subject under review were presented. Delegates could hear longwinded statements, lectures

which often seemed to be unimpressive quotations from textbooks, often without inner fire and colour. The basic question as to which purpose integration should serve and who would benefit from it, how to measure its success, could hardly be heard, though integration is not of value by and through itself. Also in this field, there is a cost/benefit relation. Independence and self-reliance may be aims worthy of attainment, but any kind of integration means a smaller or greater sacrifice of sovereignty. As was to be expected, the old formula of "trade creation" and "trade diversion" popped up repeatedly, but it does very little to elucidate the fundamental facts of integration and its contents. Integration may be desirable for economic reasons, i.e. to achieve more efficiency, which means accelerated economic growth. But it may also be politically motivated, and this was cautiously underlined in a number of cases by delegates from socialist countries.

To discuss seriously the Pros and Cons of integration, it is indispensable that its aims and preconditions are, at least, precisely defined. The means to this end have to be assessed as to input and output. But in Budapest, there was no scrutiny of this kind. On the other hand, observers ought not to be unfair: Conferences of this type, especially if they deal with problems that are both economic and political can rarely be used as a true forum for launching great and novel concepts. They are events largely devoted to producing a show.

Alfons Lemper