

**Letter****Roots of CEE economic success were planted in postwar industrialisation**

From Dr Aleksandr V Gevorkyan, New York, NY, US

YESTERDAY

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Martin Sandbu's Free Lunch column correctly highlights the critical institutional factors in Poland's economic transformation and sustained growth afterwards (["An anniversary to remember: the economics of Poland's 1989 election"](#), FT.com, June 6).

However, to be objective, it is also helpful to remember that, among other things, the roots of the economic successes in Poland and some central and eastern European economies were planted in the industrialisation that followed the second world war.

Setting aside debates on the efficiency of the socialist plan, the eventual industrial transformation would by the early 1990s lead these countries into closer supply-chain integration with the EU and global economy. In relative terms, during their socialist past, the CEE economies were less centralised, maintaining a kind of "socialist market" competition among each other with some industrial output variety, access to technology and external funding, as well as trade links with and geographic proximity to western Europe.

At the time, few of these distinct options were available to the small socialist economies elsewhere, partly explaining the massive structural disruptions of the 1990s and, perhaps, a reminder now of the risks of leapfrogging over industrial capacity strengthening in favour of the more popular, these days, services sectors.

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