

THE “RECENT PERIOD” OF THE IARIW, 1988 TO 1998

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INTRODUCTION

This note addresses what the session organiser has termed “the recent period” in the history of the Association. The “early years”—1947 to 1960—saw the big decisions that arrived at a transatlantic consensus in favour of the accounting system developed by the “National Accounts Research Unit” of the Organisation for European Economic Cooperation (OEEC). The “middle ages”—1960 to 1987—saw the OEEC system grow in scope and complexity with the publication in 1968 of the United Nations *System of National Accounts* which, among other things incorporated input-output and flow-of-funds tables and which introduced the notion of institutional sectors as the basic decision-makers of the economic system.

As regards traditional economic accounting, the “recent” period has essentially been one of consolidation, culminating in the publication of the 1993 SNA which works out in impressive detail the loose ends of the earlier systems. These included the institutional sector accounts, balance sheets, their links with the intra-period flows and the treatment of natural resources as a component of national wealth. At the same time however, the Association has concerned itself with related aspects of national accounting including, especially, environmental accounting and measures of the inter-household distribution of income and wealth. Below there is a short description of the conference programme of the Association over the recent period, and this is followed by a more detailed review of developments in *The Review of Income and Wealth*.

CONFERENCE PROGRAMME

General Conferences were held in Lahnstein, Germany (1989); Flims, Switzerland (1992); St. Andrews, Canada (1994); Lillehammer, Norway (1996); and Cambridge, United Kingdom (1998).

Lahnstein was the first Conference to experiment with concurrent sessions in order to accommodate the increasingly wide range of members’ interests. Instead of the usual eight plenary sessions, four were split into two concurrent meetings so that a total of twelve topics could be covered in each Conference. The experiment was judged a success, particularly by members interested in distributional issues who felt themselves squeezed under the old arrangements, and has been

Note: The views expressed in this article are the author’s and may not represent those of the Organisation for Economic Co-operation and Development for which he works.

continued. St. Andrews was the first time the Association met in North America—an innovation that many European members would like to see repeated. Cambridge was the inevitable choice to celebrate the 50th Anniversary of the Association's birth in that same town. All were impeccably organised by national statistical agencies with advice from the indefatigable Jane Forman.

In addition, there was a full programme of Special Conferences—two on “environmental accounting,” Baden (1991) and Tokyo (1996); one on “micro-simulation and public policy,” Canberra (1993); and a conference on “measuring development” organised with the Indian Association for Research in National Income and Wealth in New Delhi (1998). It would, perhaps, be good to see the organisers of these special meetings reporting back to the membership either in an information note in the *Review* or in a special session at the General Conferences.

THE REVIEW OF INCOME AND WEALTH

Edward Wolff and Jane Forman became Editor and Assistant Editor, respectively, of the *Review of Income and Wealth* for the first issue of 1988 and have continued in that capacity throughout the decade covered by this article. The first section below describes some of the changes which were introduced during the period. The next section is a statistical summary of who wrote what—with a particular regard for any changes in the kinds of topics covered and the kinds of people who wrote them. The third section considers how far the *Review* has attuned its content to the economic and political developments of the last decade.

Innovations

Diskettes

The previous editor, Richard Ruggles, had negotiated a grant from the Alfred P. Sloan Foundation to enable the *Review* to include, at no cost to subscribers, computer diskettes containing the statistics underlying articles based on analysis of large data sets. The first diskettes appeared in the March 1988 issue accompanying an article by Robert Summers and Alan Heston on purchasing power parities for 130 countries. Diskettes continued to appear in one or two issues each year through to the end of 1992.

At the time they were introduced many readers—perhaps most of those outside North America—may not have had any convenient way to read diskettes. However it is clear that many readers did use them and the diskettes accompanying the Summers and Heston produced an impressive crop of graduate theses. It was certainly a worthwhile experiment but it has been overtaken by technology. Could it be tried again with authors posting their databases on the Association's website?

Review Articles

“Review articles” in which an invited author surveys a body of work on a common theme, were introduced in March 1990. The first, written by Paul Bowles

with the appealing title “Searching for the Ordinary Soviet,” appeared in September 1991 and at least one review article has appeared in most issues since then. Their consistently high quality has undoubtedly enhanced the prestige of the *Review*. Special thanks to Lars Osberg who has been the Review Articles Editor since the beginning.

The Kendrick Prize

The same issue that launched the review articles, also announced “the inception of the Kendrick Prize for the best articles published each year in the *Review*.” Based on a generous donation from John W. Kendrick, a long-standing member of the IARIW, there will be a First Prize of \$300, a Second Prize of \$200 and a Third Prize of \$100,” with the awards made by vote of the Editorial Board. In offering his prize, John Kendrick recalled how encouraged he himself had been to receive a prize of this kind in his earlier days. The first First Prize went to Adam Szirmai and Dirk Pilat for their study of productivity in Japan, Korea and the U.S.A. (March 1990). In 1995, the Kendrick Prize was replaced by an Editor’s Prize of \$500 for the single best article during the two-year period between conferences, again awarded by vote of the Editorial Board. André Vanoli was the first winner with “Reflections on Environmental Accounting Issues” (June 1995).

Conference Papers and Other Submissions

Historically the *Review* seems to have been regarded as a vehicle for publishing articles by members of the Association with strong preference given to articles presented at general conferences. Other articles were not excluded, but there was an assumption that substantive papers presented at a conference would always find a place in the *Review* during the following two years. Application of this policy seems to have been gradually eroded since the late 1970s presumably because of the rising quality and sheer numbers of non-Conference submissions. All articles submitted to the editors now undergo an identical vetting procedure.

Winkel

Imagine a modern Rip Van Winkel, possibly working in Statistics Netherlands, who slips into a coma while reading a 1988 issue of the *Review*. Waking up ten years later, he would certainly be pleased to see the new series of review articles, but he may regret the demise of the diskette experiment. He would be reassured to see that the *Review* continues to reflect the eclectic interests of the members. He would notice that some articles are decidedly better than others and that some are written by seasoned professionals while others by people at the beginning of their career. He would see, in short, that the Editor, his Assistant and the forty or so members of the Editorial Board have continued to ensure that the Association is well served by its journal.¹

¹In addition to the members of the Editorial Board, who review submissions on a regular basis, the Editor occasionally calls on about thirty other members each year to review specialist articles.

Statistical Overview

This section reports on a less than scientific survey of the articles that appeared in the *Review* between March 1988 and March 1998. The tables are based on a 50 percent sample consisting of two issues haphazardly selected from the four published each year. The sample covered short articles and notes as well as regular articles but excludes review articles because the intention is to see what the members, left to their own devices, considered important. The tables give percentages for the whole period and for the first and second of the two five year sub-periods denoted by I (for 1988 to 1992) and II (for 1993 to 1998).

Topics

Table 1 shows the topics covered. Just over half the articles dealt with “Distributional issues”—mostly analyses of income distribution but a substantial number looked at the less well documented area of the distribution of wealth. The topic described as “Accounting systems” was the subject of 30 percent of all articles over the full period and the share seems to be falling. These are articles that question accepted definitions, suggest new classifications or analytic presentations, propose extensions to standard systems or show how national income statistics can be linked with other data sets. My impression is that forty years ago articles that I would have put in this category accounted for well over half of the total. Perhaps most of the big questions have been answered. Within this heterogeneous group, environmental issues and the measurement of unpaid household production have grown in popularity over the period while two earlier favourites—micro–macro links and satellite accounts—virtually disappeared from the sample.

Articles on “Growth, productivity, saving” describe or explain changes in various macro-economic aggregates; their share nearly doubled over the period from 6 percent to 11 percent. “PPPs” includes articles addressing both ICP-type measures based on final expenditures as well as ICOP-type measures based on value added.² “Historical national accounts”—articles that construct GDP and related aggregates for long periods in the past—became rarer in the later period.

Table 1 shows the influence that energetic individual members can exert. The prominence of articles on income distribution must be in large part due to the encouragement of Tim Smeeding and colleagues at the Luxembourg Income Study (LIS) and many of the articles on productivity and historical national accounts were written by former students and collaborators of Angus Maddison during his tenure as Professor of Economic History at Groningen University.

Empirical vs. Think Pieces

Table 2 divides articles between those I have judged to be essentially “think pieces” and those which are more empirical in nature. Some articles fall naturally

²International Comparisons of Output and Productivity (ICOP) refers to a methodology developed by Angus Maddison with Bart van Ark and other students at Groningen University for comparing real levels of productivity. Several ICOP studies have been published in the *Review*. A recent example is “Multilateral Comparisons of Output, Productivity and Purchasing Power Parities in Manufacturing” (Dirk Pilat and Prasada Rao, June 1996).

TABLE 1
 PERCENTAGE DISTRIBUTION OF TOPICS, 1988-98
 (I: 1998-92; II: 1993-98)

Topic	I	II	Full Period
Distributional issues	52	56	54
Income	38	44	41
Wealth	14	12	13
Accounting systems	33	28	30
Environment	2	4	3
Household production	—	5	3
Macro-micro links	6	—	3
Satellite accounts	8	1	4
Other	17	17	17
Growth, saving, productivity, etc.	6	11	9
PPPs	2	5	4
Historical national accounts	6	2	4
All	100	100	100

into one or other of the groups. For example, Laszlo Drechsler's insights on the nature of services (September 1990) is an archetypal "think piece," while Shelley Phipps' study of gender differences in earnings (December 1990) is just as clearly an empirical study. Writing any article involves some thinking and many of the articles I have classified as empirical make use of data to demonstrate new measurement techniques or to suggest how concepts might be improved. In drawing up Table 2, I have asked myself whether the author's **principal** concern was to tell us something about the real world or to make us think about a concept, a definition, a measurement technique etc. My subjective assessment suggests that we are essentially an association of empiricists (70 percent) but with a hard core of philosophers (30 percent). Over the decade we have become neither more thoughtful nor more practical.

TABLE 2
 THINK PIECES VS. EMPIRICAL STUDIES

	I	II	Full Period
Think piece	28	29	29
Empirical	72	71	71
All	100	100	100

Single or Multiple Authorship

Table 3 shows the percentage of articles written by one or more authors. For the full period the shares were virtually equal, but there seems to have been more preference for multiple authorship towards the end of the period. Growing insecurity or greater team-spirit?

Country Spread

What distinguishes the Association from most similar bodies is its international reach and this is reflected in the wide country interests of members as

TABLE 3
SINGLE VS. MULTIPLE AUTHORSHIP

	I	II	Full Period
Single	55	47	51
Multiple	45	53	49
All	100	100	100

well as the diversity of their national origins. Table 4 shows which countries authors have been writing about. Inevitably OECD countries predominate because of the paucity, outside the OECD area, of the kinds of statistics which are the essential ingredients of most *Review* articles.³ Throughout the period, OECD countries have featured in four of every five empirical articles. Splitting the period in two shows that slightly less interest in North America towards the end of the period was offset by more studies on European countries. Period I articles looked at 36 countries compared with 39 in period II. For the full period,

TABLE 4
PERCENTAGE DISTRIBUTION OF COUNTRIES COVERED:
1988–98

	I	II	Full Period
OECD	80	80	80
North America	29	26	28
U.S.A.	22	21	22
Canada	8	5	7
Asia/Pacific	7	6	6
Japan	4	5	4
Australia/New Zealand	3	2	2
Europe	43	48	46
Nordic	9	14	12
Netherlands	9	2	6
U.K.	6	7	7
France	4	4	4
Germany	4	5	5
Other	10	16	13
NON-OECD	20	20	20
Russia	2	3	2
China	—	2	1
India	3	1	2
Brazil	2	2	2
Indonesia	—	1	—
Other Asia	6	3	5
Other Latin	5	7	6
Other	2	2	2
Total	100	100	100

³During the period, Mexico, Korea, Czech Republic, Hungary and Poland joined the Organisation. In the interests of comparability these countries are regarded as non-OECD for the whole period 1988–98.

TABLE 5
PERCENTAGE DISTRIBUTION OF AUTHORS'
NATIONALITIES: 1988–98

	I	II	Full Period
OECD	97	88	91
U.S.A.	38	26	31
Canada	10	5	7
Netherlands	18	8	12
U.K.	8	9	9
France	4	4	4
Germany	5	3	3
Other	14	16	15
Transition Countries	1	7	5
China	—	3	2
Russia and Europe	1	4	3
Other countries	2	5	4
All	100	100	100

49 countries were featured in *Review* articles which is a respectable 30 percent of the total number of countries recognised by the United Nations.

Table 5 shows nationality of authors. The table tries to show countries of birth rather than where authors were living when they wrote their articles and the country attribution was sometimes based on guesswork. The vast majority of authors still come from OECD countries although there has been a noticeable fall, from 97 to 88 percent, between the beginning and end of the period. Within the OECD, about 30 percent of authors came from the United States. Surprisingly, a relatively small country, Netherlands, is next most prolific. Within “other OECD” Swedes, Danes, Norwegians and Finns are prominent. Long traditions of English language teaching may have given these countries a competitive edge over the countries of Southern Europe. Or maybe it is the long Winter nights.

ADAPTING TO ECONOMIC AND POLITICAL CHANGE

The decade since 1988 has seen major shifts in economic thinking, in political structures and in social policies. How well has the *Review* responded to these changes? Here are five tests.

Liberal Economics

Deregulation, privatisation, trickle-down tax reductions and less government concern for citizens’ welfare have implications for wealth and income distribution, for the relative sizes of the government and business sectors and for (hopefully faster) economic growth. *Review* articles relevant to the new economics have been scarce and have tended to concentrate on the downside. Examples include David Johnson and Stephanie Shipp’s study of the growth of inequality in the United States from 1960 to 1993 (June 1997) and Miguel Székely’s “Poverty in Mexico During Adjustment” (September 1995).

Globalisation

The spatial separation between production and consumption made possible by falling costs of transport and communications is changing world-wide patterns of production and productivity, international trade and capital movements and the distribution of income and wealth between countries. Globalisation looks like a meaty topic for the *Review* but in fact I cannot find a single article dealing directly with globalisation in the last 40 issues. The best that can be said is that Bart van Ark and colleagues at the Groningen University have developed the ICOP framework which would seem ideal for studying the impact of globalisation on international changes in output and productivity growth.

Transition

Transition to market economic systems in Europe and Central Asia has drastically lowered national incomes, destroyed entire industries, wiped out personal savings in several countries and substantially widened the distribution of income and wealth while also offering the hope of faster economic growth in the longer term. The slower transitions in China and Vietnam have produced sustained economic growth, but are now threatening social unrest through mass unemployment and growing disparities between urban and rural incomes. In contrast to globalisation, the *Review* has covered several aspects of transition. There have been several studies of how to apply Western accounting methods to economies that are still emerging from central planning; examples include “National Accounting in Transition Countries: Balancing the Biases” (Adriaan Bloem and colleagues, March 1998) and “Introducing the SNA to the CIS Countries” (Youri Ivanov and colleagues, September 1993). Richard Rose and Ian McAlister took an original look at welfare aspects of transition in “Is Money the Measure of Welfare in Russia?” (December 1996), and the effects of transition on income distribution are examined in “Trends in Urban Inequality on Two Chinese Provinces” (Rolf Aaberge and Xuezheng Li, September 1997) and by Chris Doyle in “The Distributional Consequences During the Early Stages of Russia’s Transition” (March 1996).

Climate Change

National accountants have a long history of thinking about environmental deterioration but fewer positive achievements to boast about. Climate change is certainly the main environmental concern of the last decade with the now universal acceptance that industrial activities are causing irreversible changes to the world’s climate. The relatively few *Review* articles on environmental topics have mostly dealt with the easier issues of resource depletion, defensive expenditures and deterioration of air and water quality. Exceptions include “Integrated Environmental and Economic Accounting: Framework for a SNA Satellite System” (Peter Bartelmus, Carsten Stahmer and Jan van Tongeren, June 1991) and “Taking the Environment Into Account; The NAMEA Approach” (Mark de Haan and Steven Keuning, June 1996) both of which develop frameworks that can also take account of the bigger issue of climate change.

Aging

In Europe, the rise in the number of elderly people in the population has important implications for the financing of pensions and health care, for the roles of the public and private sectors in providing health and welfare services and, because old people are relatively rich, for the distribution of wealth between households. Only one recent article has dealt directly with the topic—a review article by Joseph Quinn “Economic Implications of an Aging Society,” (December 1997); other articles have noted the rising proportion of elderly persons as an explanatory factor in changes in wealth distributions over time.

A Modest Suggestion

The comments above show that the *Review*'s record of focusing on new issues is somewhat mixed—a score of 5 out of 10 at best. How can a journal such as the *Review* update its profile to reflect new policy concerns? As noted above, there are no longer any formal links between the journal and the papers presented at general conferences but the latter nevertheless remain the best means available to members to influence what goes into the *Review*.

Subjects for general conferences are democratically elected—a bad system but all alternatives are no doubt worse. Two aspects of the procedure are worth noting. First, topics selected usually reflect the research interests of members who can be relied on to produce quality articles for the conference on a timely basis. This inevitably leads to some inertia since organisers look at past accomplishments rather than trying to identify new areas for investigation and new authors who might deal with them. Second, topics tend to be defined rather narrowly—such as how to construct an “equivalence scale” or how to measure the “hidden economy.” There is a definite advantage in having a narrow topic since it holds out the chance of solving an identifiable problem. But perhaps it would be good to select at least one broad “horizontal” topic for each conference. Take globalisation as an example. There is scope here for studies of inter-country income distribution, of changes to global patterns of production and trade, of shifts in comparative advantage and of changes in the directions of foreign investment to name just a few. “Horizontal” topics of current policy interest might also encourage better mixing between specialist areas within the Association.