

IN MEMORIAM: JÁNOS ÁRVAY

1924–1996

János Árvay, well-known statistician, outstanding expert on national accounting, former chairman of the International Association of Income and Wealth, died on 1 March 1996 after a short illness. He was a very remarkable man. His immense energy and constant cheerfulness have always helped raise the spirits of all who knew him. He had enormous capacity for work and love of life.

János belonged to a generation that had a particularly hard life in Hungary. His youth was overshadowed by the Second World War. He was twenty when he became a war prisoner in 1945 and spent four years in Soviet camps. His career started in the austerity of the Cold War.

It is noteworthy that this remarkable economist and statistician graduated in agricultural engineering. He made his studies parallel with his work in the Hungarian Central Statistical Office, which he joined in 1951. Price statistics, family budget statistics and agricultural statistics were the fields of his early activity. His first milestone was the establishment of a system of agricultural accounts in which he combined his practical knowledge of agriculture with his statistical and accounting abilities. Later on he returned from time to time to this subject, e.g. in the early eighties as a UN-ECE staff member he prepared a Manual of Agricultural Accounts.

The mid-sixties constituted a substantial reform period in the Hungarian economy. Theories relating to the classical and modern market economy penetrated into the economic thinking; a reform of economic management was underway (and came into being in 1968) in which supply, demand prices etc. were substituted for the mandatory indicators of central planning. Statistics kept pace with these changes by the introduction of international standards. Árvay was in charge of the reform of the National Accounts. He started studying the SNA and created a new accounting system. This system was the first in the countries with a centrally planned economy that introduced a number of concepts, methods and variables of the SNA. From 1970 the unit of Hungarian Statistical Office under his leadership has regularly published GDP and its components, parallel with the “traditional” MPS type tables. The parallel publication became a valuable contribution to the comparison of the two systems. Later on the Hungarian accounting system took more and more of the shape of the SNA and finally a smooth transition to the complete system took place.

János was aware of the significance of his mission. He knew that National Accounts were much more than a “chapter” of the national statistical system; that his work would result in considerable changes to the structure of data collection, procession, analysis and dissemination. He was cautious and didactic as well. He focused on the information obtainable by the enlarged system rather than discouraging users by emphasizing the formal differences of the two systems.

E.g. the preserved tabulation presentation (“balances”) of the MPS rather than switching to the T-accounts or matrices of the SNA.

He summarized the experiences of this work in a book “National product, national income, national wealth—the system of national accounting in Hungary” (Budapest, 1973; in Hungarian). Here are a few words from the English summary of the book: “The author presents not only the final version of the system but makes the reader acquainted with the previous discussions and considerations which had been devoted to the selection, out of the various alternatives, of the concepts most appropriate to the concrete economic conditions and actual mechanism of economic management in Hungary.”

This book, which was used as reference book on the topic for about two decades, was awarded with the “Academic Prize” by the Hungarian Academy of Sciences and was the thesis for his Ph.D.

From 1979 to 1985 Árvay was staff member of the Statistical Division of UN Economic Commission for Europe. He was in charge of the development of economic statistics. In such a way he was responsible for approximately ten different topics; National Accounts and agricultural statistics, transports, industry, labour, prices, etc. One of his most important achievements in this period was the contribution to the regionalization of the International Comparison Project, i.e. the comparison of real values and purchasing power parities. He established, in co-operation with EUROSTAT and the Austrian Statistical Office the first European comparison in the framework of UNICP. He drafted the UN publication “International Comparison of Gross Domestic Product in Europe–1980”—the first in this series.

Back in Hungary he involved himself in some hot topics of national accounting and other fields of statistics, e.g. the establishment of a kind-of-activity based statistics in addition to the existing system on institutional unit basis. He was invited by numerous international agencies to act as consultant or project leader in various undertakings, e.g. by the World Bank to estimate the actual growth and inflation of the centrally planned economies; by OECD to assess the impact of the national accounting systems (SNA or MPS) on growth rates. One of the most typical examples of his quick reaction to actual problems was his research on the share of private sector and the hidden economy in Hungary. He was co-author of a book which discussed the theoretical backgrounds of this issue in addition to the numerical estimates (1995).

In 1988 he was awarded with the State Prize, one of the highest acknowledgements in Hungary “for his achievements in the development of the National Accounting System.” He was one of the initiators of the re-establishment of the Hungarian Statistical Association and he was elected a Board member in 1990.

At the 1989 General Conference in Lahnstein (Germany), János Árvay was elected chairman of the IARIW. His term was three years (contrary to the two year terms of his predecessors and successors), because at this time the switch of the conferences’ rhythm from odd years to even years took place. That was a particularly busy period; the focus of his efforts was the inclusion of experts of the transition countries to the ranks of conference participants. Due to these efforts, sufficient attention was paid to the particularities of the national accounts in these countries.

János was a gentle person in private as well as professional life. He had many friends in Hungary as well as all over the world. He maintained contact with retired colleagues, and every year at Christmas time, it was he who contacted the families of former fellow workers.

He was 70, when, in 1994 he was invited by UN-ECE Geneva again, this time as Regional Adviser to assist in the development of statistics on the new countries in Eastern Europe. It was in Geneva that he died. Let me conclude this In Memoriam with the words of Tom Griffin, Director of the Statistical Division: "It has been a great pleasure and privilege for me personally to have had the opportunity to work alongside János for these last two years and I shall miss him deeply both as a friend and colleague. I am sure that my feelings will be shared by all who have had the privilege of knowing him."

György Szilágyi

