

## THE MIDDLE YEARS OF THE INTERNATIONAL ASSOCIATION FOR RESEARCH IN INCOME AND WEALTH, 1962–87

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### THE FIRST IARIW CONFERENCE

The first conference of the IARIW was held at Cambridge University in 1949. At that time economists and statisticians were concerned with the problems of European economic recovery. Nancy Ruggles and I were employed by the Economic Cooperation Administration to develop national income accounting as the framework for analysing European economic recovery. We had written a little booklet, *National Income Accounting and its Relation to Economic Policy*, and in addition we had visited Central Statistical Offices of a number of the European countries included in the Marshall Plan. Such visits had convinced us that a centre was needed to train statisticians in Central Statistical Offices in the compilation of national accounts. In this connection we had come to Cambridge to persuade Richard Stone to set up a National Accounts Research Unit (NARU) with the financial support of the Economic Cooperation Administration. Stone did set up such a group and it was in place at the time of the first meeting of the IARIW. During 1949, Odd Aukrust of Norway, Jan Marczewski of France, and Kurt Hansen of Denmark were in residence at NARU in Cambridge and so attended the IARIW meeting.

### THE IARIW MOVE TO YALE IN 1961

In 1960 with the advent of the Kennedy administration, Nancy and I were employed as consultants to the Alliance for Progress and the Agency for International Development. At Yale, Lloyd Reynolds established the Yale Economic Growth Center. This Center was financed by the Ford Foundation and the Agency for International Development, and it had as its objective the study of economic growth in the developing countries. In order to accomplish this, approximately 25 graduate students in economics who were willing to write their dissertations on the economic development of specific under-developed countries were recruited to spend two or three years working abroad. It became apparent that a common framework of economic data should be utilized for the country studies. Hence, Nancy and I renewed our contact with the IARIW.

At the same time the Yale Economic Growth Center was being organized, the funding for the IARIW was running out. The Nuffield and Rockefeller Foundations were reluctant to provide further grants. It seemed quite appropriate that in view of the interest of the Yale Economic Growth Center in national accounting for developing countries, that it should contribute to the support of the

IARIW. A formal proposal for financial support of the IARIW by the Yale Economic Growth Center was made at the 1961 Tutzing conference of the IARIW. As a consequence Nancy, who was a Senior Research Associate of the Yale Growth Center, agreed to serve as Secretary of the IARIW. The independence of the IARIW was recognized by the Yale Growth Center, and it continued to function as it had under its previous Secretary, Phyllis Deane.

#### THE 1965 REORGANIZATION OF THE IARIW

In 1963, Nancy and Richard accepted appointments as research associates of the National Bureau of Economic Research and transferred their research activities to New York and Washington, DC, but Nancy continued to serve as Secretary of the IARIW. However, since the financial support furnished by the Yale Economic Growth Center came to an end, it was necessary to find other sources of funding for the conferences and the publications.

In 1965 at the IARIW General Conference held in Lom Norway, the Council undertook a number of major changes. (1) Instead of publishing volumes of proceedings, a journal, *The Review of Income and Wealth*, was to be established to publish selected papers presented at IARIW conferences and other refereed papers on the topics of income and wealth. (2) The membership of the IARIW was changed from a self-selected group of scholars to a professional association whose members paid dues. (3) National Statistical Offices were asked to become institutional members and to make annual contributions to the IARIW.

The establishment of the *Review of Income and Wealth* had a number of advantages. It usually took two or three years after a IARIW conference to edit and publish the volume of proceedings since the volume could not be produced until all the papers were available in edited form. With the establishment of the *Review of Income and Wealth*, papers of a conference could be published as soon as they became available. Furthermore, if the conference papers did not come up to the quality of "refereed" submissions, their publication could be dropped. Subscriptions could be sold to both libraries and members, thus greatly expanding the number of copies distributed. The willingness of Odd Aukrust to serve as the editor of the new journal with Per Sevalson of the Central Bureau of Statistics of Norway as Assistant Editor assured the acceptance of this proposal.

In the view of many, the opening of IARIW membership was also long overdue. The restriction of membership to established scholars not only seemed elitist, but it also excluded those "young Turks" in universities and statistical offices who were challenging the ideas of their elders. For the future of the IARIW, it seemed appropriate that the participation of these individuals should be encouraged.

Finally, since central statistical offices, central banks, and planning offices directly benefited from the activities of the IARIW, it seemed quite appropriate that they contribute to its support. Simon Goldberg and Roy Geary both were very helpful in persuading their colleagues in Central Statistical Offices to become Institutional Members.

## IARIW REGIONAL CONFERENCES

When the IARIW moved to Yale in 1961, Nancy's first task was to arrange a Middle East Regional Conference for the year 1962. Fortunately at that time Nancy made frequent trips to the Middle East for the Agency for International Development and the Yale Growth Center. A wide variety of middle east countries participated in the conference that was held in Istanbul. Jordan, Pakistan, Saudi Arabia, Syria, Turkey, and the United Arab Republic were all represented.

Nancy was actively involved in the planning of the second South American Regional Conference held in Rio di Janeiro 1974. This conference built upon the previous conference that had taken place in 1959. Since Nancy had spent considerable time in South America during the 1960s for the Ford Foundation, the Alliance for Progress, and the Committee of Nine, she was acquainted with many of the economists and statisticians working in the field of national income.

However, with respect to the 1978 IARIW Asian Regional Conference in Manila, Philippines or the 1982 IARIW African Regional Conference held at Douala, Cameroon, Nancy had relatively little personal knowledge, and so IARIW support was limited to the provision of administrative services relating to the preparation of papers and mailings to the IARIW membership.

## EASTERN EUROPEAN MEMBERSHIP

In 1965 the IARIW obtained a small grant from the Ford Foundation to encourage economists and statisticians in Eastern Europe to participate in the IARIW and attend the IARIW General Conferences. At that time Nancy and I visited Central Statistical Offices and Research Institutes in Czechoslovakia, Hungary, Poland and Romania in order to become acquainted with economists and statisticians in these countries. As a consequence, the IARIW gave gratis memberships to Eastern European economists, and provided travel funds so that Eastern European members could participate in IARIW General Conferences. Finally, due to Zoltan Kenessey and other Eastern European participants, the 1975 IARIW General Conference was held in Balatorfured, Hungary.

## THE EDITORSHIP OF THE REVIEW OF INCOME AND WEALTH

The first issue of the *Review of Income and Wealth*, appeared in March 1966 as Series 12, Number 1 of the IARIW publications. This first issue lived up to its promise; it contained articles by Richard Stone, Peter Hill, John Kendrick and Jacques Mayer. It also provided for the more prompt publication of papers presented at IARIW conferences. From the start it was agreed that the issues of the journal should be limited to 100 pages. This limitation helped ensure that only papers of high quality and general interest would be published.

Despite the success of the *Review of Income and Wealth*, and Nancy's provision of editorial services, it became difficult to find economists who were willing to undertake the rather thankless task of being editor. In 1971, Aukrust and Sevaldson resigned as Editor and Assistant Editor, and John Kendrick and Jacques Mayer agreed to serve as co-editors. In 1973, Kendrick and Mayer resigned.

At that juncture, Nancy gave up trying to find a new editor, and took over the task of Managing Editor. In 1975, when Nancy became employed by the United Nations in New York, I agreed to assume the title of Editor, as long as she was willing to continue doing all the editorial work. This arrangement was successful.

As the *de-facto* Managing Editor of the *Review* for the fifteen years from 1973 to 1987, Nancy extended the system for evaluating conference papers from session organizers and discussants, to members of the council, and the editorial board so that only the best papers of a conference would be published in the *Review*. She also improved the form sent to referees of submitted papers to ensure that the accepted papers were not only of high quality, but would also be of interest to the readers of the journal.

#### THE PROVISION OF ADMINISTRATIVE SERVICES 1961–87

One of the reasons Nancy was willing to undertake the provision of administrative services for the IARIW was due to the fact that she was already providing such services to the Econometric Society. When the Cowles Commission moved from the University of Chicago to Yale University in 1955 part of the arrangements included an agreement that Nancy and I would assume the duties of Treasurer and Secretary of the Econometric Society. As in the case of the IARIW, the duties included the arrangements for conferences, the keeping of membership lists, the billing for subscriptions, the sale of back issues, and the holding of elections for members of the council. Initially, a clerical staff of four or five people was required for carrying out these functions, but with the advent of computers it became apparent that economies could be achieved for both organizations. With the support of a National Science Foundation grant a “System of Information Processing for Professional Societies” (SIPPS) was developed first for main frame computers, and subsequently for personal computers. At the time of her death in 1987, Nancy had managed to provide the required IARIW administrative services without any staff. A project to provide diskettes of supporting data (with appropriate software) in the back of the *Review of Income and Wealth* was also undertaken and resulted in three diskettes for an article by Summers and Heston on “International Price Comparisons” in March 1988 and two diskettes in the June 1988 issue for an article by the Luxembourg Income Study.

#### THE IARIW GENERAL CONFERENCES 1963–87

The unusual success of the IARIW General Conferences has been due, in large part, to the format of the meetings. Traditionally, the participants arrive on a Sunday, and the first session starts on Monday morning. Meetings are scheduled for Monday and Tuesday, but Wednesday is reserved for an excursion sponsored by the host country. This excursion provides an opportunity for members to discuss matters of common interest informally with one another. Additional meetings take place on Thursday and Friday with Saturday being the day of departure. Thus, unlike many professional conferences, there is opportunity and sufficient time to provide for adequate discussions of a topic.

The Member and Council meetings that take place in the evenings also play a central role. Proposals of possible topics for the sessions at the next biennial IARIW Conference are discussed at the meeting of members. These proposals are then reviewed by the Council, and sessions and session organizers are designated. This process means that the topics for the next IARIW General Conference are designated two years in advance, and session organizers who are knowledgeable on the specific topics are given the responsibility of selecting appropriate authors and discussants.

As already noted, another distinctive feature of the IARIW Conference format has been the requirement that authors distribute their papers in advance of the conference, and that the discussant's presentation is given before the author is permitted to speak. This feature places greater responsibility on the discussants, and relieves the author from having to present his paper.

It is not feasible to evaluate, in this brief paper, the contribution made by the hundreds of papers that were presented at the twelve IARIW General Conferences over the period from 1963 through 1987. A listing of the sessions and the names of the session organizers scheduled at these conferences is included in the appendix to this paper.

From 1963 to 1979 the number of sessions scheduled for a conference ranged between 3 and 5. This meant that a session on a given topic could extend over a full day or in some cases several days. Although there was always some pressure to increase the number of topics taken up at a conference, the IARIW Council generally has favoured a more intensive discussion of a fewer number of topics.

At the 1977 IARIW Conference at York, England, however the "young Turks" (some of whom are currently IARIW Council members) launched the complaint that too little attention was being given to the micro aspects of research on income and wealth and too much time was being devoted to national accounting. Although some members of the Council were sympathetic, the sessions for the following 1979 IARIW Conference scheduled for Porschach, Austria did not include any topics of a micro nature.

It had long been a custom that all meetings of the IARIW were plenary on the grounds that it would be divisive to have two meetings running at the same time. However, when faced with the alternative of reducing the number of sessions devoted to national accounting, the Council approved having simultaneous sessions. Table 1 below shows the distribution of sessions topics for the periods 1963–79 and 1981–87.

As this table indicates, over 80 percent of the sessions from 1963–79 were directly related to national accounting whereas this dropped to 63 percent for the four conferences after 1981. This did not mean that there were fewer sessions on national accounting—in fact the number of national accounting sessions per conference increased from 3.6 to 4.8.

With respect to the distribution of sessions within national accounting, the three most popular topics have been (1) prices and real product measurement, (2) national accounting systems and estimation, and (3) developing countries and non-market activity. Generally, at least two of these three topics were included at every IARIW General Conference between 1963 and 1987.

TABLE 1  
TOPICS OF IARIW CONFERENCE SESSIONS 1963-87

Session Topic	1963-79	1981-87
1. National Accounting	32	19
a. National Accounting Systems, Estimation, Reliability	8	6
b. Prices, Deflation, Real Product, Growth	10	3
c. Developing Countries, Non-market Activity, Environment	7	5
d. Financial Accounts, Capital, Balance Sheets	5	2
e. Government Accounts and Transfers	2	3
2. Other Macro Data Systems Social Indicators, Input-Output	3	5
3. Micro Data	4	6
a. Distribution of Income	3	3
b. Distribution of Wealth	1	1
c. Other Micro Data		1
Total Number of Sessions	39	30
Number of IARIW General Conferences	9	4
Average Number of Sessions per Conference	4.3	7.5
Number of National Account Sessions per Conference	3.6	4.8

However, a somewhat more representative view of the focus of IARIW Conferences over the period 1963-87 can be obtained by examining the subject of the first sessions for each of the conferences. These are listed in Table 2.

Despite the concentration of the IARIW General Conferences on national accounting, the initial sessions also have reflected the current interests of economists and statisticians.

In the early 1960s economists were concerned with economic development, and the major session at the 1963 IARIW Conference in Corfu, Greece was "The Recent Rates of Growth in Developing Countries." In 1965 when the UN SNA was being developed the major session at the 1963 IARIW Conference at Lom, Norway was "Review of the Proposed Revision of the UN SNA."

After the mid-1960s when prices were generally rising, and growth slowed down, the 1967 Conference in Maynooth, Ireland examined "Deflation and the Measurement of Production," and in 1969 at Nathanya, Israel, the major session was "The Role of Prices in the National Accounts."

TABLE 2  
INITIAL CONFERENCE TOPICS

1963	Recent Rates of Growth in Developing Countries
1965	Review of the Proposed Revision of the UN SNA
1967	Deflation and the Measurement of Production
1969	The Role of Prices in the National Accounts
1971	Socio-Economic Statistical Systems and Indicators
1973	The Treatment of Human Resources in the National Accounts
1975	National Product and Welfare
1977	The Evaluation of Services and Non-Market Activity
1979	The Changing Pattern of International Financial Flows
1981	Developing Countries' Experiences in Implementing National Accounts
1983	Inflation Accounting
1985	Revision of the SNA
1987	Historical Estimates of Income and Wealth

The 1970s brought disillusionment and skepticism about traditional national accounting—small was beautiful, and there was concern for human values and the environment. It was charged that GNP represented Gross National Pollution. The 1971 Conference in Ronneby, Sweden focused on “Socio-Economic Statistical Systems and Social Indicators.” This was followed by the 1973 Conference in Balatorfured, Hungary, “The Treatment of Human Resources in the National Accounts.” In 1975 at Aulanko, Finland, the initial session was on “National Product and Welfare.” Finally, in 1977 at York, the major topic was again “The Evaluation of Services and Non-Market Activity.”

The pattern after 1977 is somewhat less clear. In 1979 at Porschach, Austria the initial topic was “The Changing Pattern of International Financial Flows in Relation to the External Sector of the National Accounts.” This was followed by a return to previous themes. The 1981 Conference in Gouvieux, France focused on “Developing Countries’ Experiences in Implementing the National Accounts.” This was followed by “Inflation Accounting” at the 1983 Luxembourg Conference, and “The Revision of the SNA” at the 1985 Nordwijkerhout, Netherlands Conference. Finally, in 1987 at Rocca di Papa, Italy, the initial topic was “Historical Estimates of Income and Wealth.”

#### SUMMARY EVALUATION

It is difficult to summarize the contribution of the IARIW over the quarter of a century, 1962 to 1987. In contrast to the progress being made in astrophysics, micro biology, and computer science, the progress in economics during this period seems quite modest indeed. However, there was discernable progress in the field of national accounting in which the IARIW was deeply involved. Since its inception the IARIW had served as a catalyst whereby economists and statisticians in central statistical offices, international agencies and academic institutions could meet and carry on a dialogue about the development of national accounting. During the first decade of its existence, the IARIW was concerned with the development of a Simplified System of National Accounts (SSNA) for the Organisation for European Economic Cooperation, and the related System of National Accounts (SNA) for the United Nations.

During the 1960s, however, there was increasing recognition that the various forms of economic accounting such as input–output tables, monetary and financial data, balance of payments, national wealth and balance sheets were all parts of a larger economic accounting system and needed to be integrated into a common economic accounting framework. The 1968 United Nations SNA represented such an integration—but the task was unfinished.

In the 1968 SNA, some of the areas of economic accounting were not sufficiently specified or were not fully operational. During the early 1970s, furthermore, there was a major change in the economic climate of the period. National accounting was, indeed, the product of Keynesian income and employment theory where the propensity to consume, the Phillips curve of unemployment determined the trade-off between price inflation and the level of unemployment. The stagflation of the 1970s, however, brought both inflation and unemployment thus discrediting what had become the conventional wisdom. In an effort to develop

other kinds of information, statistical offices developed social indicators, and national accountants developed social accounting matrices, satellite accounts and environmental accounting. As already noted, there was also a movement to the analysis of microdata. Although these influences have torn at the fabric of traditional national accounting that is based on major macro aggregates, it has also been these concerns that have shaped the major SNA revision that finally did take place in 1993. In essence, the seeds sown in the past do bear fruit in the future.

#### IARIW GENERAL CONFERENCES 1965–87

##### *List of Sessions*

1963 Corfu, Greece—Chairman, C. A. Oomens

1. Recent Rates of Growth In Developing Countries  
Simon Kuznets and Phyllis Deane
2. Reliability and Usefulness of Short-Term National Accounts  
Simon Goldberg
3. The National Accounts of Greece  
S. Geronmakis
4. Problems of Reconciling Time Series and Cross-Section Studies of Consumption  
C. Fourgeaud

1965 Lom, Norway—Chairman, Odd Aukrust

1. Review of the Proposed Revision of the United Nations System of National Accounts (SNA)
2. Problems Relating to the Service Industries
3. The Use of Computers in the National Accounting
4. The Estimation of National Wealth

1967 Maynooth, Ireland—Chairman, Roy Geary

1. Deflation and the Measurement of Production  
George Jaszi and Solomon Fabricant
2. National Accounts and Their Use in Planning  
J. Marcewski, G. Elish, and B. Horvat
3. Education and the National Accounts  
Dudley Seers

1969 Nathanya, Israel—Chairman, Phyllis Deane

1. The Role of Prices in the National Accounting Framework  
Simon Goldberg
2. Regional Accounting  
Jan Marcewski
3. Personal Income Distribution  
K. Bjerke
4. Financial Accounts  
Raymond Goldsmith

1971 Ronneby, Sweden—Chairman, Simon Goldberg

1. Socio-Economic Statistical Systems and Indicators  
P. J. Bjerve
2. Total Factor Productivity: Data Problems, Methodology, and Models  
Edward F. Denison
3. International Comparisons of Prices and Products  
Zoltan Kennessey

1973 Balatorfured, Hungary, Chairman, Zoltan Kennessey

1. The Treatment of Human Resources in the National Accounts  
John W. Kendrick
2. Problems of Determining and Measuring the Reliability of National Accounts  
L. S. Berman
3. Economic Accounting for Developing Countries  
M. Mukherjee
4. Distribution of Benefits of Public Expenditures  
Branko Horvat
5. Problems in Measuring the Distribution of Wealth  
Harold Lydall

1975 Aulanko, Finland—Chairman, George Jaszi

1. National Product and Welfare  
Milton Moss
2. Capital Stock Measurement with Special Reference to Industrial Breakdowns  
Witold Marczewski and Kjeld Bjerke
3. Real Product and Price Measurement  
T. P. Hill
4. Measurement of Environmental Change in the Context of the National Accounts  
Martin Marimount
5. The Definition and Measurement of Poverty  
J. L. Nicholson

1977 York, England—Chairman, Reginald Beales

1. The Evaluation of Services and Non-Market Activity  
Jiri Skolka
2. Redistributive Effects of Inflation in the National Accounts  
André Vanoli
3. Special Accounting Problems of Developing Countries  
Bernardo Ferran
4. Income Redistribution Through Taxation and Expenditure  
J. L. Nicholson
5. Systems of Price and Quantity Indexes, Including Quality Change  
Lazslo Drechsler

1979 Porschach, Austria—Chairman, André Vanoli

1. The Changing Pattern of International Financial Flows in Relation to the External Sector of the National Accounts  
Robert Lipsey
2. Balance Sheets and Reconciliation Accounts  
Bernard Brunhes
3. Changes In Relative Prices: Inter-Sectoral and External Terms of Trade  
Kjeld Bjerke
4. Expenditures for Special Purposes (Private and Public): Measurement, Distribution, and International Comparisons  
Hans Adler

1981 IARIW Govieux, France—Chairman, Irving Kravis

1. Developing Countries' Experiences in Implementing the National Accounts  
André Vanoli
2. Selected Problems in the Use of National Accounts  
C. T. Saunders
3. Organizing Social and Demographic Statistics and Their Relation to the National Accounts  
Lennart Fastbom
4. Measuring the Distribution of Household Welfare Through Household Surveys  
Graham Pyatt
5. The Distribution of Household Wealth  
Roland Spant
6. Public Sector Statistics for Policy Purposes  
L. S. Berman
7. Current Problems in Input–Output Compilation  
Jiri Skolka

1983 Luxembourg—Chairman, Lazslo Drechsler

1. Inflation Accounting  
Jack Hibbert
2. Government Services and Total Consumption of the Population  
Jean Petre
3. The Measurement of Actual and Implicit Transfers  
Jean-Pierre Poullier
4. National Experiences in the Use of Computers for National Accounts  
Odd Aukrust
5. The Use of Microdata Sets and Statistical Matching  
Patricia Ruggles
6. The Unrecorded Economy  
Derek Blades
7. New Developments in National Accounting  
Hans Adler
8. International Comparisons of Income Distribution  
Edward C. Budd

1985 Nordwijkerhout, Netherlands—Chairman, Lennart Fastbom

1. The Revision of the SNA  
Jan van Tongeren
2. The Flow of Funds and Financial Statistics in the SNA  
Nancy D. Ruggles
3. The Treatment of Interest and Financial Intermediaries in the National Accounts  
Michael Ward
4. Distribution and Redistribution of Income and Consumption  
Michael O'Higgins
5. Integration of Economic and Social Statistics Within a Common Framework  
Lennart Fastbom
6. The Measurement of Services  
Zoltan Kennessey
7. Regional Accounts  
Alain Chantrain

1987 Rocca di Papa, Italy—Chairman, T. P. Hill

1. Historical Estimates of Income and Wealth  
Angus Maddison
2. Accounting for Crisis and Disaster  
Yoshimasa Kurabayashi
3. Macro/Micro Linkages—Households  
James D. Smith
4. Macro/Micro Linkages—Business  
André Vanoli
5. Revision of the SNA  
Alain Chantraine
6. The Measurement of Economic Welfare and Inequality  
Marilyn Moon
7. The Development of Services Statistics  
Carol Carson
8. The Production Boundary and the Informal Sector  
Derek Blades