

[IEA News]

INTERNATIONAL ECONOMIC ASSOCIATION

Minutes
of
the Meeting of the Executive Committee
(Saltsjöbaden, 27 August, 1975)

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| Present: <i>Officers</i> | Edmond Malinvaud, President, (Chairman) Shigeto Tsuru, Vice President Herbert Giersch, Treasurer |
| <i>Other Members</i> | Oleg Bogomolov Béla Csikos-Nagy Michael Kaser Fritz Machlup Jouko Paunio |
| <i>Editor of Publications</i> | Austin Robinson |
| <i>Observer</i> | V. Mshvenieradze, Director of the Division for the Development of Social Science, UNESCO |
| <i>Secretariat</i> | Luc Fauvel, Secretary General Mary Crook, Administrative Secretary |
| Absent: <i>Executive Committee Members</i> | Gamani Corea Robert Gardiner Victor L. Urquidi |
| <i>Adviser to Executive Committee</i> | Tigran S. Khachaturov |

The President opened the meeting, welcoming the members present.

I. Activities since the last meeting of the Executive Committee

The President drew attention to the relevant paragraphs of the Activities report before the meeting.

a) *Congress in Budapest, (August 1974)*

Fritz Machlup remarked that it would be superfluous to comment on the meeting since all present had attended; he reported on the difficulties encountered in editing the papers underlining in particular the problems of translation. The manuscript was now in the hands of Macmillan.

Béla Csikos-Nagy described the considerable effort and expenditure made by the Hungarian Economic Association for this Congress. The final cost to the H.E.A. had amounted to some \$ 200,000, \$ 80,000 more than had originally been budgeted.

The meeting expressed its sincere gratitude to the Hungarian Economic Association and in particular to President, Béla Csikos-Nagy.

In reply to a question concerning the contributed papers, Béla Csikos-Nagy said that the H.E.A. intended to publish a selection of these papers in Hungarian. The book would contain a list of all contributed papers.

As guidance for future congresses, it was emphasized that no promise of publication should be made to authors of contributed papers. The importance of limiting the size of working groups and the length of interventions was also stressed.

b) *Workshop on "Population and Development (Istanbul, September 1974)*

This workshop is considered to have been very helpful to the civil servants and other specialists in the region. It was noted that it was not intended to publish the papers of this workshop.

c) *The Microeconomic Foundations of Macroeconomics, (S'Agaro, Spain, April 1975)*

The President reported that this had been a lively meeting with a good group of economists. His own view, which was confirmed by the report of the Programme Committee Chairman, was that the discussion might have concentrated more on the narrower microeconomic aspects of the subject, but it would, he thought, make an interesting volume.

d) *Organisation and Retrieval of Economic Knowledge (Kiel, FRG, July 1975)*

Herbert Gierzch reported that twenty-seven participants had attended this meeting, half employed in libraries, and the rest library-users. Twenty-six papers were presented and written comments were submitted by authors who

did not participate. After overcoming the initial difficulty of starting discussions on contributions from two groups who had not met, the debate was animated. Suggestions which had received the approval of two-thirds of the participants had been listed and would be included in the volume.

The meeting took note of these recommendations and in particular endorsed No. 3 which stated:

"The problem of standardizing full identification of authors (full names, not substitution of initials for) given names particularly wherever an article or book appears; subsequent bibliographic listings should use full author identification whenever it is economically possible to do so. Also there should be full identification of book publishers—not just city of publication—as well as italicization in reference of the title of a volume or journal in which an article appears."

Consideration was given to a request by Harry Johnson to have his paper published in *Minerva* before the publication of the Macmillan volume. It was agreed that exceptionally permission would be given for the prepublication of this one paper, provided a footnote was included announcing the forthcoming Macmillan volume.

The meeting expressed its appreciation of the support given by the Volkswagen Foundation which had borne the largest part of the cost of this conference.

II. Activities in preparation for end 1975 and 1976

- a) "*Inflation, Theory and Anti-Inflation Policy*" (Saltsjöbaden, Sweden, 28 August–3 September 1975)

Concern was expressed that the late arrival of many of the papers made it impossible for the first discussants to do them justice. It was recommended that every effort should be made to schedule the organization of conferences earlier so that papers were received in time. In cases where a first discussant received a paper too late to prepare a considered introduction, he should exceptionally be allowed to revise his text after the meeting.

- b) "*Economic Relations between East and West*" (Dresden, DDR, 29 June–3 July 1976)

Oleg Bogomolov, Chairman of the Programme Committee, reported that the preparation of this conference was well advanced. Acceptances had been received from 11 of the 16 prospective paper-writers.

The meeting discussed and made suggestions on the draft programme. It was felt that up to 20 further specialists might be invited as discussants which would modify the somewhat rigid East/West division of the paper-writers for each topic.

It was agreed that the title of the conference should be "Economic Relations between East and West."

Note was taken that all the necessary preparations had been made by the member association of the DDR and that application for visas for the participants should be made by February 1976.

c) *"Econometric Contributions to Public Policy"* (August/September 1976)

The Meeting took note of the draft programme. The President reported that negotiations were under way for the possible holding of this conference in Italy. (It would also be the location of the 1976 meeting of the Executive Committee). The problem of finding the necessary supplementary financial support had still to be solved.

Since the Econometric Society's annual meeting would be held in Helsinki from 23 to 27 August 1976, the IEA conference should be at some date after 27 August.

d) *"Economic Choice of Technologies for Developing Countries"* (1976)

The President reported on discussions held with the Rector of the University of Teheran saying that there was good prospect that the conference could be held in Teheran in the late summer of 1976, with the support of the host country.

K.N. Raj had accepted to preside over the programme committee. Work on the programme was in hand.

Austin Robinson outlined the origins of this project. The proposal had first come from Nurul Islam and discussions had been held with A.K. Sen and I.G. Patel.

Some doubt was expressed as to whether a meeting in late September following closely on one in June/July and one in August/September would be practicable for the Secretariat. This, in the Secretariat's view, depended on the help received from the host country. The planning of the conference should in any case continue.

III. Programme for 1977

5th World Congress: "Economic Growth and Resources" (Tokyo, 1977)

Shigeto Tsuru informed the meeting on progress with the local arrangements. Two committees had been set up: a Local Preparatory Committee, chaired by himself, and a Financial Contributions Committee, chaired by I. Nakayama. The target for financial contributions was 300 million yen (\$ 1 million). Preparations were being made to receive some 700-800 non-Japanese participants, which, with 200-250 Japanese, would give a total of 1000. The congress would take place in the Tokyo Prince Hotel from August 29th to September 3 inclusive (with meetings of the Executive Committee and Council on August 26, 27th and 28th).

It was agreed that if the number of participants exceeded 1000, limitation should be effected by accommodation constraints.

With regard to the programme, the Committee welcomed a proposal that one Working Group should be devoted to Economic Growth and Resources with special reference to Japan, to be organised by the Japan Science Council. This suggestion should be passed to the Programme Committee.

The possibility of extending the programme to include a paper on the problems raised by current preoccupations with the creation of a "new international social and economic order" was discussed. In general it was thought that this would depend on the quality and scientific content of the paper.

Another possibility of extending the programme to include the relationship between business cycle and long term growth was discussed and it was agreed that it should not be accepted i.e. that it should be avoided at least in the early stages of preparation of the programme.

As to the Programme Committee, it was decided that the President would consult with members of the Executive Committee in the coming days.

It was recommended that there should be interpretation in at least French and English in the plenary sessions and if possible in some of the Working Groups. Technical facilities could be provided for those wishing to bring their own interpreters. It was noted that a decision on interpretation must be taken very soon as a considerable sum of money, *mutatis mutandis*, would have to be set aside for this purpose. Discussion of this should continue between Shigeto Tsuru and the Secretariat.

"Public and Private Enterprise in a Mixed Economy" (1977)

The President reported on his consultations with various specialists. It was

agreed that little research had as yet been published on the main issues of this topic, so that it would demand fairly intensive preparatory work under an energetic programme committee. The Executive Committee recommended that the IEA should nevertheless go ahead with the organisation of this meeting and that William Baumol (Princeton) should be invited to preside over the Programme Committee (1). Suggestions for other possible members were also put forward.

The five points listed in the President's memorandum of August 3 were considered valid and should be transmitted to the Programme Committee.

It was agreed that Mexico's offer to act as host to the conference should be accepted provided the necessary support was secured.

"Personal Income Distribution"

The President reminded the meeting of the proposal put forward by the Netherlands Economic Association at the time of the Council Meeting in Budapest in 1974 to collaborate in a conference relating to this subject. It had been thought that the actual project proposed at that time was too far advanced for the IEA usefully to join in, but that a conference might be organised by the IEA and the Netherlands Association possibly sometime in 1977. It would provide a good opportunity to bring together a small group of younger economists.

The Committee agreed that this project should be pursued with the Netherlands Association and made suggestions for the Chairman and other members of the Programme Committee. J. Tinbergen (Rotterdam) and S.K. Kuipers (Gröningen) have been proposed by the Netherlands Association.

IV. Suggestions for 1978 and thereafter

The meeting discussed possible subjects for meetings in 1978 and thereafter.

Priority was given to a project dealing with *"Structural and Regional Unemployment"* for 1978. It was agreed that consultations should be pursued during the coming year so that a more definite idea of how the subject should be treated could be put forward before the next meeting of the Executive Committee.

"Economic and Social Sciences" was also favoured as a subject for a conference in 1978, to be held possibly in Poland accepting the Polish offer of hospitality.

1) William Baumol has in the meantime accepted this task.

Finally it was agreed that a new round of suggestions should be elicited from Member Associations in order to complete the 1978 programme.

V. Publications

The president congratulated Austin Robinson on his knighthood. He felt sure that this was in part at any rate a recognition of the value of his work for the IEA, and therefore indirectly also a recognition of the value of the IEA's work.

Austin Robinson reported that three books had appeared since the Committee last met, and four volumes were in the later-stages of publication (see paragraphs 21 and 22, p. 5, of the Report on Activities dated July 1975). The volume on *Long-Term Planning and Forecasting* had been particularly difficult to edit since 75% of the papers were by authors whose mother tongue was not English. The Valescure volume (*Economic Aspects of Population Growth*) had been delayed by the late receipt of the introduction. Two other volumes—*Economics of Public Services* (Turin 1974) and *Economic Integration: Worldwide, Regional, Sectoral* (Budapest Congress 1974) were with Macmillan. The issue of three volumes a year put a certain strain on Macmillan and it was not always possible to persuade them to give priority to IEA volumes.

In general, it was agreed that the volumes would have more chance of speedy publication and be more saleable if the number of papers were fewer — where this is feasible — and if the length of papers was kept strictly within the 5,000 words limit. This should be emphasized to Programme Committee chairmen, and official invitations to paperwriters should stress the 5,000 words limit. At the same time attention was drawn to the risk of discouraging prospective good young authors by the imposition of too many restrictions.

Austin Robinson further reported that he had been in correspondence with Michael Kaser about the proposal, which had been brought up on several occasions in recent years, to publish series of articles in economics from particular schools. There was a problem that the selections should be long enough to give a true impression of the authors concerned but sufficiently brief to be contained in a manageable-sized book. They hoped to come up with some definite proposals next year.

VI. Labour Productivity Committee

Fritz Machlup reported that he had attended the meeting of this Committee

in Montreux in September 1974. It was an informal meeting with no set papers and no subsequent publication. The meetings of this Committee had been valuable in providing a forum for economists from the East and West. It was not however certain whether finances would be available for further meetings in the immediate future.

VII. Cooperation with UNESCO

The Executive Committee, in Saltsjöbaden, had the advantage of the presence and participation in its work of Professor V. Mshvenieradze, Director of the Division for the International Development of Social Sciences, UNESCO. This provided an opportunity to review in detail the problems of the relations between UNESCO and NGO's such as the IEA, which were created to assist UNESCO by complementing its programme, and thus to study the prospects for new developments in a collaboration which has been going on now for a quarter of a century.

The description of the present situation offered by the Director, and the exchange of views which followed with the Members of the Executive Committee, have highlighted a variety of points which should be kept in mind.

1. The Secretariat of Unesco endeavours regularly to assess the activities of NGO's from the scientific elements contained in their annual reports (i.e. at present, so far as concerns the IEA, the three scientific reports prepared by the successive Chairmen of the Programme Committees following the fulfilment of the three main annual projects, reports which are issued in August of the subsequent year and distributed as annexes to the annual report). It is important for the Secretariat in UNESCO that these different reports contain a short but comprehensive description of new scientific achievements and findings. Administrative data are given in the various other parts of the Annual Report.

2. It was suggested and agreed that the IEA should make use of the UNESCO Secretariat to help to increase the number of its member associations in Africa, Asia and Latin America (see resolution adopted under "X. Membership" below). UNESCO now has a number of centres and other institutions on social science research and documentation in almost all regions of the world. The National Commissions which exist in all Member States could also be used to better advantage. By using these Centres and National Commissions, better results might be achieved than had proved possible in the past. At the present time four among the eleven member of the Executive

Committee of the Association are prominent economists in Africa, Asia and Latin America; the Council, which meets every three years and reviews the general policy of the Association, is made up, for the most part, of representatives of Member Associations. It remains essential that efforts should be made through the UNESCO Secretariat as well as through other channels so that economists from all regions of the world may be adequately represented in it.

3. With regard to the programme for future activities, the Director underlined that one of the most vital social and economic problems on a world scale today is the establishment of a "New International Economic and Social Order", which implies particularly interrelations between the less developed countries and other regions of the world. This "New Order" has become a kind of banner for the Third World. A Special Declaration on it was unanimously adopted at the sixth session of the United Nations General Assembly; it was also widely discussed at the last General Conference of UNESCO. It is considered by UNESCO as one of the major world issues and will undoubtedly find its proper place in UNESCO's programme of activities. For twenty years more than half the financial resources at the disposal of the IEA have been spent on projects of interest to underdeveloped regions of the world. The problems of the "New Order" are now drawn to its attention. It was agreed (as already mentioned above under "III Programme for 1977") that the possibility of devoting to these current preoccupations one of the main papers of the World Congress in Tokyo would be studied. And the Executive Committee would of course examine with interest any suggestion for the fulfilment of projects relating to the study of the economic problems raised by this important new tendency in the aspirations manifested in the world of the United Nations and UNESCO.

4. With regard to the small research conferences organised by the IEA on current discussion of techniques and methods of economic analysis (one or two annually, to give the opportunity to work together to a group of 25-30 economists at the most active stage of their careers and who have already won a reputation by publishing articles widely debated in current journals), it was emphasized that, owing to financial limitations, in various cases the specialists invited to work together for a week in the preparation of the book of proceedings came, for the majority — if not the totality — from North America and Europe. Experts from two or three large continents were in some cases absent. It was agreed that, for such small research conferences which are financed by foundations and often, for the most part, by research

departments in the host country, with limited resources, new efforts should be made to use the sponsorship of the IEA to enable a more frequent participation in the group of specialists from the underdeveloped world, with the help whenever necessary of the appropriate department or division in UNESCO. These representatives of the underdeveloped world could also in some cases attend as observers.

5. It was also agreed that the IEA would consider organizing a series of specialised meetings in various regions of the world. What came to mind here was, for instance, a conference on some of the problems raised by a "New Economic Order" in one of the African countries (UNESCO would be supporting this in many ways). The IEA had during the past 20 years organised 14 such regional meetings (7 conferences, 6 refresher courses and one workshop) which, up to 1966, had been in part financed through contracts passed with Unesco. Two of them (one conference and one refresher course) were held in Addis Ababa in 1961. It was agreed that it would be highly desirable to resume this cooperation.

6. A more comprehensive suggestion was also put forward by the Director, namely that more emphasis might be given to the major global economic problems and interdisciplinary research which would meet the two tendencies of contemporary social thought—increased differentiation and integration. New and more specialised branches of knowledge (differentiation) as a rule emerge on the borders of existing branches (integration) and new complex problems cannot be reserved without the combined intellectual efforts of various specialists. In this sense the UNESCO Secretariat cannot but support such topics as "Economic Growth and Resources", "Economics and Social Sciences", "The Relevance of Contemporary Economic Theory to Present-day Society", which are under consideration by the IEA for future projects.

7. The meeting was also reminded that Unesco Social Sciences programme includes a number of activities on the creation of a conceptual information system (Interconcept) in the social sciences; its social science documentation system (DARE) has already become operational, and the World Science Information System (UNISIS) has now been extended to the social sciences. INTERCONCEPT will need the professional intellectual assistance of economists to become operational and the UNESCO Secretariat would be ready to make long-term contractual arrangements with the IEA, its selected teams or individuals.

8. A big project on the social sciences' response to the problems of the

contemporary scientific and technological revolution also seems to be good ground for combining the efforts of the IEA and the Department for the Development of Social Sciences.

9. As to opportunities of financial support from Unesco, the meeting was reminded that the Participation Programme to the activities of Member States can be used if a request, appropriately justified, is made by or through a Member State. A certain amount of financial support for the next World Congress in Japan could also be envisaged, including support to increase regional participation in the Congress.

VIII. Cooperation with ISSC.

The Secretary General referred the meeting to paragraphs 29-32 of the Activities Report. With the IEA in the ISSC Council, collaboration for interdisciplinary work would develop. A tangible result of this collaboration could already be seen in the Equalization Fund which had made a contribution to the travel costs of the Inflation Conference.

Members of the Executive Committee were in particular asked to give their views on the report by Paul Davidson Reynolds on "Value Dilemmas Associated with the Development and Application of Social Sciences." It was agreed that members should be given time to read the report and would meet to discuss it in a few days' time(*).

(*) At this small subsequent meeting on 31 August 1975, it was agreed that the President should reply to S. Friedman confirming that the Executive Committee had studied and expressed interest in the Report. However since it was not directed to economists they did not think it appropriate to set up a committee within the IEA to pursue its study. The comments made by members of the Executive Committee should be forwarded to S. Friedman.

XI. Finances.

The meeting approved the audited accounts for 1974 as well as the following tentative budget for 1976.

| Income | \$ | Expenditure | \$ |
|-----------------------|---------|----------------------------|------------------------|
| Subscriptions | 12, 000 | Administration | 58, 000 |
| Sales of Publications | 7, 000 | Public Policy | 35, 000 ⁽¹⁾ |
| UNESCO General Grant | 14, 235 | Choice of Technologies | 15, 000 ⁽²⁾ |
| Ford Foundation | 55, 000 | Different Economic Systems | 12, 000 ²⁾ |
| Banks and Corporation | 9, 000 | Publications | 5, 000 |

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| Interest | 6,000 | | |
| Miscellaneous Subventions | 3,000 | Preliminary expenditure on 1977 projects | 2,000 |
| | \$ 106,235 | | |
| Draw on savings from previous years | 20,765 | | |
| | \$ 127,000 | \$ | 127,000 |

⁽¹⁾ On assumption host country will supply \$ 2500

⁽²⁾ On assumption host country will finance blance of cost s

X. Membership

The meeting considered the application for membership from the Economic Association of the Democratic Republic of Vietnam and agreed that it should be accepted.

The Secretary General described the efforts that had been made to renew contacts with Turkish economists and also to interest associations in other parts of the world in the IEA.

It was agreed that an attempt should be made to get in touch with the Economic Association of Mongolia which had in Budapest manifested its desire to be affiliated to the IEA. This could be done through Professor Luv-sandorzh and through UNESCO.

Renewed endeavours should also be made to obtain more member associations from those areas which were underrepresented in the IEA. In this connection the following resolution was adopted:

“The IEA should ask the UNESCO Secretariat to support its initiatives to promote the creation of new economic associations in countries in those regions which are still underrepresented in the Association with a view to inviting these associations to become IEA members.”