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Luxembourg Income Study Working Paper Series

Working Paper No. 14

Cross National Analyses of Social Policy: Value,
Resources and Challenge

Timothy Smeeding

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FIRST DRAFT

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CROSS NATIONAL ANALYSES OF SOCIAL POLICY:
VALUE, RESOURCES, AND CHALLENGE

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The author accepts all blame for the contents.

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I. INTRODUCTION

Modern western societies in the post-industrial age share several common problems which center around the appropriate degree and type of public sector involvement in the social policy arena. A short list of these problems would include at least the following topics, many of which overlap to some degree:

- * population aging
- * single parents with young children
- * unemployment and low rates of job creation
- * health care cost containment
- * education, especially higher and technical education
- * deindustrialization and worker dislocation
- * growth of social expenditures due to entitlement
- * poverty and economic disadvantage

Public policy analyses of these issues are multidisciplinary in nature, mainly the subject area of what Edmond Lisle [1985] has called the "survey disciplines": economics, sociology and political science, and by which I mean to include demography and epidemiology, as well. Most major international organizations now have large social affairs or fiscal affairs departments which churn out compendiums of social indicators, public expenditure budgets and the like comparing and contrasting the extent of these problems across a wide range of countries. The social welfare bureaus of larger countries and their social research organizations also increasingly tend to try to come to grips with comparative international research in social policy, though their research efforts largely consist

of verbal descriptive efforts (e.g., U.S. Social Security Administration [1984]).

What often seems lacking in this enterprise, however, is a clear cut explanation of why anyone would want to look at how other countries approach social problems, i.e., the value of such inquiries. In fact, most social scientists are parochially trained not to consider the paradigm of cross-national comparative studies. As the social sciences have grown an increasingly smaller fraction of scientists who are either internationally trained or whose research is so oriented have emerged, particularly from American social sciences institutions of higher education. I would hazard to guess that there is no U.S. public policy, public administration or public management masters or doctoral equivalent to the International University business management degree programs at the University of Arizona. While multinationally oriented business enterprises are certainly a landmark of the world economic system, there are few such social policy enterprises and even fewer institutions which offer public policy areas of concentration or program tracks with this orientation. It is probably fair to argue that cross-national social policy research is still an "infant industry" in the American social sciences.

A second issue which is rarely discussed by international social policy analysts in public (but greatly discussed in private) is the basic problem of statistical resources on which

cross-national policy studies can be based. The survey disciplines by their nature rely on inferences drawn from representative population samples (or reports from government statistical and analytical offices which collect such samples). The comparability (or lack thereof) of these data is an important precursor of meaningful analytic cross-national comparisons. This quality varies by the type of data collected, by who collects it and by how it is adjusted for sampling and nonsampling error once it is collected.

In too many cases policy issues are researched without appropriate or timely data, but rather using whatever seems to be available. Often this problem is faced by "international" research agencies who are forced to include all member countries in their analyses, regardless of the quality or quantity of the data inputs from these countries. Thus, the value of comparative international social policy research is heavily dependent on the quality of the data resources upon which these analyses are based. Low quality data resources may be largely responsible for low quantity and inconclusive research.

Finally, even when the researcher has some idea of the value which might be placed on a solid piece of comparative research on a policy problem, and access to some of the statistical resources on which such analyses might be based, the personal and organizational costs of comparative collaborative social research may present too great a challenge to overcome. Even with relevant, accurate, and cross-nationally

comparable data, the knowledge burden of differences in language, culture, and institutions across countries presents a formidable barrier to meaningful cross-national research.

The purpose of this paper is to address these three issues: to present arguments for the growing value of comparative cross-national policy research; to look at some of the promising new data resources which are available or are becoming available for such analyses and how they differ from earlier efforts; and finally, to address the organizational, conceptual, and financial challenges which comparative international social policy research presents. In so doing, we hope to provide arguments from which the costs and benefits of such research efforts can be judged by policymakers, research sponsors, and prospective researchers alike.

Before we begin, it is important to define what we mean by cross-national social policy research. A suitable definition might be "research studies of a given social policy issue across two or more different nations with attention to comparing and contrasting national policy approaches, development, implementation, and outcomes." This definition encompasses several types of cross-national social policy research studies all the way from "traditional" research volumes with single country chapters by individual country experts, to more integrated studies which compare and contrast the same policy problem across several countries within the same study (e.g., Rainwater, Rein, and Schwartz [1986]; Smeeding, O'Higgins, and

Rainwater [forthcoming]; Smeeding, Torrey, and Rein [forthcoming]). The importance of this distinction is to differentiate the traditional approach from the more integrated approach. Further, it is necessary within the integrative approach to distinguish between analytical and causal studies which attempt to explain the differences found across countries from those which merely provide compendia of "comparable" cross-national data on expenditures, rules, etc., and which offer only descriptive comments and little in the way of testing of causal hypotheses, or comparative analyses of the public policy approaches which underly the data outcomes. It is our belief that moving from traditional to integrative studies and from descriptive to truly analytical integrative studies is the primary pathway by which the full potential of cross-national policy research can be achieved.

II. VALUE

The United States institutions of research, learning and teaching in the social sciences are perhaps the finest in the world.¹ Unfortunately, they are also perhaps the most chauvinist in ignoring cross-national research in the area of social policy. Its researchers are well financed to collect data and to explore various policy prescriptions to domestic problems, but generally only from a domestic viewpoint. Knowledge of a foreign language has been almost entirely removed from the Ph.D. candidacy requirements in most social science dis-

ciplines, even for those majoring in international subfields. Partly as a result of this trend, increasingly fewer native U.S. social scientists are able to overcome an important initial barrier to comparative social science research -- language differences. While large numbers of foreign students attend U.S. graduate universities, there is little flow in the opposite direction. To the best of my knowledge, the single-culture base of U.S. institutions of higher learning in the social sciences is unique to modern societies. Several factors underly this uniqueness, and they are important to an understanding of the relatively low output and professional value of cross-national policy research in the United States.

Development economics notwithstanding, funding for cross-national comparative research is sparse and of low priority to research funding agencies, particularly government agencies faced with "pressing" domestic social policy issues. While a few research agencies and social scientists have recently called for additional funding of comparative research, the net flow of funds remains quite low (Sewell [1985]; Jowell, Larsen, et al. [1985]; Inouye [1986]). Foreign research, particularly travel, is viewed largely as an excuse for a vacation. Within major U.S. funding agencies it is impossible to transfer grant monies into foreign travel without written permission from the grantor once a research budget is set. Similarly, major American social science departments have allocations of travel

funds to attend domestic conferences but rarely for international meetings or studies.²

Moreover, cross-national research is almost fundamentally problem oriented (as the list in Section I attests) and is hence both multidisciplinary and empirical in nature. The value of empirical multidisciplinary research may be well understood to public policy analysts, but it is often of low priority ranking within the traditional U.S. social science disciplines, particularly within the "regal" arena of economics.³

Given these observations -- the barriers of culture, research sponsorship, disciplinary rigidity, language, and the like -- it is not surprising that comparative social policy research is still a relatively unexplored arena. But why should American social scientists become interested in "foreign" solutions to poverty, employment, health care, aging, and similar problems in the first place? To offer some suggestions regarding the value of this type of research is the purpose of the remainder of this section of the paper.

That is, accurate cross-national comparisons provide a statistical barometer of a country's relative success or failure in dealing with shared social problems. In the same way that some domestically oriented American social scientists compare poverty, unemployment, and other phenomena across the 50 states, comparatively oriented social scientists bring to bear economic, epidemiological, and demographic data across

countries as they relate to such common policy areas as health, poverty, and economic growth.

The commonality of problems facing Western social welfare states, or mixed capitalist systems in Samuelsonian economic terms, provides an initial impetus for cross-national policy research. Over the past decade several research reports have noted the similarity of the aging population structures in high income Western countries and their likely impact on social expenditures (Torrey and Thompson [1980]; Special Committee on Aging, U.S. Senate [1981]; OECD [forthcoming]; Heller, Hemming, Kohnert, et al. [1986]). While the majority of the growth of the elderly as a share of the total U.S. population will not occur until early in the next century, several Western European nations (e.g., Sweden, Germany, Great Britain) are already facing up to the elderly populations shares of 15 percent or greater which the U.S. will face within 40 years. With the high reliance of the aged on public sector budgets for retirement income support and for health care needs (both acute and chronic) across all Western nations, the "aging" issue has and will continue to provide an agenda for serious cross-national research in the United States and in other Western nations. The spillover effects of aging research are most apparent in the health care arena, particularly in public provision of long term home and nursing care for the elderly. Here a spate of recent research, particularly that focused on Canada (Kane and Kane [1985]) and on the ability of Western European nations to

provide home care to the chronically impaired and functionally disabled elderly (Doty [1987]), has begun to emerge in the United States. Less cross-national research has occurred in the "common problem" areas of single parenthood and employment policy, largely because of cultural and political differences in how the polity of various nations react to these "problems" as compared to the U.S. reaction.

Other policy issues have attracted recent attention not only because of their commonality, but often because of stark differences across nations in their approaches to these problems. For instance, world-wide attention has been focused on the problem of rising health care expenditures (again, perhaps in part because of the aging issue). But the United States is the only major Western nation without a basic national or universal health care system. The problems of the "uninsured" and "indigent health care" simply do not exist in other modern welfare state societies. While all richer nations tend to spend proportionately more on health care than do poorer ones, several recent analyses (Poullier and Scheiber [1986]; Abel-Smith [1985]) have highlighted the fact that the U.S. health care "system" is the largest (as a share of GNP) and among the most rapidly growing systems in Western society. Similarly, analysts have turned their attention to such issues as how other nations effectively ration health care (Aaron and Schwartz [1985]); how they pay their physicians (Iglehart [1986]); etc. Emerging U.S. health care problems, such as our

high administrative costs (Himmelstein and Woolhandler [1986]) should soon join the long term care and cost containment issues as appropriate topics for cross-national health care policy research.

The recent discovery that the U.S. had the highest rate of child poverty among eight major Western countries at the turn of the decade (Smeeding, Torrey, Rein [forthcoming]) may also stimulate further comparative and collaborative research into the causes and consequences of this observation. However, the relative lack of domestic success in focusing on child benefits in the U.S. as compared to other nations in past research (e.g., Kahn and Kamerman [1983]) may temper this observation.

While extreme political, cultural, and institutional differences have muted many attempts at cross-national policy research, particularly those which are likely to be faddish (e.g., social policis in Japan) rather than effective arguments for social policy change in the U.S., our growing interest in Canadian social policy is not plagued by such vast differences in language, culture, values, or institutions. In fact, three relatively young anglophone nations (U.S., Canada, Australia) share not only a common language but also similar fiscal units (systems of national and subnational fiscal federalism), geography (quantitatively large and economically diversified regions) and economic institutions (market oriented mixed capitalist societies with relatively small public sector budgets). Given this commonality, one would expect further

growth in several areas of cross-national policy analyses among these three countries over the next decade (e.g., Wolfson [1987]).

The neoclassical social science paradigm calls for repeated validation of similar experiments in order to establish credibility. While intranational efforts in social experimentation have often been thwarted by time, budget, or other factors, the international arena offers the promise of richer comparisons. It would seem that social policy experimentation readily lends itself to the "natural laboratories" offered by other countries. For instance, the country laboratory phenomenon is just beginning to emerge in the comparative study of the economics of behavioral response of labor supply to taxation and relative tax progressivity. Two recent comparative studies of labor supply response to public income support policies seem to indicate that higher program guarantees and tax rates and more widespread coverage in means tested public programs tends to produce increasingly larger reductions in labor supply when comparing the U.S. to the Netherlands (Wolfe, deJong, et al. [1984]) and to Sweden (Burtless [1987]). Similarly, non-U.S. economists have studied relative progressivity of differential income tax rates and structures (Atkinson and Bourgignon [1987]) and the labor supply response of wives in middle and higher income families to different tax structures (Gustafsson [1987]).

A different type of cross-national policy analysis is typified by the recent Brookings Institution project whereby an entire team of U.S. social scientists were invited (and funded) to comprehensively evaluate the performance of the Swedish economy from a United States perspective (Bosworth and Rivlin [1987]). While this study was explicitly designed to provide an "exterior view" of a home economy, i.e., one from a group of scientists not acculturated, trained, or accustomed to the Swedish way of thinking, one might be tempted to argue that it was not primarily designed as a comparative cross-national study as we have defined it earlier. However, the overview chapter by Alice Rivlin [1987], the comparative U.S. and Swedish data often employed by the chapter authors, and the obvious temptation for authors to compare "us" to "them" makes this an innovative and useful study. One would hope that a U.S. research agency would duplicate this study by supporting a cadre of Swedish, German, or British social scientists to examine the U.S. economy in the same way.

Perhaps the foremost reason to place higher value on comparative cross-national policy research is the growing economic and political interdependence of Western market economies. Changing ones perspective from a national to an international focus can produce widely different domestic policy conclusions. For instance, the mid 1970's burst of economic research on the "shortage" of U.S. national savings for domestic capital formation provokes a muted response when

one considers the rapid internationalization of financial capital markets and the current financing of the U.S. government budget deficit in large part by foreign lenders in the 1980's. The 1988 election will likely mark the first time that the "foreign policy" stance of presidential candidates will be scrutinized from an economic point of view in a serious way.

The growing interdependence and interest in cross-national policy research did not come about by accident. Serious cross-national policy analyses in the "survey sciences" must be buoyed by data resources which are accurate, accessible, and timely. The interaction of these data resources and the implications for the growth of cross-national policy research is the next topic of interest.

III. RESOURCES

The traditional data resources upon which the survey sciences rely for cross-national comparisons have been those items which most readily lend themselves to low-cost accurate cross-national measurement. That is, to those phenomena which most easily transcend boundaries of culture, language, and idiosyncratic national institutions. Vital statistics concerning demographic phenomena: age, sex, birth, death, race, marital status, etc. have been the focus of United Nations and related studies for several years. In this instance, national and international research agencies can communicate requests to member nations for secondary data with some high degree of the

comparability and robustness of response.⁴ A second and more recent effort to gather secondary health data (cause of death, incidence and prevalence of disease, morbidity) has been mounted by the World Health Organization (WHO). Largely because of the WHO network of health statistics, international estimates of the incidence, prevalence, likely cause of infection and deaths from such diseases as Acquired Immune Deficiency Syndrome (AIDS) can be increasingly monitored even in developing nations. Such basic data is obviously of importance to biological as well as social scientific inquiry.

Beyond these few areas, however, truly comparable secondary data on other social scientific phenomena are exceedingly difficult to collect. While there have been some recent successes in the health care delivery arena (due in large part to the persistent efforts of singular individuals or teams, e.g., J. P. Poullier [1985] at OECD), other secondary analyses of income, social indicators, and behavioral data provided by third parties have provided either serious comparability problems, highly misleading answers, or both (e.g., Sawyer [1976]). Too often well intentioned efforts at collecting comparable quantitative estimates of a given phenomenon, e.g., consumption, income, poverty, wealth, produce data of such differential quality, coverage, definition and scope that the "results" which emerge are more frustrating than fruitful. Experiences of the "apples and oranges" variety such as these

have for decades discouraged true comparative research in the social sciences.

However, the rapidly evolving technology of computerized databanks provides a challenging opportunity to assemble multinational databases that provide a more common foundation upon which teams of social scientists can build truly long term and comparative international research programs. These databases provide the opportunity to define a range of theoretical and substantive problems and to combine integrated analyses of a single problem across several countries within a single paper or book.

One such example is the Luxembourg Income Study (LIS) database which obtains previously collected household survey microdata on income by source, and massages the data into comparable subcomponents and demographic units for several modern countries. While there are limits to the degree of comparability which can be reached from such an exercise, e.g., differential data quality and non-sampling errors (reporting bias, editing, etc.) across country datasets, the data which emerge are clearly more reliable and flexible than are secondarily collected aggregate data of similar topic and scope. The LIS project can be seen as a more general effort of the sort undertaken by research teams from Holland and the United States in the Wolfe, deJong, et al. [1984] study, and by Gustafsson [1987] in her Swedish-German comparative effort. In each of these cases national household microdata was put into a

comparable format and common research methodologies were applied to produce reasonably comparative results for a single purpose. However, the economies of scale realized by producing a large flexible centrally located and publicly available resource for social policy analysis such as LIS, as compared to preparation of two country datasets for limited use purposes should be apparent.

Moreover, a project such as LIS can provide the basis for creating new "meso" datasets which consist of tabulated data from the basic microdata sets in forms suitable to further analysis by researchers.⁵ These data may be either in written form (e.g., the U.S. Census Bureau's Current Population Report P-60 Series) or in the form of microcomputer disks (e.g., the series of dataset disks on national accounts, flow of funds, etc. proposed for future issues of The Review of Income and Wealth). Country specific "meso" income data, e.g., household mean, minimum, maximum, median and modal income, and proportion receiving a given source of income by household type and quintile, can provide meaningful disaggregated data sources, for those researchers whose needs are met by such data resources.

For example, the LIS microdatabase provides an important aggregate component to the National Institute on Aging/Center for International Research (NIA/CIR) Aging Database being prepared by the U.S. Bureau of the Census. Table 1 indicates

Table 1

NIA/CIII AGING DATA BASE

	Demographic and Social Indicators				Employment and Income Indicators				Mortality Indicators		
	Part, Percent & Projected Population, by Age and Sex	Marital Status by Age and Sex	Literacy and/or Educational Attainment, by Age and Sex	Household Headship, by Age and Sex	Economic Activity, by Age and Sex	Occupational/ Industry, by Age and Sex	Average Net Income, by Age of House- hold Head	Composition of Gross Income, by Income Type by Age	Poverty Risks, by Age of House- hold Head	Deaths, by Age and Sex	Causes of Death, by Age and Sex
Industrial Countries											
Canada	X	X	X	X	X	X	X	X	X	X	X
Israel	X	X	X	X	X	X	X	X	X	X	X
Norway	X	X	X	X	X	X	X	X	X	X	X
Sweden	X	X	X	X	X	X	X	X	X	X	X
United Kingdom	X	X	X	X	X	X	X	X	X	X	X
United States	X	X	X	X	X	X	X	X	X	X	X
West Germany	X	X	X	X	X	X	X	X	X	X	X
Austria	X	X	X	X	X	X	X	X	X	X	X
Belgium	X	X	X	X	X	X	X	X	X	X	X
Bulgaria	X	X	X	X	X	X	X	X	X	X	X
Denmark	X	X	X	X	X	X	X	X	X	X	X
France	X	X	X	X	X	X	X	X	X	X	X
Hungary	X	X	X	X	X	X	X	X	X	X	X
Greece	X	X	X	X	X	X	X	X	X	X	X
Italy	X	X	X	X	X	X	X	X	X	X	X
Japan	X	X	X	X	X	X	X	X	X	X	X
Luxembourg	X	X	X	X	X	X	X	X	X	X	X
New Zealand	X	X	X	X	X	X	X	X	X	X	X
Poland	X	X	X	X	X	X	X	X	X	X	X
Other Countries											
Bangladesh	X	X	X	X	X	X	X	X	X	X	X
Brazil	X	X	X	X	X	X	X	X	X	X	X
China (PRC)	X	X	X	X	X	X	X	X	X	X	X
India	X	X	X	X	X	X	X	X	X	X	X
Indonesia	X	X	X	X	X	X	X	X	X	X	X
Guatemala	X	X	X	X	X	X	X	X	X	X	X
Hong Kong	X	X	X	X	X	X	X	X	X	X	X
Mexico	X	X	X	X	X	X	X	X	X	X	X
Philippines	X	X	X	X	X	X	X	X	X	X	X
Singapore	X	X	X	X	X	X	X	X	X	X	X
Uruguay	X	X	X	X	X	X	X	X	X	X	X

LIS data

NOTE: AN X INDICATES THAT DATA HAVE BEEN OR ARE BEING ENTERED INTO DATA BASE. DETAILED INFORMATION ABOUT YEAR AND AGE BREAKDOWNS ARE AVAILABLE ON INDIVIDUAL MATRICES FOR EACH COUNTRY.

some of the ways in which the LIS income data supplements additional demographic, social and labor force data being collected for this effort.⁶ The reader can immediately notice the importance of the LIS database by the limited number of countries (i.e., only LIS countries) for which comparable income and poverty data exists.

A more ambitious and longer term effort to provide common coding methods, questions, editing procedures, etc. for longitudinal household panel data on income, labor force, and social indicators, the Panel Data Comparability Project (PACK), is just underway. PACK is an attempt to provide the opportunity for the actual collection of comparable microdata (as opposed to the LIS procedure of ex-post massaging of already collected microdata). However, the number of countries with longitudinal household panel data sets is small and resistance to adoption of common procedures and questions in lieu of traditional (or domestic) methods and categories may take years of effort to overcome. Still the ex-ante coordination of social economic household surveys may in the long run produce greater comparability than the LIS method of ex-post rearrangement at a reasonable cost.

Finally, and most recently, a large multinational data collection and analysis effort, the Welfare State Entry and Exit Project (WEEP) at the Wissenschaftszentrum in Berlin, in coordination with the Nordic Research Council in Bergen, Norway, is building a comparable cross-national institutional

or "policy regime" database. The WEEP databank will provide historical, contextual and institutional information on the eligibility, rules, generosity, and finance of major adult income transfer programs and the characteristics of labor market institutions in several countries (Esping-Anderson [1985]). These descriptive elements underly the secondary income and labor market data which the project has also collected.

Comparative institutional data such as the WEEP dataset, must be seen as the natural and necessary companion of the basic quantitative data collected by projects such as LIS. Outputs from projects such as LIS can define a descriptive phenomena such as "income poverty" given a set of income definitions, units of income aggregation, poverty lines, etc., so that comparable data emerges. But a full, causal, and integrative explanation of why the poverty rate in one country is x , while in another it is $2x$, depends heavily on the source components of income in each country. In turn, these rely on institutional knowledge of several national income transfer programs: program history, overall outlays, eligibility rules, program benefit structures, etc., in order to more fully explain why the poverty rate outcomes differ. In fact, over the next few years, LIS plans to adopt and modify the WEEP institutional database to provide such data for the LIS income source variables in each of its ten countries.

These data collection efforts are both laudable and necessary to the future of cross-national research in the social sciences, particularly in the area of social policy analysis. Because, in fact, the survey disciplines by their nature rely on empirical research, it is critical to have common measurement concepts, definitions of variables, program data description, and high quality data collection methods such that correct inferences can be drawn from such studies.

III. CHALLENGE

While the originality of new datasets such as LIS, NIA/CIR, and WEEP can provide a strong basis on which comparative cross-national policy research can be conducted, this same uniqueness and infancy in turn provides a temporal weakness for cross-national policy analysis. In only its second year of operation LIS is at approximately the same stage of expertise that longitudinal household panel data research had reached in 1969, the second year of the Panel Study of Income Dynamics (PSID). While the PSID has gone on to create fresh opportunities and new methodological approaches to social science research, it took a decade or more for the tools, strengths, and weaknesses of panel data analysis to sufficiently permeate the social sciences before it really was accepted.⁷ Similarly, comparative cross-national social science research is at this time an unknown paradigm for most social science researchers.

One important challenge then is to try to provide the means and institutions for social scientists to begin to learn to think in a meaningful cross-national paradigm. The enormity of attempting to causally interpret changes in incomes or other measures of well-being across diverse cultures and socio-political institutions is an exercise which takes time, effort, and commitment on the part of researchers and research funders alike. The domestic policy implications and lessons to be drawn from such analyses are perhaps even more challenging. It is usually not enough for one researcher or one research team alone to provide decisive evidence on a particular phenomenon. Rather, a given set of analytical findings must be replicable, understandable, and acceptable to other researchers and policymakers like.

The ingredients which are needed to more fully ascertain the true potential of cross-national social policy analysis are at least threefold:

1. Additional funds for data archives to develop standards, definitions and procedures for collecting, editing, and making available meaningful cross-national data on incomes, consumption, production, labor markets, and social indicators at reasonable time and money cost to researchers. With the advent of computerized telecommunications networks, remote access to centrally located distributed databases several thousand miles away can be achieved at low cost, but only if these data are first collected and made comparable (Rainwater and Smeeding [forthcoming]).
2. Additional research funds to subsidize the human capital investments in learning about the historic, social, economic, cultural and political institutions and research methodologies which have evolved over time is necessary for a fuller understanding of the

quantitative outcomes that datasets can produce. This support is critical if we are to move from descriptive studies of integrated datasets to fully analytical analyses of these same results.

3. Research funds for widespread collaborative efforts which can adopt the analytic thought processes of several social scientists from diverse cultural heritages to explore the same set of data and related research issues. To be able to generalize from a research finding and to broaden understanding of a given problem, one needs to be able to analyze and validate that finding from several viewpoints. The robustness of a cross-national policy research result or methodological approach depends not only on how one nation's scientists view that outcome or approach, but on how other nations' social science researchers also view that results or approach. This objective can be achieved only through true collaborative multinational efforts.

The critical reader will note that each of these ingredients have one common element: additional research funds. Moreover, these proposals argue for more multinational research funds -- no one or two countries alone can compile such a resource. While these calls for funds may seem self-serving to some, unless and until researchers are able to have the means to more fully explore the potential of cross-national social policy research, the full policy value of these endeavors will not be captured and the challenge will remain unmet.

APPENDIX 1

LUXEMBOURG INCOME STUDY (LIS)

The Luxembourg Income Study has gathered in one central location (the Center for Population, Poverty and Policy Studies (CEPS), in Walferdange, Luxembourg) and made comparable several recent large microdata sets which contain comprehensive measures of income and economic well-being for a set of modern industrialized welfare states. The dataset is accessible to researchers at low cost. Because of the breadth and flexibility afforded by microdata, researchers are free to make several choices of perspective (definition of unit: family, household, etc.; measure of income; and population to be studied, for example, males, females, urban families, elderly households) within the same research paper. This truly comparable microdata creates a potentially rich resource for applied comparative and policy research in economics, sociology, and public policy. The LIS databank currently covers nine countries -- Australia, Canada, Germany, Israel, Norway, Sweden, Switzerland, the United Kingdom, and the United States, with Netherlands, France, and Finland soon to be added. Table A-1 contains an overview of LIS country datasets. A copy of the LIS Information Guide and further information about the dataset can be obtained by writing to one of the following:

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Gunther Schmaus or Brigitte Buhmann
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Case Postale 65
L-7201 Walferdange
Luxembourg

Table A-1
An Overview of LIS Datasets

Country	Dataset Name, Income Year (and Size) ¹	LIS Country Coordinators	Population Coverage ³	Basis of Household Sampling Frame ⁸
Australia	Income and Housing Survey 1981-82 (45,000)	Peter Saunders	97.54 ⁴	Dicennial Census
Canada	<u>Survey of Consumer Finances,</u> 1981 (37,900)	Michael Wolfson Roger Love	97.54	Dicennial Census
Germany	<u>Transfer Survey, 1979</u> ² (2,800)	Richard Hauser Ingo Fischer Gunther Schmaus	91.57	Electoral Register and Census
Israel	<u>Family Expenditure Survey,</u> 1979 (2,300)	Lea Achdut Yossi Tamir	89.05 ⁵	Electoral Register
Norway	<u>Norwegian Tax Files,</u> 1979 (10,400)	Stein Ringen	98.54	Tax Records
Sweden	<u>Swedish Income Distribution Survey, 1981</u> (9,600)	Peter Hedstrom Robert Erikson	98.04	Population Register
Switzerland	<u>Income and Wealth Survey,</u> 1982 (7,036)	Brigitte Buhmann	95.59	Electoral Register and Central Register for Foreigners
U.K.	<u>Family Expenditure Survey,</u> ² 1979 (6,800)	Frank Cowell Stephen Jenkins	96.56	Electoral Register
U.S.A.	<u>Current Population Survey,</u> 1979 (65,000)	John Coder Tim Smeeding	97.54	Dicennial Census

¹ Dataset size is the number of actual household units surveyed.

² The U.K. and German surveys collect subannual income data which is normalized to annual income levels.

³ As a percent of total national population.

⁴ Excludes institutionalized and homeless populations. Also some far northern rural residents (inuits, eskimos, lapps, etc.) may be undersampled.

⁵ Excludes rural population (those living in places of 2,000 or less), institutionalized, homeless, people in kibbutzim, and guest workers.

⁶ Excludes those not on the electoral register, the homeless, and the institutionalized.

⁷ Excludes foreign-born heads of households, the institutionalized, and the homeless.

⁸ Sampling Frame indicates the overall base from which the relevant household population sample was drawn. Actual sample may be drawn on a stratified probability basis, e.g., by area or age.

⁹ Excludes nonresident foreigners and the institutionalized, but includes foreign residents.

APPENDIX 2

NATIONAL INSTITUTE ON AGING/BUREAU OF THE CENSUS

INTERNATIONAL DATABASE ON AGING

In response to the need for reliable and internationally comparable statistics on aging, the National Institute on Aging (NIA) and the U.S. Bureau of the Census' Center for International Research (CIR) have developed a computerized database that provides detailed demographic and socioeconomic information about the aged in the United States and 30 other countries. The intent of this effort is twofold: to promote a better understanding of the aging process in disparate societies; and concurrently, to afford researchers and policymakers in the United States a better opportunity to gain insights and formulate responses to demands generated by an aging American Population.

While published data often aggregate the elderly into a broad, open-ended age group (65 years and over), the NIA/CIR database assembles census, survey, and population-projection data in five-year age cohorts for the highest obtainable grouping. Information about these cohorts is collected from 1950 to the present, and supplemented with selected projections through the year 2025. Such cohort data over time will allow researchers to go beyond mere cross-sectional comparisons to analyses of the same age cohorts in different countries.

The detailed statistics include not only numbers of people in each cohort, but also their marital and educational status, labor force participation and occupations, mortality rates and causes of death, and other related characteristics. For certain developed countries, income comparisons of the non-aged and aged, and among the aged, are being included in the database as information from continuing studies becomes available. This represents an important first step toward an integration of the economics and demographics of international aging.

Database contents are reviewed for internal consistency and international comparability. Source documentation accompanies all information, and additional notation of conceptual definitions and/or data irregularities is provided where necessary. Geographical coverage includes not only the most advanced countries in the world, but also three Eastern European countries which have declining life expectancy and eleven developing nations with very different age profiles than the United States. Among the latter is the People's Republic of China, which contains 22 percent of the earth's population and is likely to age faster than any other major country.

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NOTES

- 1 The large proportion of Nobel prizes in economics which accrue to American based and trained economists is one example of this dominance.
- 2 This is not to say that safeguards against misuse of human capital research investment funds for consumption purposes should not be taken. But the scrutiny should run both ways. For instance, it is possible to transfer foreign travel monies to domestic travel with no penalty or permission required from most government granting agencies.
- 3 Thurow (ref.) has gone so far as to call economics the "imperialist" social science.
- 4 Large sampling errors can still, however, plague population censuses, especially in developing countries.
- 5 The term "meso" data, meaning a small aggregate of microdata, e.g., a matrix of detailed cross-tabulations, which still remains disaggregated enough to be independently manipulated and further aggregated across several categories, was coined by Nancy Ruggles.
- 6 Descriptions of the LIS and NIA/CIR databases are included as Appendices 1 and 2 to this paper.
- 7 In fact, research methodologies and approaches which stress the panel nature of longitudinal datasets are still not widespread enough to fully utilize the potential of panel datasets. A recent call for proposals to fully exploit the longitudinal nature of the Retirement History Survey panel dataset produced few fundable proposals because they did not in fact propose longitudinally oriented projects.

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