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Article

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economic sociology_the european electronic newsletter

Provided in Cooperation with:

Max Planck Institute for the Study of Societies (MPIfG), Cologne

Suggested Citation: Lindstrøm, Maria Duclos (2018) : The dual messages of OECD economic surveys: Observations from the OECD's Economics Department and the drafting and peer review of Economic Surveys, economic sociology_the european electronic newsletter, ISSN 1871-3351, Max Planck Institute for the Study of Societies (MPIfG), Cologne, Vol. 19, Iss. 2, pp. 19-24

This Version is available at:

<https://hdl.handle.net/10419/175574>

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The dual messages of OECD economic surveys

Observations from the OECD's Economics Department and the drafting and peer review of Economic Surveys

Maria Duclos Lindström

Since 1961 the OECD publication “Economic Surveys” has monitored the economies of OECD’s member countries (and selected non-members) to identify policy areas in which they seem to be underperforming and to suggest policy action. They are an important instrument that enable the OECD to promote its comparative, evidence-based policy paradigm among both publics and governments. However, despite common agreement that the OECD is a significant player in establishing and coordinating agreed principles for economic governance at an intergovernmental level, the direct policy impact of the individual surveys is notoriously difficult to assess and measure in terms of direct uptake in the countries concerned (Armingeon 2003; Armingeon and Beyeler 2004; Clifton and Díaz-Fuentes 2011).

From a sociological perspective, it would be extremely useful to understand how OECD economists seek to have an impact on public policies within and across member countries, and how their knowledge production and interactions with member governments are organized for this purpose. As a way of entry into understanding the steady, but indirect, impact of the OECD’s economic work, the process of drafting and reviewing the Economic Surveys is particularly interesting, because it lies at the heart of the OECD’s peer review system, which the organization itself calls “a tool for cooperation and change” (OECD 2003).

Key to understanding the mechanisms by which the OECD seeks to exert an impact is recognition that it is not organized as a detached think tank producing reports and research for policymakers and academia.

Rather, the express purpose of this intergovernmental peer-review system is to instigate a continuous policy learning process between member states and their government officials (Marcussen and Trondal 2011; Martins and Jakobi 2010; Thygesen 2008; Guilmette 2007; OECD 2003; Hodson and Maher 2001; Coats 1986).

Inside the Economics Department

The continuous production of country surveys, policy recommendations, and peer review evaluations by the Economic and Development Review Committee (EDRC) is thus important for understanding the situated practices by which OECD economists seek to have an impact on the development and coordination of public policies in the OECD area. Indeed, we have seen a surge in research analyzing the mechanisms of international organizations, focusing on how documents are produced and negotiated in these organizations (Kentikelenis and Seabrooke 2017; Fligstein, Brundage, and Schultz 2017; Gayon 2009; Harper 1998; Riles 2000).

The present article is based on in-depth research I conducted within the OECD Economics Department. I watched OECD economists at work and interviewed them about how the Surveys are drafted. I observed directoral feedback and peer review seminars at the Economic and Development Review Committee (EDRC), as well as, quite uniquely, the redrafting-ses-

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sions at which the OECD secretariat and representatives of the country under review meet to negotiate a final draft of the survey. I integrated these interviews and observations with detailed analysis of draft surveys at different stages of revision to capture what Smith calls “the intention of the text” (Smith 1990, 91), building on the suggestion that “the text intends methods and schemata for interpretation and ... these can be recovered through analysis” (ibid).

In this brief note, I will address an important fundamental question: What work are the Surveys designed to do? The analysis will show how, through the drafting process and peer review, the text is imbued with what my informants called “a dual message.” Despite their external appearance as a kind of “gradebook” for the particular country under review, I show how the Economic Surveys are not intended merely to tell that country what it could and should do in relation to the particular economic problems iden-

tified in the report. They are also designed “for general OECD consumption”; to articulate and circulate general OECD recommendations and best practices.

The EDRC and the system of peer review

It is my impression that maybe it's not very clear to people what the OECD is all about. Well, it is peer reviews that are the essence of the OECD. We try to identify best practices. We try to find out how to evaluate each other.

(OECD economist, Economics Department, Country Desk)

The grand finale of any survey process is the peer review by the Economic and Development Review Committee (EDRC). This involves a full-day meeting in a peer review setting dedicated to discussing the Survey, its recommendations and implications. The setting of this meeting is as follows. The EDRC meets in one of the large conference rooms at Rue André Pascal in Paris. The room is spacious enough to seat the economic counsellors from the national representations to the OECD, as well as relevant staff from the OECD secretariat (desk, supervisors, and director), the delegation from the reviewed country (see below), the chair of the committee and observers from the EU and the IMF.

The EDRC proceeds according to a well-rehearsed protocol (OECD Policy Brief). Although this collective of representatives from all member countries share responsibility for the peer review and discussion of the Survey, two examining countries are appointed with special responsibility for the particular EDRC examination. They prepare a written assessment of the draft report and its recommendations ahead of the meeting, and decide, in collaboration with the chair of the Committee and the OECD economist responsible for drafting the report (desk), the key topics that should be given priority at the peer review session.

The meeting begins with an opening statement by the chair of the Committee, who chairs all EDRC peer reviews. The chair is appointed by the EDRC as a so-called council expert and his or her services in leading committee peer reviews are funded by the OECD general budget to ensure independence from both ECO (the OECD Economics Department) and the countries being evaluated in the EDRC. The chair opens each peer review session by summarizing the main findings of the draft survey and its recommendations, as well as the issues and questions for discussion

raised by the examiners. This is also a way of symbolically marking the relative autonomy of the collective of the peer-reviewing committee and its responsibility for reviewing the economic policies of the relevant country and identifying revisions in the draft prepared by the Secretariat.

The examiners' job on this occasion is to guide and structure the discussion (the peer review) of the selected topics and to ensure that it concentrates on them. This discussion is supposed to clarify whether the Committee, as a collective, can agree with the main assessments and recommendations of the draft report prepared by the Secretariat in close cooperation with the reviewed country.

In the written comments submitted to the EDRC, the country under review expresses its views with regard to the analysis in the drafts, including its possible shortcomings. After this, any counsellor from any member country may participate in discussion of the topic, at which both the Secretariat and the country under review are allowed to respond, explain, and comment. The chair finally closes the meeting, late in the afternoon, with a summary of the discussions at the meeting. These closing remarks – called the Chair's Conclusions – form the basis for the final redrafting on the following day, to which I will now turn.

Minutes from the post-EDRC redrafting

It is 9.45 on a Friday morning, the day after the EDRC meeting. Eight men and one woman (and the observing sociologist) enter a rather bare meeting room under the roof of the Chateau. In sober contrast to the formality of the set-up of the large EDRC conference room on the preceding day, this meeting room is sparsely equipped, with a large meeting table, a screen, and a computer. This signals work.

The delegation of the country under review musters a total of seven people: the head of the delegation (a director from the Ministry of Economic Affairs), two economists from the same ministry, and one representative from each of the ministries for the sectors discussed in the chapters of the Survey. Also present in the delegation are the national Economic Counsellor accredited to the OECD and his or her assistant. The Desk/OECD secretariat is fully represented with a head of division (supervisor), the main author of the Survey (head of desk/senior economist) and second author (the desk economist).

OECD: “So, we have put in your suggestions ...”

Country delegation: “Not suggestions, improvements!”
[laughs]

The atmosphere can be described as professional: “We have a day’s work ahead of us.” The group assembles rather loosely, informally, and not quite punctually. A shorter (somewhat stylized) negotiation about who is to do the actual typing and about whether the text copy to be revised should be that of the OECD or of the country delegation is resolved, and people sit down. The delegation takes up most of the seats around the table. At one end, by the computer keyboard, sits the head of desk.

One’s attention is already drawn to the screen, which shows a Word document, with the original text and with bright red letters reflecting the redrafting. This is the draft Survey with the national delegation’s desired interventions in red. The OECD head of division proposes that “maybe the most flexible way” is to start with the Assessment and Recommendations section (the A&R) “which is what is really important”:

OECD: [continues] ... “and this morning we shall try to sort out the problems in the A&R. Let’s see how far we can get with the A & R before 12.30 [when some members of the Delegation have to leave, MDL] and then later this afternoon look at the rest of the chapters. Of course, we have to take into account the Committee’s comments. Here, it is a bit difficult for me, since the Chairman and the Committee were not very strong in their remarks”.

The subtext seems to be that not many substantial revisions of the draft are required. The country delegation protests by intervening:

“I would say that in one or two cases, the discussion at the EDRC will have an impact on the wording!”

For a moment, the atmosphere surrounding how to proceed is somewhat edgy. The Delegation provides the next step forward by proposing:

“Maybe it is a good idea to start with the Conclusions of the Chairman to see if this will lead to slightly different wording”.
...

The Chair’s Conclusions

As a remarkable contrast to the firmly established procedures for the EDRC peer review, and the importance given to the task of ensuring that the final text “[fully reflects] the center of gravity of the Committee’s deliberations” (OECD webpage), I was rather surprised to learn that the Chair’s Conclusions were present at the redrafting session only in the form of handwritten notes by desk and delegation, respectively. From a pragmatic point of view, this is productive for the

redrafting process, I was told, as it “[ensures] that we do not have to begin by agreeing about what he said in the first place and putting that on paper before we can get started” (interview, head of desk). We may, following Smith (2005) understand the chair’s conclusions from the EDRC as a significant symbol (Mead 1934) as we observe how the involved individuals from the OECD and the delegation interact in order to arrive at a version that everyone, including the Committee, can accept as being semantically equivalent to the chair’s summary.

At the same time, in accordance with Smith’s interactionist framework, we shall also see how this approach leaves plenty of room for the parties to shape the remarks and the drafting revisions with a view to projecting the analysis and policy recommendations of the Survey onto their preferred courses of action. As we shall see, the task of this high ranking group of economic professionals from the OECD and national governments is not to treat the conclusions as a checklist. Rather, as the final step of the drafting, the group is supposed to engage with the Chair’s Conclusions in a process of co-production of knowledge towards the common goal of a so-called “agreed redraft” – a text that (again in the words of the head of desk) is “acceptable for the delegation and in line with the Committee” (interview).¹

“Acceptable for the delegation” ...

As previously described, the country under examination has a number of opportunities to discuss the analysis and conclusions of the Economic Survey. During the drafting process, there is already an informal discussion about which topics could be examined in the next Survey. This becomes more formal when the next Survey cycle starts and relevant subjects are selected. The first possibility for discussing possible issues of concern and policy recommendations is during the so-called structural mission, which is mostly a fact-gathering exercise. The second (so-called policy) mission has the purpose of presenting the national authorities with the Secretariat’s findings and conclusions, giving the country concerned an opportunity to react. At the EDRC, the delegation is given the opportunity to make comments, pointing out factual errors and underlining areas of disagreement with the draft or with the comments from the two reviewing countries. Furthermore, the country must produce a so-called “one-pager” in advance of the EDRC. This is a document in which the national government can state points on which it holds a different view from that expressed in the draft. Consequently, at the time of the redrafting, all parties know very well where there is

disagreement. Nevertheless, during redrafting, desk and delegation engage not in bargaining, negotiations, or compromise, but in yet another round of testing the arguments, as will become clear in the following discussion about the final text in a section in which the OECD draft Survey discusses reforms of the housing sector.

In its chapter on housing and labor mobility, OECD has pointed to “numerous rigidities” on the housing market in the examined country, in particular the size of the rental sector and the rigid rent control:²

The housing market is characterized by numerous rigidities, which may hamper geographical labor mobility. The rental segment is characterized by rigid rent control and an internationally large social housing sector. The below-market rents combined with eligibility checks only at entry have led to a low tenant turnover and almost sixty [percent] of tenants having incomes above the eligibility level. (from draft survey)

Like all structural policies, housing policies involve a number of different regulations (housing policies, rent control, taxation); they also have particular institutional features, so that housing markets vary considerably from one country to another. For instance, the size of the rental sector is structurally linked to demand and supply in the private housing sector, and thus also to policies regulating where land can be developed.

From the OECD’s point of view, the social (or in the words of the head of desk “the social or what should we call it”) housing sector is simply too large, too regulated, and not very well targeted, which has resulted in a housing policy that is too costly and inefficient. Moreover, because the only eligibility check comes when people move house, it is very attractive to remain in social housing, which in turn means that geographical labor mobility is hampered (because people might be less inclined to move from a dwelling with cheap rent). From the point of view of the desk, this is really the core problem. For the delegation, however, which is reluctant to accept the suggested deregulation of land development, and is protective of national housing policy, more is at stake than merely rent subsidies and housing policies.

Country delegation [looking at the screen]: “It can’t be 60%. I don’t have a problem with your saying something in the text about this being a bit high, but we need to get the facts right. This number, I just don’t trust it”

OECD: [humorously]: “A bit high?”

Country delegation: [determined] “I don’t care. I think the right level of [eligibility] should be [mentions a figure close to the current one]. If you think it’s too high, then ... [indicates with his hands and body language: “do as you wish”].

OECD: “The level of eligibility is not the issue here. The issue is that this sector is simply too large, and the problems which follow from this”.

Country delegation: “I don’t mind to exaggerate the problem. I am just saying that we need to check the facts, so we are sure the facts are right”.

OECD: “Yes, okay, you check your facts, you give us the number, we put it into the text, no problem!”

“And in line with the Committee” ...

The atmosphere is not completely relaxed. An SMS is sent to the national capital to check the current number of citizens whose income level has come to exceed the level of eligibility for rent subsidies. Waiting for this figure, the delegation moves on to try to resolve a number of related points of disagreement in the text. On the screen, text revisions succeed each other. With the basic question about the recommendations on housing policy still unresolved, it is not easy to find solutions that everyone agrees are good. At one point in the discussion, when the suggestions for text revisions become particularly detailed, the head of desk comments:

“This is basically not for [your] national consumption; it is for other countries, to tell them what they should do”

“Not for national consumption” – the dual messages of OECD surveys

Here we see how the head of desk was successful in making the redrafting process move on without changes to the OECD message by making a plea concerning the horizontal purpose of the Surveys and peer review: in other words, the fact that the Surveys are not merely for national consumption. In a post-redrafting interview, the head of desk explained what happened in the following way:

“In peer review, there are always two messages: one for the country, and one which is targeted at other countries, for general OECD consumption. This is something we are fully conscious of. In the drafting process, I am constantly concerned with whether what I am writing is relevant. ‘Would this be of interest to anyone at all?’ It may be of interest either for national consumption or for other countries. But I would say that most of the Surveys are for national consumption – maybe 75 or 80%.” (interview)

Awareness of such dual messages, I propose, conveys one important code for understanding the work the Surveys are designed to do. We can take the analysis

one step further and connect these dual messages to a more fundamental distinction undergirding the work at the OECD, between the horizontal and the vertical dimensions of the OECD's organization and knowledge production. These concepts are chosen because they are ethnographic terms used by OECD economists themselves to describe qualities of knowledge, but also the organizational principles of the OECD. The horizontal, in the context of the OECD, refers to cross-country, comparative, evidence-based, or general OECD recommendations – or in short the “OECD” perspective. Sometimes it also refers to cross-departmental cooperation and joint publications. The “vertical” refers to the single-country perspective: knowledge primarily for national consumption.

As core organizing principles for the work and organization of the OECD, the horizontal and vertical dimensions are not dichotomous, but articulate and organize the complex task of the peer review as economic analysis operating “between the (too) country specific and the (over) general” (interview). Curiously, we observed how this balance is not established as an overall equilibrium between the two principles throughout the Survey's analysis and recommendations. Instead, such horizontalizing elements are systematically inscribed and repeated in every Survey – side by side with vertical, country-specific analyses.

Conclusion

In this ethnographic vignette, I have asked the question: “What work are the OECD's Economic Surveys designed to do?” and analyzed the textually mediated sequences of action embodied in the peer review and the redrafting process. I conclude that the Surveys, in accordance with the OECD method of peer review, are designed both to be relevant for the particular country under review (which means that they are supposed to identify relevant problems for the country, as well as what the country could and should do in the current situation), and to contribute to promoting ongoing OECD work of a more horizontal character: general OECD recommendations, other OECD work, and cross-national policy comparisons.

Focusing on the textual intention of the Surveys brought out important dimensions of the textual

foundation beneath the peer review organization of OECD's Economic Surveys. It revealed how such dual messages systematically establish a textual structure with multiple textual intentions, and hence multiple courses of action (Smith 2006, 66–68). The two kinds of message project two different kinds of potential impact for OECD analyses and policy recommendations. Vertical recommendations seek a direct impact by proposing solutions to concrete policy problems identified in the country under review (based, of course, on the OECD's more horizontal work). Horizontal recommendations are targeted for a more indirect impact, which contributes to the OECD's ongoing work of defining principles and best practices for economic policy within, across, and beyond OECD member countries. For these reasons, I propose that paying analytical attention to the epistemic scaling practices of the horizontal and vertical – and to the way these scaling practices are employed by the actors in the peer review process – contributes insights that are relevant for understanding the complex foundations of the impact, legitimacy, and authority of the OECD's Economic Surveys.

A second analytical conclusion is the reminder that the balance between the horizontal and vertical elements of OECD activities is not settled once and for all, or in the same way in all OECD work (or in each individual peer review and Economic Survey for that matter). This basic interactionist observation should not be seen as an analytical weakness of the framework. Rather, I propose that it indicates that the ethnographically grounded analytical focus on the dynamic interplay between horizontal and vertical elements could be applied to contemporary discussions about how to understand and assess the changing role of the OECD, which is characterized by increasing diversity and volume of membership of the EDRC committee and the peer-review institution³ (Clifton and Díaz-Fuentes 2011). Here, the framework could be applied to examine whether the balance between horizontal and vertical elements of OECD analyses, recommendations, and public statements may be shifting, with implications for the expert role of the OECD and the balance between the particular and the general in OECD peer reviews.

Endnotes

- 1 Finally, the EDRC committee must also accept the agreed redraft. Besides this constraint, the protocol of the redrafting does not include an arbiter of any sort – and there is no closed time-frame for the process, which can last until the participants reach agreement on the draft. The redrafting session described in this note was, my OECD informant told me, “the easiest redrafting” he had ever experienced and led. I was told that one infamous redrafting lasted a full week.
- 2 I had earlier been told an OECD joke which runs like this: “What can destroy a society quicker than a nuclear bomb?” “Rent control!”

- 3 I have focused on analyzing this epistemic scaling axis. A more comprehensive analysis of the complex epistemic, political, and organizational situation that shapes the conceptual practices of OECD economists (and their counterparts in the member organizations), would include an analysis of how this analytic repertoire interacts with the organization’s complex political and organizational constraints. Kentikelenis and Seabrooke (2017, 1070) have developed a model of power structures in intergovernmental organizations that captures some of this complexity.

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