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EUROPEAN ECONOMICS AND THE EARLY YEARS OF THE
“INTERNATIONAL SEMINAR ON MACROECONOMICS”

BY AURÉLIEN GOUTSMEDT, MATTHIEU RENAULT,
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European Economics and the Early Years of the “International Seminar on Macroeconomics”

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Abstract

The International Seminar on Macroeconomics (ISoM) is an annual conference, which was co-sponsored, during 15 years (1978-1993) by the French EHESS and the NBER. This article uncovers the scientific and institutional dynamics unrolling from this cooperation. The ISoM, we argue, constituted a decisive step towards the making of a European network of economists, sharing a distinctive style of economics, insofar that the Seminar gathered macroeconomists who were leading the development of this European network. We illustrate how the ISoM stands at the crossroad of two types of ‘internationalisation’ of economics: on the one hand, the integration of European national communities; on the other hand, the process of ‘Americanisation’ of economics. While existing literature on ‘internationalisation’ focuses on the national level, our contribution investigates its European level. Moreover, we unveils the key role played in this process by macroeconomics—and more specifically, large-scale macroeconometric modelling on the one hand, and the disequilibrium theory on the other hand. These two approaches provided a common research agenda and shared scientific standards for the emerging network.

Keywords: History of macroeconomics; NBER; International Seminar on Macroeconomics; EHESS; Disequilibrium theory.

JEL codes: A11, A14, B22, B30

L'économie européenne et les premières années de l'International Seminar on Macroeconomics

Résumé

L'*International Seminar on Macroeconomics* (ISoM) est une conférence annuelle co-organisée, pendant 15 ans (1978-1993), par l'EHESS et le NBER. Cet article expose les dynamiques institutionnelles et scientifiques entourant cette coopération. Nous expliquons que l'ISoM constitue une étape décisive dans la constitution d'un réseau européen d'économistes, partageant une certaine manière de faire de l'économie, dans la mesure où l'ISoM rassemblait des macroéconomistes centraux dans le développement de ce réseau européen. Nous montrons que l'ISoM se situe au croisement de deux types d'internationalisation de l'économie : d'un côté, l'intégration de communautés nationales européennes; de l'autre, un processus d'américanisation de l'économie. Alors que la littérature existante sur l'internationalisation étudie principalement le niveau local, notre contribution s'intéresse à ce processus à l'échelle européenne. De plus, nous exposons le rôle clé joué par la macroéconomie dans ce processus – et plus spécifiquement par les modélisation macroéconométrique d'un côté, et la théorie du déséquilibre de l'autre. Ces deux approches permettent une convergence vers un agenda de recherche commun et des standards scientifiques partagés au sein de ce réseau émergent.

Mots-clé : Histoire de la macroéconomie, NBER, International Seminar on Macroeconomics, EHESS, théorie du déséquilibre

Introduction

The International Seminar on Macroeconomics (ISoM) is nowadays a renowned conference, sponsored by the National Bureau for Economic Research (NBER), and held each year in a different European city. The ISoM is a ‘hotspot’ for international macroeconomics: some of the most-cited contributions to macroeconomics have been presented during the ISoM. Jeffrey Frankel (the current co-chair of the ISoM) advertises proudly the “10 classic ISoM papers” and the “ISoM Greatest Hits”.¹

The ISoM started in 1978. Since, it has changed significantly. The ISoM has not always been solely the ‘NBER seminar in Europe’. From 1978 to 1993, the ISoM was co-organised by the NBER and the French École des Hautes Études en Sciences Sociales (EHESS). George de Ménil (EHESS) and Robert Gordon (Northwestern) served as co-chair of the Seminar during this period. This article uncovers the scientific and institutional dynamics unrolling from this cooperation. The ISoM, we argue, constituted a decisive step towards establishing a European network of economists, sharing a distinctive style of economics. Notably, the Seminar gathered macroeconomists who were leading the development of this European network.

From a more general perspective, the ISoM stands at the crossroad of two types of ‘internationalisation’ of economics: on the one hand, the integration of European national communities; on the other hand, the process of ‘Americanisation’ of economics. During the postwar era, several initiatives supported the cooperation across Europe, as well as between Europe and the US—both in academia and in policy institutions. These exchanges have been already noticed and commented by historians as contributing to the ‘internationalisation’ of economics, which in most cases also coincided with its ‘Americanisation’ (Coats, 1996). ‘Americanisation’ entailed the emergence of a specific ‘style’ of economics and its dissemination via new institutions. The literature discusses several dimensions associated with the internationalisation process: a greater importance was granted to quantitative techniques and mathematical economics, while English became the language of academic conversations (Sandelin and Ranki, 1997). Henceforth, there is a thin boundary between ‘internationalisation’ and ‘Americanisation’, since US economists have been the forerunners of the development of mathematical economics and econometrics.² These changes in ‘style’ were supported by national institutions, in particular new academic departments or research centres. For instance, departments started favouring the recruitment of economists with international experience (see

1. See <https://scholar.harvard.edu/frankel/international-seminar-macroeconomics-isom> [retrieved 15/11/2019]. These lists include, among others, Clarida et al. (1998), Giavazzi and Pagano (1988), and Smets and Wouters (2003).

2. These features became distinctive of the US ‘style’ economics only in the postwar era (Morgan and Rutherford, 1998), also thanks to European émigrés working in the US (Hagemann, 2011).

Ikeo, 1996 for Japan or Helgadóttir, 2016 for Italy); research centres supported specific initiatives fostering the international circulation of personnel and ideas (Düppe, 2017). Finally, US-inspired training programmes (notably for PhD) were established (see Backhouse, 1996 for the UK).

The aforementioned literature focused on this process mainly at the national level—noticing though some cross-country patterns.³ Conversely, our article addresses the internationalisation of economics at the European level. The case of the ISoM illustrates the dynamics of European integration of economics in the 1970s and 1980s: (1) The ISoM fostered the dialogue and cooperation between participants: until the mid-1980s, this strengthened a European research network and encouraged to establish new European institutions; (2) These research network and institutions were built on a common ground of scientific and professional standards, which broadly corresponded to the US standards; however, (3) though the research presented at the ISoM constituted a vehicle of Americanisation, the European research programmes in macroeconomics differed in content from the US—at least until the mid-1980s. Many Europeans rallied behind the development of large-scale macroeconometric models—whereas macroeconometric modelling constituted a dividing issue for US macroeconomists in the late 1970s. Other Europeans were developing the disequilibrium approach—whereas this was far less fashionable in US universities.

The internationalisation of European economics are better understood considering the ISoM *and* the content of the discussions within the ISoM. Macroeconomics, we argue, played a key role in conveying the integration of European economics. The collapse of Bretton Woods and the European integration fostered macroeconomists' feeling that discussion platforms at European level constituted an absolute necessity. The core scientific content of the ISoM resulted also from this economic context and on the related research priorities for macroeconomics: establishing cross-country econometric studies, performing comparisons of national macroeconometric models, explaining exchange rates, and analysing international spillover effects of national policies.⁴ Henceforth, cooperation and dialogue in the field of macroeconomics constituted an important step in the creation of a broader European network.

Our investigation of the early history of the ISoM (1978-1993) combines four methods and sources: the study of the analytical content of the ISoM proceedings (about 110 articles and 220 discussions); our interviews and correspondence with 5 key ISoM participants; the analysis of the archives of the Maison des Sciences de l'Homme (MSH), providing some insights into the ISoM organisation; finally,

3. Polak (1996) on the IMF and Maes (1996, 1998) on the European Commission are notable exceptions.

4. We are not saying here that these open-economy issues were not important at all for US macroeconomists. Nevertheless, these issues were much less pressing than for Europeans.

we rely on a network analysis of the ISoM participants. This enables to identify the different communities converging at the ISoM meetings and to observe their evolution.

Section 1 and 2 explain why the ISoM constituted a crossroad for the development of a European network of economists. Section 1 puts the origins of the ISoM in perspective with different individual and collective trajectories, starting in the 1960s and then converging in the 1970s towards the common goal of establishing a European network for economics. Section 2 shows how this network was strengthened by the ISoM. The Seminar encouraged cross-country collaborations, notably on macroeconomic modelling and on disequilibrium theory. These research programmes reveal the ambivalence of the Americanisation process: if US professional standards emerged as the proper way ‘to do’ economics within the ISoM, what brought together European macroeconomics were research programmes differing from the US ones. Furthermore, during the mid-1980s, a set of European initiatives were developed by the ISoM core group (i.e. the organisers and a few participants attending the Seminar very regularly). Finally, Section 3 outlines the progressive disappearance of any European peculiarity within the ISoM after the mid-1980s—as illustrated by two phenomena: the rising dominance of US macroeconomists in the ISoM network and the marginalisation, within the ISoM debates, of both large-scale macroeconomic modelling and disequilibrium economics.

1 The origins of the ISoM

On September 10th 1978, in Paris, the participants to the first ISoM gathered for a pre-conference cocktail. 21 researchers have arrived from the US, France, the Federal Republic of Germany (FRG), the UK, Italy, Canada, and Belgium. For the following two days, the Seminar was hosted by de Mènil (co-chair of the ISoM) at the main facility of the EHESS, the MSH. During the second day lunch break, the “advisory committee” discussed the main lines of the organisation for following years.⁵ The success of the first edition encouraged them to maintain the structure of the seminar: a small conference (around 25 participants), with only seven papers presented in plenary sessions, and two discussants assigned to each paper—one US-based discussant and one Europe-based (CHMA, 5A2/215, de Mènil, “A project for a series of European conferences on Macroeconomic policy”, n.d., 1978).

Two organisational issues were still unresolved for the second ISoM (scheduled for September 1979, same venue). The first issue was to secure the publishing of the articles (and related discussions) as an annual “ISoM special issue” of the

5. For the full list of the ISoM advisory committee and participants, see Online Appendix.

European Economic Review (EER). During the subsequent months, de Ménil fixed the details in cooperation with Jean Waelbroeck, member of the ISoM advisory committee and the co-chief editor of the EER.⁶

The second unsolved issue was the institutional sponsorship of the ISoM. The idea and impulsion for establishing the ISoM came from Martin Feldstein, the president of the NBER since 1976. Feldstein had asked to de Ménil and Gordon to serve as organisers (Gordon, 17/12/2017, Personal Communication; de Ménil, 26/10/2019, PC).⁷ From the beginning, Feldstein was rather incline to organise the ISoM as a US-driven initiative—in short, a NBER conference held in Europe, with several European participants. De Ménil (with the support of William Branson and Richard Portes, NBER associates and Feldstein’s close friends) finally managed to convince Feldstein to promote the ISoM as a joint initiative (Benest, 2019, 245). This arrangement entailed a commitment of the EHESS to support the organisation of the ISoM—via the EHESS foundation, the “Fondation Maison des sciences de l’Homme”, chaired by Clemens Heller. This commitment will anchor the ISoM to the range of activities of the new EHESS Economics research center that de Ménil just founded.

1.1 De Ménil and economics at EHESS

De Ménil completed his PhD dissertation on wage bargaining in 1968 at MIT.⁸ During his years at MIT, de Ménil met Robert Gordon. Robert Hall and Branson (who later became both part of the ISoM advisory committee) were also MIT PhD students during the same years and close both to Gordon and de Ménil (de Ménil, 26/10/2019, PC). After his PhD, de Ménil contributed to craft the wage-price sector of the Federal Reserve Board-MIT-Penn (FMP) model, under the supervision of Franco Modigliani (Backhouse and Cherrier, 2019, 437). De Ménil continued contributing to the FMP model, focusing on the distinction between short run and long run Phillips curve (de Menil and Enzler, 1972) and the introduction and measurement of expectations (de Menil and Bhalla, 1975).

6. The EER will publish “a symposium based on the seminar papers”. The refereeing process would involve at least one participant to the Seminar. Each ISoM discussant has the opportunity to read the final version of the paper before submitting his comments. Waelbroeck would informally pre-select the papers during the conference—“if a paper is not good (or represents research which obviously has not matured), I will say so at the seminar.” (CHMA, 5A2/215, Waelbroeck to Gordon and de Ménil, 27/10/1978; 16/03/1979)

7. Feldstein presidency (1976-1982, 1984-2008) transformed deeply this institution, for instance by establishing the NBER Programs, coordinating Research associates’ activities on specific topics. Robert Hall and William Branson, who will be part of the ISoM advisory committee, chaired two of these NBER programmes.

8. George de Ménil was the third son of a French family, who emigrated to the US during World Word II; de Ménil acquired the US citizenship in the 1960s.

After their PhD, Branson and de M  nil were hired as Assistant professor at Princeton. They met there Richard Portes, a US born economist educated in Oxford.⁹ The three of them established a “close friendship” among “Europhile American” macroeconomists in Princeton (De M  nil, 26/10/2019, PC). Portes later joined de M  nil at the EHESS (*cf. infra*).

Despite his well-established network of collaboration in the US, de M  nil decided to return to France in 1975. He joined the National Institute for Statistics and Economic Research (INSEE) and took the lead of a project for the development of a new quarterly macroeconometric model (de M  nil, 26/10/2019, PC). During his three-year mission at the INSEE, de M  nil led a team of 14 people, in charge of the development of METRIC: the model should cover both the French economy and its international linkages. The main development of the model took two years: in 1977, METRIC became operational, and served since then as benchmark for establishing the INSEE quarterly forecast of economic activity (de M  nil and Nasse, 1977).

In 1978, de M  nil left the INSEE and he was appointed to a permanent position at the EHESS. This appointment represents the starting point of the transformation of economics at the EHESS, as similar profiles to de M  nil’s one were subsequently hired. Most importantly, de M  nil’s scientific initiatives became a driving and lively force dragging the transformation ahead.

The EHESS was established in 1975 as an autonomous ‘grande   cole’ (an higher education institution, distinct from public universities). Nevertheless, the EHESS was not created *ex nihilo*: it stemmed from the social sciences department (called “the sixth section”) of the   cole pratiques des hautes   tudes (EPHE). The sixth section constituted a cutting-edge research centre in social sciences.¹⁰ In 1975, the sixth section took its administrative independence from the EPHE, then becoming the EHESS.

At the moment of the creation of the EHESS, economics had become a somehow marginal research area, as the recruitment of economists at the sixth section had declined since a decade (Godechot, 2011; Benest, 2019). The historians Jacques Le Goff and Fran  ois Furet (respectively, the first director of the EHESS and his nominated successor) decided to reverse this trend. A new recruitment round was launched in 1977. An EHESS economist, Serge-Christophe Kolm started an intense lobbying to persuade them that the best strategy would be to hire an economist with an international stature, who would develop a research agenda abiding by the new US standards for economics (Benest, 2019, Chap. 4).¹¹ Furet and Le Goff

9. In Oxford, Portes was a fellow student and a friend of Feldstein and John Flemming: the three of them became later part of the ISoM core group.

10. See Benest (2019) for a thorough account of the origins of the sixth section and of the evolution of economics within the EHESS.

11. Kolm belonged to the tradition of French ‘ing  nieurs   conomistes’ (Fourcade, 2009), like his

acknowledged the potential benefits of this recruitment policy; it is likely that they sought the advice of Malinvaud about suitable candidates (Mairesse, 02/10/2019, PC).

Kolm had met de Ménil a few months earlier and had suggested him to apply (de Ménil, 26/10/2019, PC). The campaign to support de Ménil's application was successful and his hiring was the first in a line of similar appointments between 1978 and 1985 (Godechot, 2011; Benest, 2019). The economists joining the EHESS during this period held a strong mathematical/engineering background and international credentials (studies abroad, visiting positions in the US, international collaborations). The first two economists to join de Ménil played a particularly important role in internationalising economics at EHESS.

Jacques Mairesse was appointed to a permanent position in 1978. Mairesse graduated from École polytechnique; he worked at the INSEE since 1965. He was visiting research fellow at MIT (1971-1972) and at Harvard (1979), where he started working with Zvi Griliches. Following this cooperation, Mairesse became a NBER research associate and member of the Productivity Program chaired by Griliches (Mairesse, 02/10/2019, PC). Mairesse will collaborate closely with de Ménil in the first years, including as an ISoM advisory committee member.

In 1978, thanks to the invitation by de Ménil, Portes became a “directeur de recherche associé” (associated research fellow) at the EHESS. He then shared his time between Paris and his main appointment in London, at Birkbeck college (Portes, 29/10/2019, PC). Although not a member of the ISoM advisory committee, Portes became instrumental to broaden the set of international initiatives in economics (*cf. infra*).

Newly hired economists joined a new EHESS research centre, the “Centre of quantitative and comparative economics” (CEQC). Le Goff and Furet had explicitly asked de Ménil to launch and develop the CEQC, with the support of Mairesse (de Ménil, 26/10/2019, PC; Mairesse, 02/10/2019, PC). De Ménil's scientific project for the CEQC reflected his own perspective for the development of economics. De Ménil presents his view at the time as somehow rather methodological, than favouring any theoretical approach—“the CEQC was not a school of thought” (de Ménil, 26/10/2019, PC). Nevertheless, CEQC members shared some “discipline” about the proper way of doing economics (*ibid.*). De Ménil believed that economics should be based on consistent theoretical assumptions (marshalled by mathematical reasoning, especially through models). However, any theoretical assumption must be tested statistically; the crux of any development in economics lied then in empirical assessment throughout econometrics (*ibid.*). Henceforth, em-

EHESS colleague, Edmond Malinvaud. Their work in econometrics and mathematical economics was closer to US standards. Kolm had himself an international profile as he worked at Harvard (1963-1967) and Stanford (1967-1972).

pirical methods should represent the true common ground to economists, regardless of their theoretical (or policy/political) views (*ibid.*). The research programme of the CEQC was defined along these guidelines: its core was “comparative econometrics”, an approach “methodologically and conceptually rather original in France” at the time (CHMA, 5A2/204, CEQC Programmatic document, 26/08/1980).

To de M  nil, the debate with scholars from other countries was an essential aspect of this methodology. The strategic vision for the development of the CEQC was accordingly oriented towards fostering international exchange between the CEQC researchers and other European and US economists. The ISoM was fundamental for launching the CEQC internationalisation strategy: it was presented as the best testimony of the CEQC wish “to build a network of relations with scientific institutions in Europe” (*ibid.*, 17/10/1978).

1.2 The ISoM and European economics

The ISoM represented a somehow unique initiative in the context of the late 1970s. In Europe, there was almost no other seminar (to our knowledge) gathering on an annual basis (macro)economists from different European countries and the US.¹² This lack of dialogue was pointed out as one of the main motivation of the ISoM. The seminar, the organisers claimed, was precisely designed to reinforce inter-European and trans-Atlantic dialogue. In their introduction to the first ISoM special issue in the EER, eloquently titled “Beyond Misconceptions”, Gordon and de M  nil argued that in Europe, economists “in universities are relatively isolated both from decision making in government and from their counterparts in other European countries.” (de M  nil and Gordon, 1980, 1) A “more ample dialogue on policy matters” was needed “between the United States and Europe, and across national and institutional boundaries within Europe” (*ibid.*). The purpose of the ISoM was to overcome these three boundaries, by “bring[ing]together American and European scholars and policy-makers ... for a high-level examination of selected macroeconomic issues.” (*ibid.*)

However, if somehow unique, the creation of the ISoM belongs to a broader process of internationalisation of economics that was accelerating in the 1970s. A closer look to the transformations of European economics at that time, and more specifically to the economists involved, unveils how individual and national patterns converged towards the ISoM. The Seminar truly represented a crossroad for economists leading the process of internationalisation.

We already mentioned how the newly established CEQC fitted within the picture of the internationalisation.¹³ Moreover, besides the ISoM, the CEQC has been

12. The European meetings of the Econometric Association, starting in 1947, seem like the only other similar initiative.

13. The establishment of the CEQC echoed a broader trend in France, which started in early

supporting several other initiatives in the same spirit. The most notable, after the ISoM, is certainly the “Anglo-French Colloquium”, started in 1977 with the support of the British Social Science Research Council (*MSH Information*, 05/1977). These annual meetings gathered French and British economists to discuss a specific theme, and were co-organised by Portes as soon as 1979 (*MSH Information*, 01/1979; 08/1981; Summer/1986). The CEQC members also organised regularly large international conferences attracting preeminent scholars from the US and Europe (see, for instance, *MSH Information*, 01/1979).

In this process of internationalisation of European economics, a Belgian research centre—the Center for Operations Research and Econometrics (CORE)—had held a leading role well before the creation of the CEQC (Maes and Buyst, 2005; Düppe, 2017). The CORE was established by Jacques Drèze in 1966 at *Université Catholique de Louvain*, on the model of the Cowles Commission and the Carnegie Institute of Technology, which Drèze visited in the 1950s (Düppe, 2017). The CORE promoted economic research based on mathematics, statistics, and econometrics. However, the econometric expertise of CORE was much indebted with the development of a research programme in econometrics and macroeconomic modelling at the nearby Université Libre de Bruxelles (ULB), under the lead of Waelbroeck (Maes and Buyst, 2005, 79). A distinctive feature of CORE was the large visiting programme, which attracted both European and US scholars.

After the creation of the CORE, other similar economics departments in Europe emerged. Three future members of the ISoM core group (Portes, Giorgio Basevi, and Heinz König) were key players in this movement. Coming back from Princeton in 1972, Portes joined Birkbeck College (University of London) as the head of the newly established Economics department. The new department hired international-oriented economists, engaging with mathematical economics and econometrics—and, even more specifically, with disequilibrium theory, which became a distinctive feature of economics at Birkbeck (Portes, 29/10/2019, PC). A similar transformation was on the way at the University of Bologna. At the time, Italian economics was relatively hostile to US economics, though it was rather open to international exchanges (in particular with respect to Cambridge, UK; Porta, 1996; Basevi, 09/11/2019, PC). Beniamino Andreatta (the Department chair at Bologna Istituto di Scienze Economiche at the time) endeavoured to change this situation by opening the Department to both “the Cambridge (US) school” and the “Chicago school” (Basevi, 09/11/2019, PC). Andreatta pushed for Basevi to come to Bologna in 1972.¹⁴ Later (1978-1979), Basevi served himself as chair of

1970s (Fourcade, 2009).

14. Basevi held a PhD from Chicago (1965); he worked for the European commission (1965-1966), then became an Assistant professor at the Université Catholique de Louvain. Even if Basevi was not affiliated to CORE, he attended many CORE seminars (Basevi, 29/10/2019, PC).

the Department in Bologna. Another member of the ISoM advisory committee, Heinz König (visiting research at the MIT, Stanford and Harvard) became chair of the Economics department of University of Mannheim in 1968. He contributed to change the research practices of the department—a process culminating with the foundation of the Leibniz Centre for European Economic Research (1991).

A few initiatives were conceived on a European scale. In 1961, the European Scientific Association of Applied Economics (ASEPELT) was created by Waelbroeck and Etienne Kirschen (also from ULB). The Association published regularly a bulletin and symposia (in English) gathering European research in econometrics and mathematical economics (Waelbroeck and Glejser, 1969, 4). Starting from 1969, this Association published a journal, the *European Economic Review*. Waelbroeck served as first editor of the EER along with Herbert Glejser (also from ULB). The purpose of the journal was to advertise mathematical and applied (econometric) research (Waelbroeck and Glejser, 1969). Articles in the EER were published exclusively in English: the editors point that English was to be the “lingua franca of economics” supporting the process of “internationalisation of our science” (*ibid.*, 4).

Waelbroeck and Glejser’s polemical piece unveils a conflictual aspect underlying the internationalisation of economics, emphasised by Fourcade (2006). Within this process “local conflicts” had emerged between “nationally-oriented” economists (locally trained) and “internationally-oriented” economists (who were fully or partially trained in the US). Local conflicts had obviously an institutional dimension, in particular about the value and relevance attributed to different types of credentials (training, publications, etc.) for determining hiring and promotion (like in the case of the EHESS). Nevertheless, these conflicts also reflected a debate between two different views of the methods and style of economics: nationally-oriented economists, in particular in Europe, worked in a “political economy” tradition, while “internationally-oriented” economists favoured the newly established US standards based on a “scientific” economics tradition (*ibid.*). When local conflicts arose, it became crucial for internationally-oriented economists to join forces for socialise and for organise. The European initiatives that we have just described would fit with this dynamics, forging closer links for internationally-oriented economists, giving them a further opportunity to gather, to promote their works, and to disseminate their vision of economics.

The ISoM emerged in this context of a progressive internationalisation of European economics. By the mid-1970s, several individual and collective initiatives in societies and academic departments were already well-established by a few ‘academic entrepreneurs’. Henceforth, the ISoM was in the “spirit of the times” (de Ménil, 26/10/2019, PC). Nevertheless, the first years of the ISoM contributed to significantly strengthen the dynamics of inter-European and transatlantic integra-

tion.

2 The ISoM and the making of a European network for economics

2.1 The ISoM network in the early years

To get a clear picture about how different communities of macroeconomists came together at the ISoM, we performed a network analysis for three sub-periods (1978-1982; 1983-1987; 1988-1993).¹⁵

The fundamental principle underlying network analysis is to connect ‘nodes’ through ‘edges’. In our analysis, the ‘nodes’ are the 246 participants of the 16 ISoM (1978-1993). The ‘edges’ represent, in our case, a set of professional relationship between the ISoM participants. All these relationships are *pre-existent* to the attendance of a given participant to his first ISoM meeting.

We draw an ‘edge’ between two ISoM participants when: (i) they have been PhD students together; (ii) they had the same PhD supervisor during their PhD; (iii) Participant X was the PhD student or the PhD advisor of Participant Y; (iv) they worked in the same institution (academic or non-academic); (v) they were involved in significant research activity outside their institution (e.g. an involvement with large-scale macroeconomic projects); or (vi) they co-authored a paper. Using GEPHI, we ran an algorithm to shape the structure of our network. The algorithm used relied on an attractive force—bringing closer participants who are connected to each other—and a repulsive force—moving away the participants with less connections to each other. We then applied a modularity algorithm, which identified ‘clusters’ gathering the nodes that are the most connected together.

Results for the first sub-period are displayed in Figure 1. The relationships between the participants of the first five years (94 participants) allow a closer examination of the creation of the ISoM network. The modularity algorithm identified six major communities. Four communities display a high proximity between nodes, testifying of a strong interconnectedness within the community. The US-based economists are polarised between a (mostly) Harvard community (in blue) and a community gathering all other institutions (in purple). French (in light green) and UK (in yellow) economists constituted the two European communities with the densest networks.

Starred names in Figure 1 indicate economists belonging to the core group of the ISoM: they are all located at the centre of the graph or nearby. This signals

15. Our comments here are merely a synthesis of the large amount of information available through the network analysis. More details (especially about the methodology used) are available as an Online Appendix.

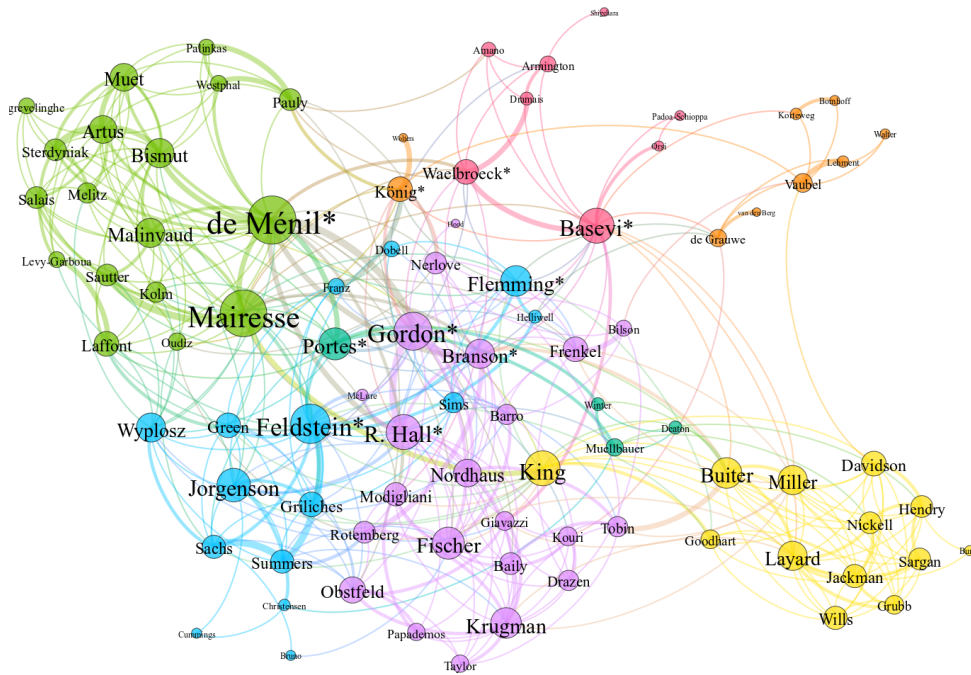


Figure 1 – The ISoM network (1978-1982)

their role in connecting the different communities. For instance, Waelbroeck, König and Basevi bring to the ISoM ‘isolated’ economists from different countries—i.e. they link to the rest of the ISoM network the two scattered communities of the graph (northeast, in orange and pink).

The network analysis helps drawing a general picture of the relationships existing across the ISoM participants and their communities. The US group already formed a tightly connected network; conversely, the Seminar (and its organisers) were able to bring together different European communities. This was possible through individual professional relationships; nevertheless, this process was also fostered by European research programmes and new collective initiatives.

2.2 Two research programmes for European economics

The ISoM was thus successful in connecting European macroeconomists together. These connections were, we argue, the result of convergences towards common research programmes.

Large-scale macroeconometric models

The early years of the ISoM were the occasion for numerous discussions on macroeconometric modelling. They expressed an unaffected confidence in the research program of large-scale macroeconometric models, despite the rising importance of Sims's and Lucas's criticisms (Salazar and Otero, 2019; Goutsmedt et al., 2019). As soon as the first meeting, Sims presented a criticism of large-scale models (Sims, 1978, a forerunner of the famous Sims, 1980). Malinvaud and John Helliwell both defended large-scale macroeconometric models and criticised Sims' approach, that they saw rather as complementary to structural models (see *MSH Information*, 11/1978, 19-21).¹⁶ Similarly, ISoM participants were not affected by the Lucas Critique, sometimes raised in ISoM sessions but never seriously taken into account by the participants.

Organisers and some attendees were involved in national and international projects of macroeconometric modelling—henceforth the discussion within the ISoM showcased their enthusiasm towards these practices. When de Ménil moved back to France, he had already some experience in building macroeconometric models. Both during his mission at the INSEE (coordinating the inception of METRIC) and at the EHESS, de Ménil continued working in this line of research. The research project he prepared for establishing the CEQC set cross-country comparisons of large-scale models as one the main lines of investigation (CHMA, 5A2/204, CEQC Programmatic document, 26/08/1980). By 1979 de Ménil had already launched a French-German research project comparing METRIC and SYSIFO, a quarterly macroeconometric model of FRG built in Hamburg.¹⁷ The project led to the publication of a book, edited by de Ménil and Westphal (1985); two chapters were previously presented during the ISoM (Artus et al. 1981; de Ménil and Westphal 1982). The METRIC-SYSIFO project aimed at (i) understanding, through the comparison of the two macroeconometric models, the differences between French and West German economies, and (ii) performing several policy analysis exercises based on model simulations. This line of research, pursued by the CEQC, was then also reflected in the ISoM. de Ménil and Gordon (1980, 256) pointed out the arising awareness among economists that different countries seemed to react differently to the same shocks and were therefore more or less likely to benefit from the same policies.

Waelbroeck was a well-established figure in the macroeconometric modelling in-

16. Helliwell, who was involved in building a macroeconometric model of the Canadian economy was invited by de Ménil in 1979 to share his experience about Canada and US models comparison with some members of the METRIC-SYSIFO project (*cf. infra*; CHMA, 5A2/207, de Ménil to Heller, 29/03/1979).

17. The project involved the CEQC, the CEPREMAP and the INSEE in France, and gathered 6 economists from France and 7 from FRG (CHMA, 5A2/209, "Progress report", 10/1980).

ternational community: he was one of the founders and leading figures of Project LINK (Waelbroeck, 1976). Project LINK (started in 1972) was an ambitious international macroeconometric model, connecting into a single platform several existing national or regional models (13 models, by 1976; Waelbroeck, 1976). The Project was under Lawrence Klein’s direction and was hosted at the Wharton Econometric Forecasting Associates Inc.

As European countries were developing national models, project LINK had represented a first network to foster exchanges and comparisons within this research programme. Basevi, in Bologna, contributed forging the Italian macroeconometric model for LINK (Andreatta et al. 1976; Basevi, 29/10/2019, PC). METRIC had been integrated to LINK only in the 1980s (Hickman, 1983). Other Europeans engaged with Project LINK, progressively developing an autonomous multi-country model of the European Economic Community. The main hub for such project became the Directorate General for Economic and Financial Affairs (known as “DG II”) of the European Commission in Brussels.¹⁸

Disequilibrium theory

As for macroeconometric modelling, disequilibrium theory was at the core of the CEQC research programme. Portes was the CEQC representative of this line of research, focusing mainly on planned economies in East Europe. He would be later joined by Laffont, who was appointed at EHESS to work on the “new paradigm of a Walrasian economy with quantity constraints” and to the “development of econometric studies on disequilibrium economics” (CHMA, 5A2/207, Laffont application, n.d. 1979).¹⁹

The disequilibrium approach was also central to the ISoM core group.²⁰ The ISoM shows how the research programme on disequilibrium was following its own course throughout the 1980s. Two papers (Muellbauer and Winter, 1980; Sneessens, 1987) will be particularly illustrative of such an ongoing development.

At the 1979 ISoM meeting, Muellbauer and Winter (1980) presented an article that incorporated the most recent theoretical and econometric advances of the

18. A PhD student of Waelbroeck, André Dramais (presenting at the first meeting of the ISoM), lied down the foundations of such a model (Dramais, 1974). The model evolved later into the “Eurolink” project at the DG II (Ranuzzi, 1981).

19. The research programme on disequilibrium at the EHESS (and in France more broadly) was not entirely independent from the work on macroeconometric modelling. For instance, in the early 1980s, Portes received funding for a cross-country comparison of macroeconometric models for market economies—METRIC—and planned economies—the W-4 model for Poland, an in-progress model for Hungary, and the SOVMOD model of the USSR (CHMA, 5A2/211, Report to the Ford Foundation, 01/06/1980).

20. For instance, Malinvaud was a regular participant to the ISoM and several ISoM contributions presented disequilibrium models.

disequilibrium literature. Their article contributed to the collective effort for modelling disequilibrium dynamics—going beyond the short-run static non-Walrasian model, which was disseminating in the 1970s as the ‘Barro-Grossman-Malinvaud’ model (Backhouse and Boianovski, 2013). Muellbauer and Winter (1980) presented such a dynamic disequilibrium model, based on firms’ intertemporal optimising decisions about inventories, under the assumption that expectations are rational—in line with Muellbauer and Portes’s (1978) seminal article. The Muellbauer-Winter model was disaggregated, for it investigated how disequilibria affected production, unemployment, and job vacancies in a particular sector (namely British manufacturing). Furthermore, the model discussed the effect on exports, consistently with the recent theoretical extension of the disequilibrium literature to open-economy issues (Dixit, 1976). Similarly, the empirical contribution of Muellbauer and Winter (1980) to the disequilibrium approach consisted in adopting a new estimation methodology (as first suggested by Kooiman and Kloek, 1979) relying on business survey data.

In his discussion, Malinvaud emphasised the article innovative character, and suggested that it could soon be “a landmark on the difficult route that macroeconomics must follow in order to correctly describe market adjustments.” (Malinvaud, 1980, 414) In particular, he praised the empirical strategy adopted and highlighted that it could enable a convergence between the disequilibrium approach and the current practice of large-scale macroeconometric models.²¹

This new approach for estimating disequilibrium models later became standard, as reflected by the subsequent empirical papers presented at the ISoM. This is the case of Sneessens (1987), which also incorporated the additional theoretical advances of the 1980s. First, Sneessens’s model was multi-sector, and both prices and employment resulted from an aggregation over individual firms (which might be in different disequilibrium regimes). Second, both prices and capital stock were endogenously determined by profit maximising firms, consistently with the monopolistic competition framework (Blanchard and Kiyotaki, 1987). Though, this does not entail market clearing on the goods market, for firms face imperfect information. In this regard, Sneessens (1987) follows the idea of “anticipatory pricing”, devised by Green and Laffont (1981, also presented at the ISoM). Third, the famous three regimes distinction (repressed inflation, Classical and Keynesian unemployment) holds on the short-run, but does not result from any ad hoc fixed-price hypothesis: disequilibrium regimes only arise from both the ex-post rigid technical coefficients of firms’ productive capacity and possible labour and capital shortages.

Sneessens (1987) succeeded in meeting the major concerns of the proponents of the disequilibrium approach, as it is apparent from both Malinvaud’s and Portes’s

21. See Renault (2019) for more details on Malinvaud’s view that the disequilibrium approach could help improving large-scale macroeconometric models.

enthusiastic comments. Malinvaud (1987, 811) trumpets that “a new field is open for theoretical exploration” and that the “prospects appear promising.” He even prophesied that Sneessens’s article “will be referred as a pioneer in a literature that will develop during the coming years, and to which I hope to contribute.” (Malinvaud, 1987, 809) Such enthusiastic comments illustrate that, for few proponents of the disequilibrium approach (to be sure the most ardent ones), this line of research was still promising at the end of the 1980s.

Europeans attendees of the ISoM (especially the core group) had common intellectual interests and research priorities. This could explain how this network emerged in the first place and how it strengthened during the first half of the 1980s. However, some new initiatives by the ISoM core group would be even more crucial in forging and perpetuating a European network for economics. The ISoM was a relatively new and unique experiment in the late 1970s; it would be less so from the mid-1980s onward, when new institutions emerged.

2.3 The new European initiatives

The internationalisation of economics in Europe had taken a decisive turn in the 1970s-1980s, with the development of more intense exchanges and the establishment of European trans-national initiatives for economics. The ISoM fitted with this European dynamics: it contributed to a network of initiatives that emerged in the 1980s. Two of these initiatives stand out as the most significant and lasting: the establishment of the Centre for Economic Policy Research (CEPR) and of the European Economic Association (EEA).

In 1983, Portes founded the CEPR, an institution aiming at supporting policy-oriented research and gathering European economists. Like de M  nil, Portes considered the inter-European dialogue insufficient; moreover, European economists were engaging less with policymakers than their US counterparts. The structure and scope of the CEPR were inspired by Feldstein’s NBER. Portes and Feldstein discussed the advantages of structuring the CEPR as a “network” of researchers, as compared to establishing a research centre with “in-house” staff (Portes, 29/10/2019, PC).

The purpose of the CEPR was to support its network of Research Fellows in producing research and, most importantly, disseminating it to policymakers. “Programme Directors” of the CEPR provided “intellectual leadership” for research and appointed research fellows (Portes and Yeo, 2001). In 1984, the CEPR advertised four research programmes (CHMA, 5A2/211, *CEPR Bulletin* 0, June and December 1983). Willem Buiter, ISoM participant 1981, was serving as Programme director for “International Macroeconomics”. More generally, one quarter of CEPR Research fellows in 1984 had already attended the ISoM (*ibid.*). In the

first years of activity, the geographical basis of the CEPR members was mostly the UK (UK-based economists accounted for three quarters of the Research fellows, the remaining Fellows being mostly based in US institutions; *ibid.*). Nevertheless Portes envisioned from the beginning, that CEPR will engage more substantially with the task of building a truly inter-European dialogue:²² a few years later, the list of CEPR Research fellows featured a more balanced distribution between Britons, Europeans and Americans.²³ Rapidly, the Centre expanded its activities and became highly visible and influential in Europe, both for academics and policymakers. By 1989, the CEPR was publishing more than 100 discussion papers per year, and had more than several thousand subscribers to its *Bulletin* (Portes and Yeo, 2001). Above all, the CEPR organised about 30 conferences and workshops per year (gathering some of the more than 400 fellows).²⁴

In 1985, the CEPR moved forward by launching a journal, named *Economic Policy*. The idea came from de M  nil (Portes, 29/10/2019, PC), who envisioned *Economic Policy* as the European “equivalent” of the *Brookings Papers on Economic Activity*.²⁵ De M  nil also engaged substantially with the scientific and editorial animation—including securing the support of the MSH and EHESS for the launch of the new journal (de M  nil, 26/10/2019, PC; CHMA, 5A2/211, Portes to Heller, 12/02/1985). Like the *Brookings Papers on Economic Activity*, *Economic Policy* also organised twice a year a meeting (“Economic Policy Panel”) for discussing papers commissioned in advance by the editors. The first meeting was held in Paris, at the MSH in 1985—two days ahead of the annual meeting of the ISoM.

Portes was willingly and purposefully supporting this internationalisation of economics in Europe (with the US as a model) through his engagement with the EHESS, the participation to the ISoM, and the foundation of the CEPR and *Economic Policy*. Moreover, Portes publicly advocated his vision for European economics. In 1986, the European Commission organised hearings about the state of economics in Europe, notably in comparison to the US. In a published version of his hearing, Portes (1987, 1338) advocated notably the creation of “first class PhD programmes in Europe” and the use of English as lingua franca for research and training. Portes highlighted that the recent creation of the EEA constituted an important step towards bridging the gap between Europe and the US. Subsequently

22. Conversely to what others had suggested to him—some called for the CEPR to develop as a UK-based institution (Portes, 29/10/2019).

23. By 2001, for instance, 52% of CEPR Research fellows were based in continental Europe, and only 24% were based in the UK (Portes and Yeo, 2001, 12).

24. Like the ISoM, the various CEPR meetings and conferences constituted a way to strengthen the connections between European economists, fostering the development of new inter-European research projects. Portes advocated the “model” of “developing large-scale collaboration from small-scale initial contacts” (CHMA, 5A2/211, Portes to Heller, 07/12/1984).

25. The ISoM system of having two discussants was also purposefully inspired by the practices at Brookings (Gordon, 17/11/2017, PC).

to this consultation, the Commission established a three-year funding programme “promot[ing] an exchange of knowledge and mobility of economists between the Member States”.²⁶

Waelbroeck and other Belgian-based economists were instrumental in establishing the EEA in 1985 (Maes and Buyst, 2005, 80). They appointed Drèze as the first EEA President; the secretarial office was hosted by CORE (Düppe, 2017, 269). The first meeting, held in Vienna, gathered 650 participants (Portes, 1987); few months later, the EEA had 900 members. Henceforth, the EEA annual meetings became rapidly the most important rendezvous for European economists. The structure of the EEA mimicked all the features of the American Economic Association (up to its name): a summer school for PhD students, a similar structure of the governing bodies, a job market event at the annual meeting. The EEA also supported financially the organisation of the ISoM (from 1988 until 2003; Clarida et al., 2006) and continued hosting an ISoM special issue in the EER (which had become the official journal of the EEA).²⁷

3 Towards a less European ISoM

Some of the ISoM main peculiarities progressively disappeared after the mid-1980s. ISoM debates reveal how US and European macroeconomics were diverging. Steadily, disequilibrium economics and large-scale macroeconometric modelling, disappeared from the ISoM programmes. This trend is also reflected in the transformation of the ISoM network: it appears that US macroeconomists became more and more central in the late 1980s in comparison to the European organisers.

3.1 US-European controversies about the disequilibrium theory

During the debates at the ISoM, European economists became progressively aware that American macroeconomists were increasingly reluctant to pursue the development of the disequilibrium approach. For instance, Robert Barro and Herschel Grossman, albeit pioneers of the disequilibrium theory (Barro and Grossman, 1971), were now inflexible supporters of the new Classical approach. At the second ISoM meeting, Barro discussed Muellbauer and Winter (1980). In sharp contrast to Malinvaud (1980, *cf. supra*), Barro (1980, 411) provided his “general reasons for disenchantment with this style of macroanalysis.” He did not bother discussing the specifics of Muellbauer and Portes’s paper. Instead, he led a violent charge

26. See <https://cordis.europa.eu/programme/rcn/30/en> [retrieved 21/11/2019].

27. After 2003, the ISoM proceedings were published by the NBER until 2012, and by the *Journal of International Economics* since.

against “the anything-goes world of disequilibrium macroeconomics,” made of “unexplained market failures” and “arbitrary restrictions on the adjustment of prices” (*ibid.*); he then made a case for the new Classical approach.

At the 1982 ISoM meeting, Grossman and Haraf (1983) presented an article similar in spirit to Barro’s comment (i.e. supporting new Classical macroeconomics) but with a different target. Grossman and Haraf provided an assessment of Fischer’s (1977) claim that predetermined nominal wages play a critical role for the determination of real aggregates. They analysed the wage-setting process in Japan (called “Shunto”), consisting of an annual wage negotiation round between firms and trade unions. Shunto provided some support to Fischer (1977) story; however, Grossman and Haraf showed empirically that this had no implications for monetary policy efficiency, conversely to Fischer (1977) conclusion. Through Fischer (1977), Grossman and Haraf (1983) targeted “Keynesian” economics that they thus identified with what has later been called new Keynesian economics. This illustrates that disequilibrium theory did not constitute a true challenger for Americans supporting new Classical macroeconomics.

By contrast, it took a while to proponents of the disequilibrium approach to realise that the new Keynesian approach arising in the US had a similar disaffection for disequilibrium theory. Two major points of contention emerged during the ISoM meetings, and both can be traced back to Branson and Rotemberg (1980). They addressed why the USA recovered from the 1974 recession faster than Europe. They provided empirical support to Sachs and Bruno (1979) hypothesis that the US economy was characterised by nominal rigidities, while Europe was characterised by real rigidities—in both cases, real wages being above their equilibrium values.²⁸ Branson and Rotemberg (1980) thus argued that high real wages are the main cause for stagflation in Europe; hence, the expansionary policies could generate nothing but inflation. On this basis, they modelled two different types of economics with nominal or real rigidities, and analysed their interactions.

The first point of contention was raised by Portes (1980, 341) who questioned the nominal wage rigidity hypothesis, which meant that good markets were cleared by perfect price adjustments. This hypothesis, he noted, was at variance with the disequilibrium theory, which only assumes market-clearing on the good market for a small open economy (after Dixit, 1976). More generally, Portes complained that Branson and Rotemberg did not properly rely on the disequilibrium literature—their single reference being Muellbauer and Portes (1979). However, Portes’s discussion is in no way critical, as his main motivation seems to invite Branson and Rotemberg to establish better connections between the US and European litera-

28. Sachs and Bruno (1979) referred to Malinvaud’s (1977) hypothesis that the OECD economies had been swinging from inflation to Keynesian unemployment regimes until 1973, but then entered the Classical unemployment regime.

ture.

In the US, the hypothesis of market-clearing on the goods market turned out to be fundamental to provide microfoundations to the twin assumptions of flexible prices and rigid nominal wages (*à la* Fischer, 1977). Logically, this approach led to the monopolistic competition framework (Blanchard and Kiyotaki, 1987). The state of the good markets became a clear dividing line at the ISoM meetings in the second half of the 1980s. For instance, Rotemberg (1989, 989) made it explicit in challenging the empirical relevance of consumers' rationing on good markets in Laroque (1989), arguing that "the relative absence of complaints about the availability of goods in capitalist countries is evidence against its importance".

The second point of contention was about the diagnostic of stagflation in Europe. The American view, following Sachs and Bruno (1979) and Branson and Rotemberg (1980), argued that high real wages, i.e. classical unemployment, was at the origin of stagflation and of its persistence in Europe. This interpretation raised opposition from the disequilibrium approach side. At the 1982 ISoM, Bismut (1983, 42) noted that Grubb et al. (1983) focused only on wage rigidities and deliberately ignored "employment rigidities" (i.e. Keynesian unemployment). This divide has become so important that Laroque (1989) dedicated an econometric study to address this issue, and eventually rejected the idea that stagflation in Europe had been mainly due to Classical unemployment. The same very divide was still at play in the discussion: Waelbroeck (1989) celebrated the article while Rotemberg (1989) harshly criticized it.

In a nutshell, the gap between US macroeconomics and the European disequilibrium approach increased through the 1980s. The disequilibrium approach was marginalised and relied on a narrower group of ardent promoters. This is reflected, in the context of the ISoM meetings, by a decline in the number of papers adopting the disequilibrium approach. Articles related to macroeconomic modelling experienced a similar trend, reflecting perhaps the lack of "enthusiasm" for this approach in comparison to the early 1980s (de Ménil, 26/10/2019, PC). These trends are somehow acknowledged by (de Ménil and Gordon, 1991) in their introduction to the 1990 ISoM proceedings. They argued that debates in macroeconomics in the past decade has been dominated by the "traditional debate over Keynesian economics (now between the 'new Keynesian' and 'new classical') [and] many popular macroeconomic models in both a market-clearing and non-market-clearing setting" (716). Although mentioning vaguely "non-market clearing", no mention is made of the disequilibrium approach—and no paper on disequilibrium was invited to participate to this annual meeting. Similarly, the only mention to the state of large-scale macroeconomic modelling referred to the criticisms raised by what they called two "revolutions" in macroeconomics (i.e new Classical macroeconomics and Sims's approach).

The evolution in the tone of the debates within the ISoM suggests that both the disequilibrium approach and macroeconometric modelling belong to the past of macroeconomics. This shift in the research agenda is extremely significant since both approaches represented a defining characteristic of the intellectual unity of the ISoM and, at a broader level, a distinctive feature of European macroeconomics with respect to US macroeconomics. This changes in the scientific debates within the ISoM were mirrored by a change in the ISoM network from the mid-1980s onward.

3.2 The transformation of the ISoM network

Following the same approach as in section 2.1, we have ran a network analysis for two sub-periods of the ISoM (1983-1987, 1988-1993)—see Figure 2 and Figure 3. When comparing the networks for the three sub-periods, we notice that the participants located at the centre of the network have changed. Figure 1 (1978-1982) clearly displayed the role of the ISoM core group in bringing together the participants: they were central to the network. Conversely, there are two central groups for the network displayed in Figure 2 (1983-1988): the organisers group (west of the graph) and an alternative central group (east of the graph) constituted of remarkably influential figures for US macroeconomics (Blanchard, Dornbusch, Fischer, Sachs, *etc*). Thus, for the sub-period 1983-1987, the role of ‘connecting’ (i.e. bringing together) the ISoM participants was shared between the organisers and a new group based in the US.

This trend was reinforced on Figure 3: the group of the ISoM organisers is not anymore at the centre of the graph, but it constitutes a proper community (in violet), relegated to the margins of the graph. The core of the ISoM network is now entirely constituted of US macroeconomists (Fischer, Krugman, Rotemberg, Sachs, Mankiw). This trend somehow anticipates (or partially explains) the changes occurring after 1993: after 15 years, the ISoM co-founders, de M  nil and Gordon, left their role. Charles Wyplosz (EHESS) and Jeffrey Frankel (Harvard) became the new organisers.

The EHESS and the MSH stopped their co-sponsorship of the Seminar with the departure of de M  nil, while the EEA kept supporting the ISoM until 2003. The choice of Wyplosz as co-organiser somehow testifies of this wish to maintain the ISoM on a European-American basis (at least on paper). Nonetheless, it seems clear, from our network analysis, that US macroeconomists became more predominant, already starting from 1983. This seems consistent with two phenomena. On the one hand, the blossoming of alternative institutions (CEPR and EEA) promoting the exchange between European macroeconomists on a more regular basis and on a larger scale. Somehow, the task of the ISoM was accomplished and the Sem-

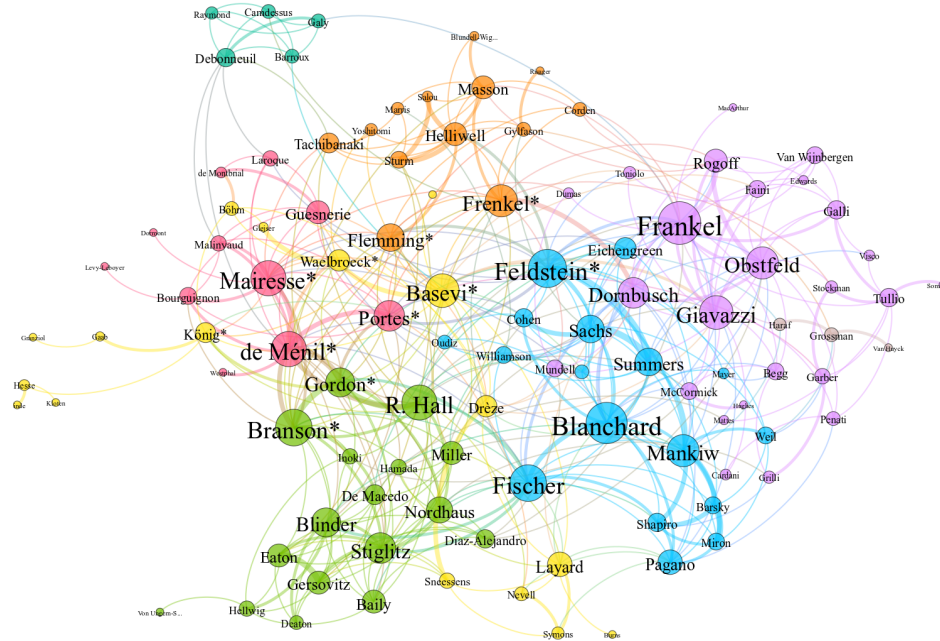


Figure 2 – The ISoM network (1983-1987)

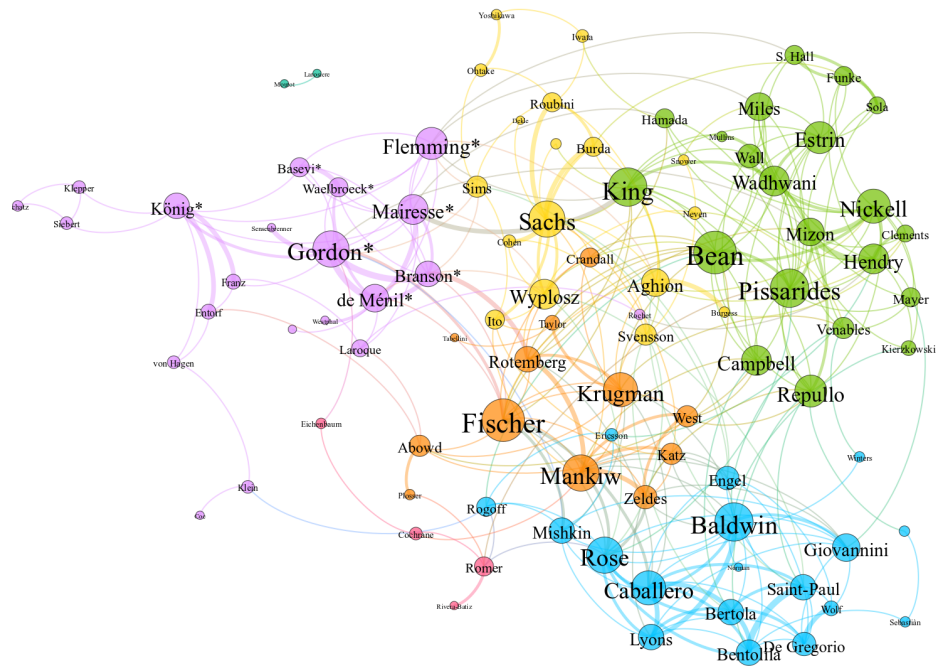


Figure 3 – The ISoM network (1988-1993)

inar had lost his exceptional character.²⁹ On the other hand, the ISoM became “less European” since the decline of some of two distinctive European research programmes: macroeconometric modelling and disequilibrium theory.

Conclusion

This article relates a story relying on the study of an academic conference. We consider that taking such an angle on the history of economics constitutes an ideal observatory, embracing several dimensions of the transformations of the discipline.

First, the study of conferences like the ISoM might contribute to understand the broader institutional strategies that shaped economists’ professional and intellectual identity. With respect to this matter, the ISoM served a clear purpose within the EHESS/CEQC, i.e. to claim for ‘scientific prestige’ (Rossier and Bühlmann, 2018) and to disseminate the US style of economics.

Second, conferences might create/strengthen networks of researchers with a common research agenda. The ISoM, for instance, contributed to the dissemination of quantitative methods, particularly in the domain of large-scale macroeconometric modelling and disequilibrium theory.

Third, the study of annual conferences might work as a “tracking device” for contributions and debates within a given field. If some recent history of macroeconomics contributions underlined the importance of disequilibrium theory, and the survival of standard macroeconometric modelling in the 1970s, a standard narrative about macroeconomics tends to occult the first approach and regard the second as totally swept away by Sims’s VAR method and the new Classical economists’ criticisms. The study of the ISoM demonstrates that such issues are far more complicated, and that (i) the timing is generally different of what the standard narrative tells us ; (ii) these approaches did not totally disappear and still served as unifying research programme at some point ; and (iii) geographical considerations matter.

29. Frankel suggests somehow that what has changed since he had taken the lead of the ISoM was precisely that European macroeconomist did not ‘need’ anymore the ISoM, since there were more opportunities for inter-European and trans-Atlantic dialogue: “my impression is that in the early years, there was a bit of missionary aspect to the NBER project, seeking to link European macro and US macro ... During my years ... macroeconomists in Europe [had] ... no lack of institutions to promote integration of the discipline.” (10/11/2019, PC).

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