

The international impact of the NBER in the Feldstein era

I sent an email yesterday to Jim and the Feldstein family saying I would be at the dinner, 'British Airways willing.' I'm afraid both BA and Virgin were unwilling. After a couple of terribly frustrating hours at Heathrow, I established that there was no flight that would get me to you in time for the dinner. I regret that enormously.

Why did I so much want to cross the Atlantic for a day to participate in this occasion? Because it is a celebration of what Marty has done with NBER over the past 30 years; because that has been an inspiration for me; and because my ties with Marty and Kate, both professional and personal, go back to our time together in Oxford in the mid-1960s, with a continuing close relationship.

Jim asked me to talk about the international aspects of the Bureau. Marty has always been a convinced internationalist. His involvement in both academic economics and economic policy in the US has gone together with a keen interest in the profession and policy issues outside the US, as well as a deep understanding of international economic interdependence. That has led to a wide range of major international initiatives undertaken by NBER during Marty's tenure, all of which are now annual events:

- The International Seminar on Macroeconomics (ISOM)
- The Transatlantic Public Economics Seminar (TAPES)
- The TRIO conference, with CEPR and the Tokyo Center for Economic Research
- The Neemrana conferences organised with the Indian National Council for Applied Economic Research
- The conferences organised with the Chinese Center for Economic Research
- NBER's East Asian Seminar on Economics
- The Inter-American Seminar on Economics

As if this remarkable list were not enough, Marty has put together major Bureau research projects on international issues, such as capital flows and currency crises. There is also the NBER Trade Database, and doubtless things I have omitted.

As an NBER Research Associate and with other hats on, I have participated in many of these activities. ISOM began in 1978. It was initially Marty's effort to bring American macro to Europe, where there was clearly a lag behind the US, and this aspect was very productive. It has since become a full and fruitful partnership. But it almost died at birth. When Marty and Kate arrived in Paris for the first meeting, they discovered that the hotel the local organisers had booked for them was, shall we say, more suited to students – indeed, undergraduates – than to professors. Internationalism notwithstanding, they were rightly inclined simply to pick up and go. I recall undertaking a bit of diplomacy to get the senior administrator to understand that this wouldn't do. A suitable alternative was found, and Franco-American relations improved quickly.

Although the China conferences have been going for only a decade, Marty's interest in China dates back much longer. His first effort misfired. He had arranged for a small group of us to go to China in the first week of June 1989. As the political situation deteriorated, the frequency of messages from Cambridge rose, until finally the expedition was called off. But Marty always perseveres, and the CCER series is now well established.

No favouritism as between the two Asian giants, however – the Neemrana series began a year after the China conferences. There were diplomatic issues there, too – the Neemrana fort-hotel is a lovely place, to which Marty is greatly attached, but it has a wide variety of rooms. The local organisers found it a serious challenge to get the pecking order right. But the Indians, unlike the French, seem to have avoided any serious mistakes. And Marty's own regular participation in the Neemrana meetings has been a key factor in their success. Indian economists and policy-makers also much appreciate Marty's foresight in investing in Indian relationships well before India became a hot property. That showed vision and leadership.

Through all this international activity, NBER and its affiliated researchers have greatly influenced economics outside the US. But the impact goes much further. Here I turn to the *network model* that Marty pioneered – and, inevitably, to the way in which the Centre for Economic Policy Research adapted the model to the European context.

Before Marty, the Bureau had been a 'think tank', primarily an in-house research institute, though with some affiliated university researchers. Marty saw that a *network* of carefully selected academic economists could produce qualitatively different output that would be used by academics as well as practitioners; and that contact and collaboration among otherwise dispersed academics could generate tremendous synergies. In the early 1980s, economics in Europe was highly fragmented. Even within countries, there was little communication among economists in different universities, and there was virtually none across national borders. John Flemming remarked that European economists saw more of each other at the NBER Summer Institute than they did on their home grounds.

CEPR was intended to overcome this segmentation. It was created as a 'think-net' rather than a think-tank, a pure network of individual economists, with no research being done at the administrative center. This took Marty's construction to an extreme. But I could not accept some of Marty's advice. He put forcefully the position set out in the introduction to every NBER book: that the publications should not contain policy recommendations. I said my funders wouldn't buy that, they wanted at least some policy-relevant research, indeed that they wanted 'policy' in the title of the organisation. The best we could do to avoid being labelled with a political bias was to create a 'broad church'. With many researchers and a wide range of views represented, no reasonable observer could say that CEPR as an institution had any policy positions. On the whole, that has worked. Meanwhile, Marty himself has been

known to write in an NBER Working Paper the equivalent of 'under policy X, the following 10 terrible things are likely to happen...'

All this should suffice to demonstrate, had you not realised it, how great has been the NBER's international reach and impact during the Feldstein era. Many other economists working outside the US will share my great appreciation of this contribution and will join me in wishing him and the Bureau a '*bonne continuation*'.

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