

ANALYTICAL SUMMARY

Angel GURRÍA

“The OECD at Fifty: Past Achievements, Present Challenges and Future Directions”

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The OECD is now celebrating its 50th anniversary and, as with our own lives, this milestone is an opportunity to reflect on our past achievements. There have been many successes and in this article I will highlight some of them and the impact they have had on our member and partner countries. The account of our achievements must, however, go hand in hand with a reflection on the future challenges which the OECD will be facing in the years to come.

José A. NIETO

“Spain in the OECD: Advances towards the Welfare State”

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This paper analyses the contribution of the OECD to the establishment of the Welfare State in Spain. The first section sets out the main issues under study. The second section addresses the differences between the OECD's method of operation and that of other major international organisations. The third section proposes an approach to the analysis of the OECD's influence on Spain, highlighting the variables that exert the greatest impact on the Welfare State (unemployment, health, pensions, dependence and education), as well as the general framework of economic and social policy, and of the policy of development aid. The fourth section focuses on the evolution of the OECD and on the impact of its recommendations on social policies in Spain. The final section emphasises the landslide of the OECD towards the neo-liberal paradigm, which is why its peer review processes, as well as its influence on member countries and the vision of the ongoing process of globalisation are increasingly similar to those of other international organisations.

Jonh WEST

“The OECD and Asia: Worlds Apart in Today’s Globalization?”

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When the Organisation for Economic Co-operation and Development (OECD) was created half a century ago in 1961, its members accounted for the lion’s share of the world economy and that remained the case for almost three decades. Major international developments occurred from the late 1980s like the end of the Cold War; and the return of stability, open markets and democracy to Latin America. But the OECD countries’ global economic predominance was only really challenged by the rise of East Asia through its export-oriented growth strategies.

The OECD responded to all these developments by inviting countries to join the Organisation and participate in outreach activities. But what is striking in this opening of the OECD membership is the lack of a visible presence of Asia and a growing “eurocentricity”. The OECD’s membership has grown by 10 countries (to 34) over the past 17 years, but only one of these new members (Korea) comes from Asia. Based on current trends, the OECD seems condemned to represent an ever declining share of the world economy.

As the OECD enters its second half century, it is very much at a crossroads. This paper argues that for the OECD to be a more effective and legitimate player in global governance, it needs to make a major and immediate effort to recruit large Asian countries as members, even if it means adopting a more flexible approach to membership criteria and adapting the organisation. While Asia’s leading economies would have much to gain from joining the OECD and accepting and committing to the Organisation’s policy standards, the OECD has to recognize that the global financial crisis has brought the “Western brand” (which the OECD represents) into serious disrepute. This underlines the argument for greater flexibility with respect to membership criteria.

Aynsley KELLOW and Peter CARROLL

“Australia and the OECD”

Revista de Economía Mundial 28, 2011, pp. 93-112

In this paper we describe the accession of Australia to the OECD, discussing briefly some of the reasons for its reluctance to join the Organisation. We then assess both the significance of the OECD for Australia and the contribution Australia has made to the evolution of the Organisation, including its role in budgetary reform in the past decade.



Judith CLIFTON and Daniel DÍAZ FUENTES
“The New Political Economy of the OECD in a Context of Shifting World Wealth”
Revista de Economía Mundial 28, 2011, pp. 113-142

For decades, the OECD constituted an economic and political “club” of Western countries focused around the transatlantic axis. Today, it faces unprecedented challenges as the world economy shifts to the East and the South. In response, the OECD is undergoing meaningful reform: it is becoming more inclusive by broadening out membership, whilst taking a more open-minded approach to policy, recognising there are more ways to economic growth than the “OECD way”. The OECD needs to engage the new economic players, but do they really need the OECD? Using primary data, official documents, semi-structured interviews with high officials and secondary sources, this paper evaluates the prospective roles the organization could play in international economic governance at the beginning of the twenty-first century.

Miguel A. ALONSO, Philipp BAGUS and Juan Ramón RALLO
“The Subprime Crisis in the Light of the Austrian Business Cycle Theory: Credit Expansion, Decision Errors and Moral Hazard”
Revista de Economía Mundial 28, 2011, pp. 145-174

The first global financial crisis of the 21st century, known as the sub-prime crisis, has led the economic profession to get back to two theories that *prima facie* seem to match the evolution of events of the past years: Hyman Minsky’s “financial instability hypothesis” and the Austrian business cycle theory (Ludwig von Mises and Friedrich A. von Hayek), also named as endogenous monetary business cycle theory. In contrast to the view of Minsky that regards the capitalist system as inherently unstable, this article presents the endogenous monetary business cycle theory as a theoretical and conceptual framework that allows to differentiate between periods of sustainable economic growth (sustained by a prior increase in real savings) and periods of unsustainable growth (stimulated by the process of credit expansion in an environment of loose monetary policy) that result in economic bubbles and business cycles. This theoretical framework is then used to explain the current economic and financial crisis.

José Ignacio ANTÓN and Miguel CARRERA
 "Excluded or Included? Socio-economic Deprivation among Ethnic Minorities in Chile (1996-2006)"
Revista de Economía Mundial 28, 2011, pp. 175-204

The aim of this paper is to provide a comprehensive analysis of the socio-economic position of indigenous groups in Chile, filling an existing gap in the literature on indigenous population in Latin America, more focused on countries with a higher presence of aborigine population. First, it is found that both moderate and severe poverty are more acute among indigenous than among non-indigenous citizens. Second, these results also apply when using measures of non-monetary deprivation, like unsatisfied basic needs indicators. Nevertheless, income polarization by ethnicity is not high. Third, there have been large improvements in the living conditions of indigenous people, most of them even more substantial than among the rest of population. Therefore, it cannot be concluded that Chilean indigenous group have been marginalized from the remarkable economic prosperity experienced by the country during the last years.

José María LARRÚ
 "The More, the Better? Reflections around the Quality of Spanish Development Cooperation"
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Spanish ODA has risen by 20% per year since 2005 and reached 0.45% of GNI in 2008. The article analyses specific quality indicators that should be linked to such remarkable increases. Several positive aspects are identified, such as the upholding of administration costs, a lower share of tied aid and positive developments in some quality indicators connected to the Paris Declaration. However, Spanish ODA is rather volatile and it is even allocated to countries ruled by dictatorships and high corruption levels. There are almost no public evaluations available that show quality improvements on line the remarkable quantity improvement.

Carmen RAMOS and Sergio SOZA
 "The Aggregation in the Input-Output Model: A Review from the Perspective of the Branches That Do Not Join"
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European countries data has been reviewed, in this paper, in order to review how the aggregation of an Input-Output Table influences on the multipliers and linkages of the branches that do not join themselves. These facts let us that



the following hypothesis were answered: "A higher level of aggregation, the different linkages of the non put into branches are affected in a systematic and defined way".

It is concluded that the results depend on the relative weight of the non linked coefficients regarding to the linked one, therefore the multipliers or linkages can present accumulative, oscillating or diminishing effects.

Antonio Luis HIDALGO

"Political Economy of Development. The Retrospective Construction of an Academic Branch"

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In this article we have tried to construct the Political Economy of Development as an academic branch in a retrospective way. We did it by the identification of the main authors and works about development since the Second World War and registering them into different schools.

We assumed as hypothesis that there are at least seven schools of Political Economy of Development and we have identified their main characteristics, authors and works. The result is an academic branch that has evolved along seven different and competitive paradigms during almost seventy years. These are the Modernization School, the Structuralist School, the Neo-marxist School, the Neo-liberal School, the Neo-institutionalist School, the Islamist School and the Alternative School.

