The OECD experts and the "crisis" of keynesianism: the McCracken report (1975-1977)
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One of the OECD's “neo-liberal turning points":

- episode which happened in the second half of the 1970s
- one moment in the ideational transformation of this organization, retrospectively labeled as a “neoliberal” or “monetarist” turning point
- the drafting and publication of an emblematic general report:

  *the McCracken report*
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The McCracken report was released in 1977:

- After two years of intense debates, in the context of “stagflation” among Western economies
- A year ahead of the second oil crisis of the decade

- Official title: “Towards full employment and price stability”
- Unemployment, growth, fiscal and monetary policies, innovation.

- The key point is about stagflation and the critique on the Phillip's curve (Phillips, 1958 ; Friedman, 1968; Phelps, 1968; Lucas, 1972)
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1. Research material:
   - original archives: verbatim of the meetings, drafts and preliminary studies, correspondence
   - retrospective interviews: Marris, Gass, Chesnais, McCracken

2. Methodology:
   - to reconstruct the making of the report, the collective writing process (Gayon, 2009)
   - to suspend considerations about the final content of the report and the different readings of the report (ex: Keohane, 1978)

→ to reconstitute the internal and external dynamics of this writing process: intellectual debates, powerplays in the OECD
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3. Sociology of report
- the report as a **field of investigations**, and not simply as an inert document to read and interpret
- the report as a “**social form**” (Elias, 1970), as a “**bureaucratic space of enunciation**” (Bourdieu, 2012).

4. Main lines of research:
- the **formation** of the expert's group
- the **composition** of the group
- its **relations** with the Secretariat general
- its **relations** with external persons or institutions: journalists, governments
5. The status of the McCracken report in the range of OECD's report


- **Working papers**: published on specific issues, for internal diffusion, by some agents

- **Extraordinary reports**, like the *Jobs study* in the 1990s, *Better Life's Index* last year, and the *McCracken report* in the 1970s.
  - strategic issues,
  - strong commitment of **high-profile civil servants**, delegates, ministers
  - the **horizontal way to produce** between directorates,
  - the **publicity** given to the final product.
6. The order of the report in a context of doubts and uncertainty

- The McCracken report was commissioned by the Secretary of State Henry Kissinger in late 74.

- The unsolved “stagflation problem”

- Incapacity to prescribe solutions

- First rattle of the routinized lines of macroeconomic and political prescripts in the OECD

→ the report delegated to a group of experts the responsibility for the diagnosis and the solutions to be prescribed
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7. Composition of the Group: properties of orthodoxy

Selection process poorly documented in the archives

**Nine members:**
- male, mature (born between 1911 and 1932)
- PhD in economics or professorship (7/9)
- OECD experience as consultants (5/9)
- all the main countries of OECD are represented
- highest executive position: minister, central bankers
OECD's press staff:
- Insistence of their **academics credentials**, “technical” skills and experiences
- **No precisions on the member's political tendencies** and their partisan activities

→ **a neutralization process** of the members' profile

→ **“properties of orthodoxy”** (Lebaron, 1997) of the group: experts came from the financial sub-field of their national bureaucratic field
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Paul McCracken's profile

- Harvard alumnus
- PhD dissertation in front of Alvin Hansen, J.A. Schumpeter, G. Harberler
- Former chairman of Council of Economic Advisers (CEA) under Nixon administration
- Well-known for his cautious, pragmatic conception of supply-side economics
- Co-founder of the American Enterprise Institute
8. The definition of a middle-range position

- no Cambridge Keynesian economics (Matthews)
- no German monetarist viewpoint (Giersh)
- no radical neoliberalism à la Lucas
- nothing against the “neoclassical synthesis” on unemployment and inflation problems
- nothing for a more socio-political analysis of inflation or unemployment (Kalecki, Robinson)
- nothing about the construction of a new Bretton Woods to manage the monetary disorder and the reemergence of global finance (Bancor)
- nothing about a redefinition of growth and well-being of Nations (Club de Rome)
9. A contradictory political platform

- to extend and save old keynesian recipes: the defense of a “demand management” policies following a “narrow path” to avoid inflation

- to open new ways of economic thinking inside the OECD: the Friedman « adaptative expectation » on the inflation problem

10. Incoherence as a strength

- the McCracken report constituted a wait and see position

- this position is constructed during the writing process
11. The writing process and the « limits of acceptable »

Political, scientific, and bureaucratic constraints perceived by participants

- Constraints as interactions and direct pressures

- Constraints as “adaptative expectations” of the OECD's civil servants and experts at different key moments of the writing process

→ they set the limits between the « thinkable » and the « expected acceptable »
12. Key moments of the writing process:

- the **order of the report** (US State Secretary)
- the **head of the experts's committee** (former chairman CEA)
- the **one and only informal presentation of the draft** (US Congress Joint Committee)
- the **media of reference** (WJS, FT)
- the **struggles in the US economics field** (Friedman vs. Samuelson)
- the **context of Carter's investiture and the newly CEA**

→ external influences, inputs and internal expectations in the same direction: reveal the influence of USA in the OECD cenacle
Thank you for your attention.