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On the Shoulders of Giants: Tracing Back the Intellectual Sources of the Current Debate on “GDP and Beyond” to the 19th Century

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JEL A13; B16; E01

GDP; well-being; quality of life; sustainability; indicator systems.

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Summary

An eternal motive of human existence is the search for guidance. While values and beliefs retain their high relevance, today's enlightened societies also tend to rest their aspirations and decisions on the actual facts and on a sober assessment of possible courses of events emerging from different choices. Given the complexity of modern life, it is by now well understood that this strategy requires objective, comprehensive and accessible statistical reporting. Today, the desire to provide such a valuable basis for individual decisions and policy-making finds one of its most important expressions in the international debate on “GDP and beyond”. In contrast to similar efforts displayed in previous decades, the current projects emphasize sustainability issues and focus on the accessibility of the information, using modern tools of measurement and presentation. Yet, there is ample evidence that even by the mid-19th century economists aspired to use the objectifying power of statistical analysis as an instrument to improve policy-making and to achieve societal progress. Many of the approaches entertained today have thus to be viewed as an extension of attempts started at that time.

Sustainability of Public Debt in Germany – Historical Considerations and Time Series Evidence

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JEL H62; H63

Cointegration; impulse response functions; public debt; structural breaks; sustainability; unit roots; VAR; VECM.

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Summary

We analyse German public finances against a theoretical background using a unique database, retrieved from multiple sources covering the period between 1850 and 2010. Multiple currency crises and force majeure offer anecdotal evidence contradicting the historical perception of Germany being the poster child of European public finance. Given these corresponding breaks in time series, the empirical analysis is conducted for the sub-periods 1872-1913 and 1950-2010. In addition to anecdotal historical analysis, we conduct formal tests on fiscal sustainability, including tests on stationarity and cointegration and the estimation of Vector Autoregression (VAR) and Vector Error Correction Models (VECM). While we cannot reject the hypothesis that fiscal policy was sustainable in the period before the First World War, the tests allow for a rejection of the hypothesis of fiscal sustainability for the period from 1950 to 2010. This evidence leads to the conclusion that Germany's public debt is in dire need of consolidation. Albeit constituting a much needed reform to this development, the incompleteness of the German debt brake and fiscal federalism will have to be addressed in the coming years, in order to ensure that fiscal consolidation actually takes place – for the sake of public debt sustainability.

Recurrent Price Index Problems and Some Early German Papers on Index Numbers

Notes on Laspeyres, Paasche, Drobisch, and Lehr

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JEL B16; C43; E31; E52

Index numbers; Laspeyres; Paasche; Drobisch; chain indices; unit values; inflation; geometric mean; time reversal test; index theory; pure price comparison.

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Summary

With Laspeyres, Paasche and other authors such as Drobisch and Lehr, Germany made quite a promising start in index theory in the last decades of the 19th century. However, it soon lost ground after this period, which is described in this paper. The focus is not on biographies but on controversies where these persons acted as opponents and developed the views for which they are well known. The issues selected are primarily those which are still interesting and controversial today, e.g. the merits and demerits of certain index formulas, the definition and updating of weights, “pure” price comparison vs. chain indices etc. However, in order to aid a better understanding of how Laspeyres etc. arrived at their index formulas and views about the purposes index numbers should serve, some attention is also given to the typical disputes and prejudices of that time (e.g. regarding inflation under the regime of a gold currency).

From the Zollverein to the Economics of Regionalism

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JEL F15; N93; B00

Zollverein; customs union; economics of regionalism; European integration; preferential trade; sequencing.

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Summary

The paper is a contribution to the special issue “150 years Journal of Economics and Statistics”. The starting point is a series of articles on the nature and the history of the German Zollverein by Gustav Fischer in the early volumes of the Journal. Both the perception of the Zollverein and the economics of preferential trade are traced over time. The focus is on the analogies between the Zollverein and the European Community and on the expansion of the Zollverein in view of the modern theory of sequencing in forming a trade bloc.

The Relevance of Census Results for a Modern Society

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JEL J10

Census; register-based census; population; system of national accounts; gross domestic product (GDP); fiscal policy; administrative register.

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Summary

Population censuses have been conducted for thousands of years and they are one of the bases of any official statistics. By giving a detailed overview of the structure of a country's population at a specific point in time, they provide one of the most important parameters for political action.

In addition, in modern statistical systems, population censuses are the data basis for a variety of further statistical information, such as intercensal updates of the number of inhabitants. They provide the basis for the statistical fields which either describe the population or in which population data are integrated. Furthermore they allow drawing reliable population samples and performing qualified extrapolation of sample results.

This article focuses on the relevance of censuses in general and, more specifically, of the current 2011 Census in Germany. Following a historical overview in the first part of the article, the second part describes the various definitions of "population", the relevance and issues of defining the survey unit and of operationalising concepts of variables. In the third part, some examples illustrate various areas that are relevant for statistics and social policy and for which the 2011 Census will provide information, while the fourth part provides an outlook on how the census can be developed further, both in terms of methodology and contents.

Celebrating 150 Years of Analyzing Fertility Trends in Germany

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JEL J10; J11; J13

Fertility; Malthus, Q-Q trade-off, self-regulation; total fertility rate.

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Summary

Ever since the very beginning of the *Journal of Economics and Statistics* population economics has featured prominently in the *Journal*. Fertility naturally plays an important role in population economics. However, the level of German fertility has decreased significantly from the 1900s. The paper documents and analyzes the long-term development trends. We identify three different explanatory approaches for the decline in fertility according to which the various articles of the *Journal* related to this area are categorized. The paper also investigates fertility studies published by the *Journal* since the beginning. It points out that several articles anticipated subsequent research directions in the area of population economics at an early stage. In addition, significant contributions were made to improve and develop existing knowledge and understanding. Thus, the *Journal* has helped to expand the research area of population economics.

Monetary Theory and Monetary Policy: Reflections on the Development over the last 150 Years

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JEL B22; E42; E52

Monetary policy; history of economic thought; monetary policy regimes; German monetary history.

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Summary

In this paper, we provide some reflections on the development of monetary theory and monetary policy over the last 150 years. Rather than presenting an encompassing overview, which would be overambitious, we simply concentrate on a few selected aspects that we view as milestones in the development of this subject. We also try to illustrate some of the interactions with the political and financial system, academic discussion and the views and actions of central banks.