The Romanian-American Seminar on problems of input-output analysis

The State Planning Committee, in collaboration with the International Centre for Economic Management Studies sponsored by the National Council of the Y.M.C.A., organized in Bucharest, from September 8th to 18th 1969, a Romanian-American Seminar on problems related to the drawing up and use of interbranch balances.

The American delegation included experts from Government institutions, research institutes, businessmen and representatives of the Y.M.C.A.; based on their activity and thorough knowledge of problems regarding the input-output analysis, they were in a position to share their experience in this field. On behalf of Romania, the Seminar was attended by experts from central institutions, research institutes, university staff and by economists working in various enterprises.

The reports submitted during the Seminar provided a basis for discussing specific problems concerning the interbranch balance.

Thus, the U.S. experts described the method used in developing the three interbranch balances for the years 1947, 1958 and 1963, drawn up by Government institutions, based on information collected and processed during the respective industrial censuses, the time required for drawing up each balance being five to six years.

As to the method used in order to make the interbranch balance reflect the interdependent processes, which also conditions the size of the balance, American experts considered the Romanian trend towards using a 80- to 90-branch classification, as a positive achievement. The 1958 American interbranch balance had a similar size, while the 1963 balance included 400 branches. The high degree of detailing which characterizes the 1963 balance is due to the needs prescribed by the complexity of U.S. economy, by the requirements of big companies to obtain as detailed data as possible on the interdependencies created in U.S. economy and was enabled by the experience gained by the United States in this field.

The need for more numerous interbranch balances, spaced by relatively short time intervals, is the prerequisite for deriving the characteristic trends existing in the economic structure, in branch and interbranch relationships diversification and, above all, in order to make the necessary data available for technical coefficients updating. The problem enjoyed a particularly careful consideration, both in the reports submitted and during the ensuing debates. It was particularly pointed out that the relatively wide interval between the periods subject to an interbranch balance development, as well as the time needed for their processing, require the updating of consumption coefficients, so as to ensure their most accurate agreement with the technical progress and with production structure.

The design, depending on the plan and based on the input-output method, has been carried out by American experts in accordance with the changes which have occurred in the structure of coefficients during the time elapsed since the data recording in the statistical balance, up to the moment it is used, as well as according to estimations of the probable progress of coefficients in the future.

Another problem which was largely debated during the Seminar, was the interbranch balance utilization in macro-economic analysis and planning, both at the national economy level and at the branch and enterprise level. It was thus emphasized that besides the surveys carried out concerning American economy structure, the implications associated to the changes of economy structure in various fields, a.s.f., an increased attention is lately bestowed upon interbranch balance uses for predictive research at the macro-economic level. Such researches were designed in a project on the development of U.S. economy during the seventies and eighties, which includes complex estimations regarding the development of relationships among industrial branches, the evolution of demand for production means and for consumer goods, the utilization of manpower, the evolution of foreign economic relations, a.s.f.

Various industrial branches utilize the input-output analysis in order to study the technological changes, the market trends, for estimations concerning the requirements of a specific product for consuming branches, etc. On this basis, productive organizations adjust their production according to demand, make decisions regarding the territorial laying out of plants and warehoses in the neighbourhood of major consumers and take the necessary steps in order to deuelop sales and reduce costs.

The revorts referring to economic process modelling, as well as the debates which took place aroundp this subject pointed out the significance attached to the design of economic development models, by emphasizing the dependency existing between the expressivity of models on the one hand and their aggregation degree, on the other. The accuracy of predictions depends on an as analytical development of models' constituent parts as possible, while the complexity of model design and processing is greatly increasing with the trend towards their detailing.

A special attention was bestowed on the debates referring to a system of predictive models, supplying criteria for decision making during long-term planning. It is worth mentioning that these models allow the simulation of predictable economic processes and can le used at the enterprise and territorial unit level, as well as at the national level.