

Report on Additional Society Journals
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1. The 2005 Report and Executive Committee Meeting

Following a discussion of the earlier report prepared by Lars Peter Hansen, Matthew Jackson, David Levine and Robert Porter and entitled a ‘Proposed Plan for Additional Society Journals’¹, the 2005 World Congress meeting of the Executive Committee discussed the matter of New Journals. This matter was also discussed at the Fellows meeting also held at the congress. The Executive Committee noted that there was a case for the introduction of new journals but that there were also a number of important reservations raised by some Fellows and among the membership more widely. These reservations were especially among those with research interests in econometric theory.

The Executive Committee noted the enthusiasm among many theorists about having the Econometric Society take over the new electronic journal Theoretical Economics, and expressed openness to this option. There was further discussion about the scope of a prospective second journal, with the focus being on theoretical or applied econometrics or both. However, the Executive Committee expressed its sympathy for the 2nd (or nth) journal being from some other field than econometrics – e.g., “Quantitative Economics” broadly defined to include computational methods, quantitative assessment and substantive economic applications with a quantitative focus.

It was agreed that if new journals were to be introduced there would have to be at least two. These journals would have their own editors appointed by the Executive Committee. They would be published electronically and they would be open access. It was also agreed to solicit opinions of members about the wisdom of starting new journals to be published by the Econometric Society in specialized subfields.

2. The 2006 New Journals Discussion Forum and Executive Committee Meeting

Following the decision to solicit opinions of members, a New Journals Forum was established on the Econometric Society website. The forum ran from March until end May 2006. There was active participation across a range of the membership and opinions were diverse, some endorsing the proposals in the 2005 report and others challenging them.

At the August 2006 meeting of the Executive Committee in Vienna, the new journals issue was discussed again. It was agreed that further analysis was required before

¹ <http://www.econometricsociety.org/ecta/allreports/levine.pdf>

reaching any final decision. It was also agreed that it would be useful to assess the impact of the new AEJs.

It was agreed that Richard Blundell, Lars Peter Hansen and Torsten Persson would form a sub-committee to follow up these recommendations and report back to the Executive Committee in due course

3. Alternative Structures for New ES Journals

If new journals were to be started there is a strong argument to ensure they are not too narrowly focussed and reflect the broad scope of the Econometric Society. We would also like the any new journals to explore and experiment with new research frontiers. Thus, we would like to think about the journals as complements to *Econometrica*, rather than merely an additional outlet for papers just below the marginal *Econometrica* publication.

New journals would require a huge commitment and effort by each of the new editorial teams. Moreover, we would be following in the footsteps of the creation of a new journal by the European Economic Association and several new journals by the American Economic Association. We therefore think it sensible to try and define as clearly as possible the potential scope of the journals. We also began to think of what kind of people might take the important initial steps in getting these journals off to a productive start. (Specific names, as further illustrations of our thinking about the scope of the new journals, will be brought up in the Executive Committee meeting.)

In the light of this, we developed two scenarios: a preferred two-journal proposal and an alternative three-journal proposal.

3.1 The Two-Journal Case

This proposal encompasses two broad journals, one with a base in economic theory and its applications, and another with a base in quantitative methods and applications broadly defined.

1. ESJ Theoretical Economics

The aim of this journal would be to cover theoretical research in economics, either in pure theory or in applied theory on topics within various fields, such as microeconomics, macroeconomics, behavioral economics, IO, political economy, and growth.

One idea here would be to join forces with *Theoretical Economics*. The society behind that new journal is likely to support such a move and be willing to include applied theory.

2. ESJ Quantitative Economics.

We have little sympathy for replicating the aims of the Journal of Econometrics or other existing econometrics journals. Instead, the aim of the journal would be much broader, namely to cover econometric theory, computational methods, and empirical applications (based on classical or Bayesian estimation, computation or simulation) within various fields such as finance, macroeconomics, labor, IO, or development.

It would be good if such a journal could attract the best quantitative research on economic dynamics. For instance, the research based on dynamic, stochastic models has necessarily become computational in nature. Instead of establishing qualitative results, it aims at using reliable numerical methods to construct and analyze solutions. The substantive aims include the provision empirically-grounded, reliable quantitative answers to policy questions as well as a deeper understanding of the quantitative implications of economic models. Thus, the work in such a journal would go beyond the scope of standard econometric methods and explore much more than issues of statistical inference.²

Pros and cons

On the positive side, with applications in both journals and two broad editorial teams, the journals will be distinct and unlikely to become too narrowly focused. On the negative side, the attempt to mix up method-oriented and applications-oriented research may entail the risk that neither theorists nor applied researchers will submit their best papers. A field like experimental economics may feel that it does not have home in either journal. In a sense it is quantitative, but it also complements research in game theory and decision theory.

3.2 The Three-Journal Case:

This proposal instead would go for three broad journals

1. JES Theory

The first journal would be devoted to theory, as well as some applied theory. It would also include macro theory, including some ‘quantitative theory’.

2. JES Econometrics.

As mentioned above, narrowly defined econometric journal without an important application component may not be a very attractive journal for the ES to endorse. Therefore this journal should feature not only methods, but also some of the very best quantitative research with an econometric orientation, such as empirical structural labor and IO models.

² Even within econometrics, *Econometrica* has been slow to pick up e.g., on the now extensive literature that uses numerical, simulation-based methods of Bayesian inference. This is but one example of how a new journal with more latitude to experiment with new topics could become a useful complement to *Econometrica*.

3. JES Applications.

The third journal would include applied work across a broad set of fields.

Pros and cons

On the positive side, the broader scope of the whole endeavor would be clear. Off-setting this, JEST and JESE could become too narrowly focused, at least in the eyes of submitting authors. Envisaging where to draw the line on empirical application, e.g., between JESE and JESA is difficult. In the two-journal option this seems less of a concern.

4. Relation to Other New Journals

The new journals envisaged here are quite distinct from the new journals started by other major societies. JEEA, started by the European Economic Association in 2003, aims to be a high-quality general-interest journal. The four AEJs, to be introduced by the American Economic Association in 2009, will become 'broad field journals', drawing traditional lines such as the one between micro and macro. The theoretical/quantitative economics distinction in the two-journal proposal above is different, emphasizing instead the orientation of research. As a result, e.g., each of the two journals will include a mix of microeconomic and macroeconomic topics. This kind of journal structure would seem to fit well with the general mission of the Econometric Society.

Whichever way the aims of the new journals are formulated, however, it is probably unavoidable that the new AEA journals will compete for papers in the same pool of high-quality research that the new ES journals would attempt to tap.

5. Editorial Remunerations and Financing

Financially, the society is in good shape and could afford to offer reasonable support for the introduction of new journals.

The remuneration of editors varies widely across venues, even among non-commercial society-based journals. Some editors, such as those of *Theoretical Economics*, provide their services for free. At the other end, the editors (but not the co-editors) of the new AEJs will earn far more than the editor of *Econometrica*. If new journals are started up, it will be crucial to find the right balance between enthusiasm for the task and financial reward. At issue is not only the relation to other journals, but also the appropriate structure of compensation relative to *Econometrica*. These questions need careful discussion.

6. Conclusions

The introduction of these journals would bring the Econometric Society more into the mainstream and promote the interaction between theory, econometrics and empirical work thus furthering the general objectives of the society. Together with the other start-ups, it may also help the wider goals of promoting open access publishing and diminish the dominance of commercial publishers in economics. As already mentioned, if new journals are to be started we favour the alternative with two broad journals, which is described in Section 3.1.

There are a number of concerns. First, the introduction of the four new AEJs will change the journal market quite a bit, both in terms of the ability to attract good papers and also the ability to attract good editors and referees. In particular, it will likely increase the cost to the society of creating high quality new journals. Second, the lack of broad based enthusiasm from the econometric theory side of the membership could make the whole process look 'top-down' and generate internal tension. We agree with concerns expressed by others that there is little need for a new journal based on econometrics narrowly defined. A new quantitatively oriented journal should aim for something different. Third, it is imperative that we avoid diluting the quality of the flagship journal of the society.

If the new journals are to go forward, we need to address the following issues:

- a) How much financial support from the society will be required?
- b) Should we proceed sequentially? For instance, should we go forward with the ESJ: Theoretical Economics while exploring further the scope of the ESJ: Quantitative Economics?
- c) What procedures do we put in place in initiating a new journal or in taking over an existing one?

In regard to b), there is a fear that proceeding sequentially will send out the wrong signal about the mission of the Econometric Society. On the other hand, it is clear that to proceed with both journals will require substantial additional efforts on the part of the Executive Committee, or some appointed subcommittee, in designing the quantitative journal and recruiting appropriate editors.

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