

Proposed Plan for Additional Society Journals

Lars Peter Hansen, Matthew Jackson, David Levine, Rob Porter

Summary

We propose that the Econometric Society create two new specialty journals. One would be focused on economic theory, both pure and applied. The other would focus on methods and applications, including theoretical econometrics, applied econometrics, computational economics and experimental economics. It is the committee's view that at least two specialty journals need to be created simultaneously; to create only one would effectively make it “Econometrica B,” not a plan we favor. Our expectation is that the number of submissions will quickly grow to the level of *JET* and the *Journal of Econometrics*. The editorial boards should be sized accordingly, but the details of how big and who should be on the boards should be resolved by the Executive Committee. These editorial boards should be independent of each other and of *Econometrica*. “Trickle down” submissions to *Econometrica* should not be encouraged, but if authors choose to resubmit papers rejected from *Econometrica* to the specialty journals, the editors of those journals should have access to the *Econometrica* referee reports.

The new journals should be available both online and in print, and should be sold as a package with *Econometrica* to libraries. The price of the library package would be raised to cover the additional costs of running the new journals. Individual members of the society could choose to subscribe to the print version for an extra fee (this is how the *American Economic Review* handles the journals that they have added to their collection). The online version of the journal should be available as an open access journal, meaning no special permission is needed to view or download pdf versions of the articles. A modest submission fee (to the new journals only) should be charged to help cover the reduced demand for the print version due to providing open access to the electronic version. It is the view of the committee that over the long-term *Econometrica* also should move to open access. The new journals will be a first step in the direction, and should be combined with increased password free access to older issues of *Econometrica*.

One journal would be called *Econometrica: Theory*, the other would be called *Econometrica: Methods and Applications*.

Background

Economics Journals

Scientific journals historically have provided a number of services

- Certification – assuring the quality of published papers; their correctness and their significance. Journal certification is widely used by promotion committees in academic

promotions, and by readers as a short-hand way of determining whether a paper is worth reading.

- Editorial – improving the quality of manuscripts. Economics journals provide a much lower level of editorial input than in the hard sciences, as far as professional editorial services are concerned. Moreover, the role of editorial support is controversial in economics. The former editor of *Econometrica*, Glenn Ellison provided data that shows that as measured by number of revisions that the amount of editorial input has been increasing over time, and argues that it has not led to an improvement in the quality of published manuscripts commensurate with the effort and delay.
- Distributional – making research available. The importance of this function has been diminishing over time. With the advent of cheap xeroxing, wide distributions of copies of working papers replaced the distributional function for specialists in particular fields. With the advent of the Internet, working papers are more available and easier to find than published papers. However, not all authors have websites, and some authors continue to remove papers from their websites after publication.
- Browsing – by providing readers with handy volumes of papers, it reminds them to take a look at the latest research. However, as publication lags have increased, and online distribution becomes more common, the value of this function is probably diminishing.
- Archival – this is a service traditionally provided by libraries; but evidence suggests that even as the importance of maintaining long-term archives has increased because of the intrinsic impermanence of the Internet, libraries have also been losing interest in this function. As an alternative to bound volumes on acid-free paper, multiple mirrors of internet archive sites are an attractive alternative. Although JSTOR has in many ways outlived its original usefulness and function – it might be possible to transition it to a purely archival role in the future.

Looking at the function of journals – an online journal with appropriate archival facilities or contracts – can serve all of these functions. An important issue we discuss below is that of open access – that is allowing unrestricted access and redistribution of articles – with revenue generated by submission/publication fees rather than subscription revenues. This exploits the internet distributional technology.

Impact on *Econometrica*

Econometrica has been a very influential journal in the past, and it is our hope to encourage this in future, while confronting the increasing specialization within economics. As economics has become more specialized, *Econometrica* has looked more and more like a theory journal and an econometrics methodology journal pasted together but serving different clientele. Combining theory and econometrics in pursuit of good applied problems remains an important aim, even though it is rarely achieved in single papers. This is a tradition that we seek to encourage, while continuing to reach out to a broad audience of economists. By having additional outlets for more specialized papers, it is our

aim to have *Econometrica* focus on important papers of interest to a broad set of readers. Of course, relative to other top journals in economics, *Econometrica* will remain more formal and more methodological. However, high quality technical papers with a more narrow audience will find a natural home in one of the two new journals.

Existing Specialty Journals

Historically, *Journal of Economic Theory* has been a very strong second to *Econometrica* and has had a preeminence among specialty journals not matched by specialty journals in other areas of research. For a brief period of time there may have been more significant theory papers published in *JET* than in *Econometrica*. When Stigler et al used citations to compare top journals in 1995 not only did *Econometrica* invariably finish first, but *JET* generally finished fourth.¹

In econometrics, no journal has risen to the level of *JET*. *Journal of Econometrics* is probably the most prominent. *Econometric Theory*, the *Journal of Economics and Business Statistics* and the *Journal of Applied Econometrics* have never risen to *JET*'s level. Many journals publish applied work, including the best general interest journals, but it has become increasingly difficult to publish the sort of applied research that would be submitted to *Econometrica*. At various times *RAND* may have had status similar to or greater than *JET*, but it is relatively narrowly focused on industrial organization.

We should emphasize the importance of specialty journals. One role, of course, is to provide an outlet for high quality papers of insufficiently broad interest for the general readership journals. One reason, however, that both *JET* and the *Journal of Monetary Economics* did extremely well in the Stigler et al study is that they published what later turned out to be very significant papers that could not get into top journals. For example, much of the early real business cycle work was published in the *JME*. The *Rand Journal* and its previous incarnation the *Bell Journal* played a similar role in industrial organization. The top journals tend to be conservative in publishing papers in new areas, and the specialty journals have historically played an important role when new lines of research have opened up.

Other Efforts

It should be mentioned that there is currently an effort to found a new open access theory journal – *Theoretical Economics* – involving a number of people from the Society, including one committee member, and several officers. Competition may weaken the rationale for entry by the Society – but competition is also good for quality and success of both enterprises. There are temporizing possibilities – absorbing *Theoretical Economics* –

¹ Stigler, George J., Stephen M. Stigler and Claire Friedland [1995], “The Journals of Economics,” *Journal of Political Economy*. The tables on page 336 report a raw citation measure of journal quality, and those on page 346 report a weighted measure preferred by the authors. In both cases, *Econometrica* is first and *JET* fourth.

as the new society journal, or waiting to see what happens. However, it needs to be recognized that the prestige of the Society gives it an advantage in this market over any other new entrant.

Rationale

Why new journals?

There are three reasons for creating new journals: the growing supply of high quality manuscripts, problems with existing journals, and enabling the Society to experiment with alternative forms of distribution.

For the growing supply of high quality manuscripts, we can give simple numbers. The sense of editors (say of *Econometrica*) is that to maintain current acceptance rates requires turning down increasing numbers of first rate papers – and indeed it is a struggle to keep acceptance rates at the current level as overall submissions continue to increase. In fact, *Econometrica* is publishing fewer (longer) papers that it used to and this is despite a significant increase in the submission rate. For example, *Econometrica* published on average 74 papers/year in the 1970s and 46 papers/year from 1990-1997.² At the same time, the number of submissions to *Econometrica* grew from somewhere between 300 to 400/year in 1975³ to between 500 and 600/year in the early 2000s⁴. So, there are more submissions and fewer acceptances. In addition, the profession has grown over this time, which correcting for the fact that submission rates tend to equilibrate, would mean that the number of good manuscripts that are being rejected should have risen even more significantly than these numbers would suggest.

As to the problems with existing journals, the ownership of the vast bulk of specialty journals by Elsevier is creating increasing tension in an academic and intellectual world increasingly dominated by the Internet. Elsevier quite intelligently takes advantage of their monopoly power to keep journals scarce and make them expensive to libraries. For example, an institutional subscription to the *Journal of Economic Theory* is now 2,498\$/year outside of Europe + Japan and 3029 euros/year for inside Europe.⁵ In contrast, *Econometrica* is 500\$/ year for an institution. The pricing by Elsevier is in conflict with the goal of the Society and academic and other economists to make research as widely available and accessible as possible. Another stark example of the difference is the relative ease with which older articles in Society journals can be found on the internet (through JSTOR) compared to the difficulty with which older articles in Elsevier journals can be accessed.

² Based on data from Ellison's [2001] "The Slowdown of the Economics Publishing Process," http://econ-www.mit.edu/faculty/index.htm?prof_id=gellison&type=paper.

³ See Ellison's [2001] chart.

⁴ 2004 Annual *Econometrica* Editor's Report.

⁵ From the Elsevier website.

Another consideration, discussed below is that by creating new journals it becomes possible to experiment with alternative financial/distributional models – most significantly open access – that may well ultimately represent the future of all society journals. However, by using new journals to experiment with, we do not risk the reputation or revenue stream associated with *Econometrica*. It is our sense that the Society, along with the American Economic Association, has a role to play in replacing Elsevier and existing specialty journals with new specialty journals – given the increasing number of good manuscripts, we think it especially important that there be outlets for specialty papers that are not controlled by a monopolistic entity.

Why two journals?

The BEPress experimented unsuccessfully with having “A” and “B” journals. This is not an idea that has been viewed enthusiastically by economists, while the idea of specialized papers being published in specialty journals has a long tradition. If we create a single new journal then it more or less by default becomes *Econometrica* B. Creating two journals in different specialized areas avoids this problem. Moreover, by having specialized journals, it is possible to use more specialized editorial resources, and provide an outlet for papers that are not general interest, but are never-the-less of great interest to more specialized audiences.

There is a significant precedent for this in other sciences. Topics journals are common in other (hard) sciences among the leading society journals. For example, the leading physics journal series is the Physical Review series. Its general interest and flagship publication is “Physical Review Letters” and then it offers a variety of field journals: “Physical Review A,” “Physical Review B,”, “Physical Review E” and several new ones. The A ... E do not refer to quality but to field, so for instance E is where the statistical physics papers are published and B is where condensed-matter physics is published.

We should also observe that experimental economics has become an important area in economics with a strong methodological component. Computational economics is in the process of becoming increasingly important in both model building and statistical inference. The new *Econometrica: Methods and Applications* journal would allow for additional contributions for both of these important areas of endeavor.

Why Theory and Econometrics?

Theory, econometrics and applied work are the three base areas of the society. Based on *Econometrica* submissions, there are relatively more submissions in theory than the other two areas, and probably not enough in either econometric theory or applied economics to form the basis for separate journals in those areas. Since intellectually there is a strong connection between econometric theory and applied economics – and much of the demand for econometric theory is among applied economists – it makes sense to combine those two areas in to a single journal. If demand warrants, they could be further split at a later

date.

Why not “trickle down” from *Econometrica*?

The advantage of allowing manuscripts to “trickle down” from *Econometrica* is that it can lead to substantial improvement in publication time and convenience to authors. The disadvantage is that it makes the new journal more like *Econometrica* B and makes their editorial boards less independent. In addition, it makes it likely that many more manuscripts will be submitted to *Econometrica* which becomes kind of one stop shopping for the specialty journals as well. On the balance the committee felt the disadvantages outweighed the advantages.

Why Open Access

Open access means that the author pays for the cost of operating the journal, and that the papers are freely available to everyone and freely redistributable. From the perspective of making scientific information available – the chief goal of the society – this seems to be the dominant mechanism.

The concern involves revenue streams – it seems unlikely that charging authors will generate as much revenue as charging libraries. Given the existing cost structure of *Econometrica* there is little desire to experiment there. But with new journals it seems sensible to adopt the new models. Ultimately the editorial services provided will reflect what authors are willing to pay. Publishing costs, especially online publishing costs – are low and dropping, so it is plausible that ultimately *Econometrica* may be able to switch to an open access model. In the meantime it seems sensible to experiment with specialty journals.

It should be noted that economists have been less publicly aggressive about demanding open access than some other sciences – but casual impressions indicate that economist also have strong feelings about the benefits of open redistribution. It is also the case that since economics journals provide a much lower level of editorial services than in other sciences – which often employ highly paid professional editor/referees – the cost of operating an open access journal is substantially lower in economics.