

THE ECONOMETRIC SOCIETY 2013 ANNUAL REPORT OF THE PRESIDENT

1. THE SOCIETY AND ITS ACTIVITIES

THE ECONOMETRIC SOCIETY IS THE LEADING INTERNATIONAL SOCIETY fostering the study and application of quantitative economics. It conducts conferences and seminars and promotes the diffusion of knowledge about recent developments in quantitative economics around the world.

The Society is undergoing transition as it becomes more inclusive and transparent. In his presidential report, Bengt Holmström (2012) chronicled the substantial changes in the rules governing the Society that were agreed on during his term. In 2013, these reforms started to be put in place. The role of the Council in governing the Society has been strengthened; *all* members (not just Fellows) have been empowered to serve on Regional Standing Committees and to vote on the membership of those committees. The co-optive nature of the appointment of officers that has characterized the Econometric Society since its creation has been attenuated, including a diminished role for past presidents in the nomination of future officers, and in shaping the future course of the society.

Regional associations are starting to implement these reforms. The Executive Committee of the Society remains committed to this transition to democratization and transparency. Expansion of the society is essential for its continued survival. Trends in real revenues from sales of its journals and other publishing income are slightly downward. Membership in the core regions of Europe and North America has been stagnant since 2005.¹

The Society has recently opened up a new region for Africa. It has launched an ongoing series of highly successful meetings in China and successful annual summer schools on game theory held in Korea, both under the aegis of the Far Eastern Regional Standing Committee. The China meetings were approved by a unanimous vote of the Executive Committee in January 2011. The Far East has been a growth area and promises to remain so as the Society expands its presence in China.

Fellowship is disproportionately low in regions outside of Europe and North America. Hopefully this will change as the society embraces a more open and transparent posture. Only by opening itself to the wider world will the Society continue to survive and prosper.

2. REGIONAL COMMITTEES AND MEETINGS

Many regions are very active. The Society is vigorously supporting expansion of activities in the regions. I list below the Regional Chairs and members of the

¹Bernard Salanié's report in the January, 2015 issue of this journal documents these patterns.

Standing Committees for each region, as well as major regional activities. For each meeting, plenary and named lectures are listed.

Regional Leadership and Meetings

Latin America Committee

Chair: Juan Pablo Nicolini (juanpa@utdt.edu)

Secretary: Juan Dubra (dubraj@um.edu.uy)

Regional Council: Aloisio Araujo, Marilda Sotomayor

Conference and Speakers

Latin American Meeting, Mexico City, Mexico, October 31–November 2, 2013

Presidential Address: James J. Heckman (University of Chicago)

Hurwicz Lecture: Francesco Caselli (London School of Economics)

Plenary Lectures: James Robinson (Harvard University) and Matthew Jackson (Stanford University)

Latin American Workshop in Econometrics, December 6–7, 2013, São Paulo, Brazil

Europe, 2013 Committee

Chair: Manuel Arellano (arellano@cemfi.es)

Secretary: Thierry Magnac (thierry.magnac@tse-fr.eu)

Regional Council: Orazio Attanasio, Martin Browning, Andrew Chesher, Jacques Cremer, Ernst Fehr, Jordi Gali, Philippe Jehiel, Ian Jewitt, Costas Meghir, Margaret Meyer, Jean-Marc Robin

Conference and Speakers

European Meeting, Göteborg, Sweden, August 26–30, 2013

Presidential Address: James J. Heckman (University of Chicago)

Fisher–Schultz Lecture: Larry Samuelson (Yale University)

Laffont Lecture: Quang Vuong (New York University)

Australasia, 2013 Committee

Chair: Andrew McLennan (a.mclennan@economics.uq.edu.au)

Secretary: Maxwell L. King (max.king@BusEco.monash.edu.au)

Regional Council: Adrian Pagan, Andrew McLennan

Conference and Speakers

Australasia Meeting, Sydney, Australia, July 9–12, 2013

Colin Clark Lecture: Debraj Ray (New York University)

E. J. Hannan Lecture: Mark Watson (Princeton University)

A. W. Phillips Lecture: Frank Smets (European Central Bank)

North America, 2013 Committee

Chair: James Heckman, The University of Chicago (jjh@uchicago.edu)

Secretary: Claire Sashi, New York University (Claire.sashi@nyu.edu)

Regional Council: Daron Acemoglu, Darrell Duffie, Drew Fudenberg, George Mailath, Charles Manski, Rosa Matzkin, Stephen Morris, Alvin Roth, Jonathan Levin, Larry Samuelson

Conference and Speakers

North American Summer Meeting, University of Southern California, Los Angeles, CA, USA, June 13–16, 2013

Walras–Bowley Lecture: Andrew Chesher (University College London)

Cowles Foundation Lecture: Matthew Jackson (Stanford University)

Samuelson Lecture: George-Marios Angeletos (Massachusetts Institute of Technology)

North American Winter Meeting, San Diego, CA, USA, January 4–6, 2013

Presidential Address: Jean-Charles Rochet (University of Zurich)

Far East, 2013 Committee

Chair: Hidehiko Ichimura (h.ichimura@gmail.com)

Regional Council: Hongbin Cai, Akihiko Matsui, Michihiro Kandori

Conference and Speakers

Joint Asia Meeting, Singapore, August 2–4, 2013

(South and Southeast Asia and the Far East Chapter hold joint meetings)

Plenary Lectures: Eric Maskin (Harvard University), Matthew Jackson (Stanford University), and Matthew Rabin (University of California, Berkeley)

China Meetings, 2013 Standing Committee

Justin Lin (justinlin@ccer.pku.edu.cn), Cheng Hsiao (chowderlad@gmail.com), Chew Soo Hong (ecscsh@nus.edu.sg)

Secretary: Ho-Mou Wu (hmwu@nsd.pku.edu.cn)

Conferences and Speakers

China Meeting of the Econometric Society, Beijing, China, June 13–16, 2013

Plenary Lectures: Yuliy Sannikov and Chew Soo Hong; Presidential Lecture (James Heckman); Invited Plenary Speakers: Rosa Matzkin, John Geanakoplos, Cheng Hsiao, Justin Lin, Hyun Song Shin, and Steven Durlauf

Summer School in Seoul, Korea, August 6–10, 2013

In-Koo Cho (University of Illinois: organizer); speakers: Michihiro Kandori (University of Tokyo), Ariel Rubinstein (Tel Aviv University and New York University), Rani Spiegler (Tel Aviv University and University College London) and Michael Woodford (Columbia University)

*South and Southeast Asia, 2013 Regional Committee**Chair:* Arunava Sen (asen@isid.ac.in)*Regional Council:* Roberto Mariano*Africa Committee (Not a Region in 2013; Now a Region)**President:* Yaw Nyarko (yaw.nyarko@nyu.edu)*Secretary:* Moses Kiptui (aes@ksms.or.ke)*Elected Council Members:* Yongfu Huang, Ibrahim Kasirye, Peter Quartey*18th Annual Conference of the AES on Econometric Analysis and Policy Challenges in Africa, Accra, Ghana, July 2013*

Keynote Address: K. Wampah (Governor, Bank of Ghana)

Plenary Lectures: Lemma Senbet (University of Maryland), Joon Y. Park (Indiana University), Yoosoon Chang (Indiana University), Yaw Nyarko (New York University), Augustin Fosu (UNU-WIDER), Seth Emmanuel Terkper (Minister of Finance and Economic Planning, Ghana)

3. ADDITIONAL REGIONAL MATTERS

The introduction of a new region, the growth in the Far East Region, and the stagnation in membership in the European and North American Regions raises the issue of how Council representation should be allocated among the various regions. In its Göteborg meeting in August 2013, the Executive Committee agreed that the threshold for membership in the Council (at least one representative) be set at 3% of total society membership at the beginning of the year of the Council elections with the threshold in subsequent years calculated at 3% of a 5-year running average starting with membership numbers in 2014. On a standing basis, the Executive Committee will review this policy before each year of Council elections.

Because of the small size and stagnant trend in Southeast Asian Region membership, the Far East Region and the Southeast Asian Region were encouraged to merge into one consolidated region in the future with Council membership correspondingly allocated to the joint region. The two regions already hold joint annual meetings. Hopefully this merger will occur soon.

Of special pride to the Society is the great success of the first Chinese Meeting of the Econometric Society in Beijing, June 13–16, 2013. The Chinese Meeting was well attended by a broad array of first-rate international and domestic scholars. A governance committee has been established. The China meetings play the valuable role of organizing collaboration in economics across Chinese universities. There is strong financial and institutional support for future meetings. Membership in China is expected to grow as the scale and quality of economics in China continues to improve.

4. COMMITTEES OF THE SOCIETY FOR 2013

Nominating Committee for Officers and Council in 2013: Jean-Charles Rochet (chair), Manuel Arellano, Orazio Attanasio, Drew Fudenberg, James Heckman, Rosa Matzkin, Marilda Sotomayor.

Nominating Committee for Fellows: Margaret Meyer (chair), Martin Brown-ing, Hongbin Cai, Aloisio Araujo, Darrell Duffie, Jean Marc Robin, Larry Samuelson.

In 2013, the Nominating Committee for Officers and the Nominating Committee for Council were combined into a single Committee. This is tangible evidence of the new reforms in action.

The composition of the committees by the FORMER rules were determined as follows:

“The President will appoint four former Presidents to form the Nominating Committee for Officers, along with the Past President, the President, and the Vice Presidents. The President will appoint one of the former Presidents to serve as Chair.

The President will appoint six elected members of the Council, none of whom is up for reelection, to serve as the Nominating Committee for the Council, along with the Officers. The Past President will serve as Chair.”

The composition of the committee by the NEW rules is determined as follows:

“The Nominating Committee consists of 7 members: the President, the First Vice-President, the Past President, and 4 Council members from at least two different regions appointed by the President. Two of the four Council members should not have served in the previous year. The Second Vice-President, the Executive Vice-President, and the Editors of the Society journals cannot be members of the Nominating Committee. The Past President shall serve as Chair. In addition to appointees chosen by the President, the Nominating Committee for Officers and Council shall include any Fellow of the Society nominated by petition of not less than 10 percent of the Fellows to be sent to the Executive Vice-President before January 31 of the corresponding year. No Fellow can petition for more than one nominee.”

5. ELECTION OF FELLOWS

19 new Fellows were elected. 12 were nominated by the Fellows Nominating Committee and 7 nominated by the Fellows themselves. One Fellow was elected from regions other than Europe or North America (from the Far East). No Fellows were elected from Australasia, Latin America, or South and Southeast Asia. 60 nominations were received, of which 47 were nominated by Fellows and 13 by the Nominating Committee. Of 457 Active Fellows, 357 voted in the election. The 78% participation rate is the highest since the adoption of the electronic voting system in 2006, setting a new record.

Endorsement by the Nominating Committee has an increasingly important effect on election to fellowship and is a cause for concern. In 2013, 92% of all Fellows nominated by the Committee were elected compared to 15% of those nominated by the Fellows. It would be fruitful to examine whether the power

of an appointed committee should be so strong, especially as the Society opens itself and attempts to become more transparent.

6. PUBLICATIONS

The Society is in good hands with the editorial staffs of its journals. *Econometrica* (edited by Daron Acemoglu with co-editors Dirk Bergemann, Liran Einav, Itzhak Gilboa, Lars Peter Hansen, Joel Sobel, and Elie Tamer) remains the flagship journal of the Society and a top journal in economics. Acceptance rates for new submissions are running at roughly 8%.

Theoretical Economics is edited by George Malait. The coeditors are Faruk Gul, Johannes Hörner, Giuseppe Moscarini, and Nicola Persico. It was acquired by the society as a thriving journal and continues to prosper. It has an acceptance rate of 15%.

Quantitative Economics, edited by Rosa Matzkin, is a work in progress. It was founded *de novo* by the Econometric Society to encourage the unification of theory and data guided by rigorous econometric methodology. Co-editors are Karl Schmedders, Frank Schorfheide, and Petra E. Todd. The acceptance rate for new submissions is 30%. Under the leadership of Rosa Matzkin, the journal is making great strides. Turn-around times have decreased and new initiatives are being planned. Papers marginally rejected by *Econometrica* receive serious consideration.

In 2013, there was turnover in the leadership of the Econometric Monograph Series. Until June 30, 2013, George Mailath was the editor for Economic Theory and Rosa Matzkin was editor for Theoretical and Applied Econometrics. Beginning July 1, 2013, Donald Andrews assumed leadership in Theoretical and Applied Econometrics and Jeffrey Ely assumed leadership in Economic Theory.

7. REMARKS ON GOVERNANCE REFORM

The recent reforms of governance are affecting the society in ways that are just beginning to be understood. A key part of these reforms is a diminished role for past presidents, and the continuity of perspective and experience that they bring to society decision making. Whether this is a desirable state of affairs should be carefully reviewed and evaluated.

As a consequence of the reforms, appointed editors, elected presidents, and other elected officers serve on the Executive Committee for equal terms of four years. The editors often participate actively as coequals in discussions of governance involving non-editorial matters, and help shape the final decisions of the Executive Committee, although they do not vote. The diminished presence of past presidents in decision making enhances the influence of non-elected editors. It may be fruitful to revisit these arrangements in the future.

In addition, the move to more active participation of the members in regional standing committees needs to be carefully monitored and actively encouraged. This is a new initiative by the society and is not yet fully appreciated by all members. It is a vital part of the society's push toward inclusion and openness.

8. TRANSITIONS AND THANKS

Hyun Shin left as Executive Vice President to go to Bank of International Settlements (BIS), Basel. After an extensive search, Bernard Salanié was offered the job and accepted. The Econometric Society is grateful to Hyun Shin for his devoted and highly competent service. The society also thanks Claire Sashi for her devoted and continuing service as General Manager of the Econometric Society. I am grateful to my fellow officers and elected members of the Executive Committee for providing support and guidance during my term of office.

James J. Heckman
PRESIDENT IN 2013